

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

17 JANUARY 2018

REPORT OF THE HEAD OF PERFORMANCE AND PARTNERSHIPS

AUDIT REPORT – Wales Audit Office – Digital Risk Diagnostic Response

1. Purpose of report

- 1.1 The Wales Audit Office carried out a fieldwork exercise May to June 2018 to identify and understand the key digital risks facing Bridgend County Borough Council. This exercise was for planning purposes and the Wales Audit Office shared the key findings with the Audit Committee on December 13th 2018 (attached as **Appendix 1**). This report is a response to key findings and messages.

2. Connection to corporate improvement objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:

- Supporting a successful economy – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- Helping people to be more self-reliant – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

- 3.1 The Wales Audit Office discussion document presented to the Committee on 13th December 2018 covered 7 key areas:

1. Digital Strategy and Transformation
2. Website Development – being better connected
3. Resilience of the ICT infrastructure and platforms
4. IT skills, capacity, capability and resources
5. ICT Disaster Recovery (DR) planning
6. Cyber security and resilience
7. Data protection arrangements & GDPR

4. Current situation / proposal

- 1.1 Digital Platform

In September 2016, Bridgend County Borough Council commenced a project with the digital provider Agilisys, to introduce a single “Digital Platform” (My Account) for customers to interact online for key services. Alongside the development of the digital platform, Bridgend County Borough Council took the decision to develop and implement a new responsive website in September 2017.

The modern responsive functionality meets the demand of over 85% of Bridgend citizens who have access to the internet and prefer the convenience of online transactions (Office for National Statistics). As part of the launch of the new digital platform, the Council embarked on a Communications Strategy to promote the availability of the new online digital channel.

The delivery of the Digital Platform is being implemented over two phases:

Phase 1; implementation of the Digital Platform ran to April 2018. The services delivered were Council Tax and Housing Benefits, as well as the new responsive website.

Phase 2; focuses on making available through the Digital Platform the following services by the end of March 2019:

- Council Tax (Single Person Discount and Vacant Property Discount)
- School Admissions
- Registrars
- Report IT (Fly Tipping, Highways, Dog Fouling, Street Lighting)

The Platform has provided the opportunity to transform and offer the citizen the choice of consuming a digital channel. Transactions and queries can now be undertaken on a 24/7 basis negating the need for phone calls and face to face communications.

1.2 Digital Strategy, Transformation & Governance

A four year Digital Strategy has been drafted which encapsulates the national digital landscape and Bridgend’s corporate priorities, it also includes a matrix of measurement utilised by Socitm (Society of Information Technology Management) to assess Bridgend’s digital maturity and growth. The Strategy has been divided into 5 key areas: Digital Communication, Digital Citizen, Digital Services, Digital Workforce and Digital Partners.

Consultation on the Strategy has taken place with key stakeholders within the Council inclusive of Business Managers, ICT and Human Resources. The draft Strategy will be presented to Cabinet and authority will be sought to undertake a formal consultation on the Strategy. At the end of the consultation process the final Strategy will be presented to Cabinet for approval and adoption.

Following the adoption of the Strategy, a Transformation Project Board will be established to deliver the Strategy. The Board will consist of the key stakeholders across the Authority led by the Chief Executive Officer. This will provide the governance to safeguard the delivery of the Strategy.

1.3 Website Transactional & Channel Shift Capabilities

The Digital Platform and responsive website went live 24th April 2018. A report to Corporate Overview and Scrutiny Committee 26th September 2018 outlined a current position statement with regards key online transactional activity since the “Go-Live”, at that time of the report:

- 7,544 My Account registrations **
- 5,350 council tax payments totalling £750,818.11
- 3,335 council tax registrations ***
- 1,654 council tax registrations subscribing to e-billing
- 305 new direct debits created
- 289 updated names on council tax accounts
- 170 housing benefit registrations
- 41 updating direct debit details

** based on population of 110332 (over 18), however My Account registrations is not limited to BCBC residents

*** based on 64,187 council tax accounts and not potential liable parties

The current total online transactional activity as at 08/01/2019 is:

- 13,736 My Account registrations **
- 11,314 council tax payments totalling £1,573,961.33
- 5,100 council tax registrations ***
- 2,815 council tax registrations subscribing to e-billing
- 1,273 secondary school admissions
- 1,244 Infant, junior or primary school admissions
- 599 part-time/full-time nursery school admissions ****
- 945 online application forms (council tax and housing benefits)
- 635 new direct debits created
- 265 housing benefit registrations
- 196 Move In notifications for council tax
- 191 Move Out notifications for council tax
- 109 updating direct debit details

** based on population of 110332 (over 18), however My Account registrations is not limited to BCBC residents

*** based on 64,187 council tax accounts and not potential liable parties

**** Admission round opened on 7th January 2019 so these relate to the first day applications only

The online transactional activity from Go-Live 24th April 2018 through to January 2019 demonstrates there is an appetite for Bridgend citizens to consume services via the “digital channel”. The Digital Strategy will focus on delivering more services via the digital channel to meet this need, providing a holistic multi-channel approach but not withdrawing face to face or telephony ensuring equality for all Bridgend citizens.

4.4 GDPR Compliance & Readiness Plans

The Council has an Information Governance Board which meets quarterly. This Board includes representatives from each Directorate and the Council’s Data Protection Officer. The Head of Legal and Regulatory Services and Monitoring Officer has taken on the SIRO role.

As part of the implementation of the new Data Protection Act 2018 and the General Data Protection Regulation 2016 (GDPR), the Authority has reviewed all of its data protection procedures and policies to ensure that they are fit for purpose. The updated Data Protection Policy which has recently been informally reviewed by the Information Commissioner's Office is available on the Council's website and the Council also has a process and Code of Practice in place for reporting data breaches.

Transparency and accountability is a key factor under the GDPR and therefore Privacy Notices advising members of the public about how their personal data may be used by the Council have been completed and are on the Council's website.

An Information Asset Register and record of all the Council's processing activities has been developed but given its nature will be subject to continuous update.

A GDPR e-learning module is available and is mandatory for all staff who process personal data. GDPR compliance audits will also be undertaken over the course of 2019/20 jointly by Internal Audit and the Data Protection Officer.

The Information Management Strategy is currently under review by Legal Services and the Data Protection Officer. The Council's Publication scheme is also under review and an open data project is underway to make more data available on the Council's website with a view to this reducing the number of freedom of information requests that the Council receives.

4.5 Council's IT infrastructure & Network Support

Bridgend County Borough Council ICT has had a replacement programme in place for end user devices. The replacement programme has ensured all devices are supported under the manufacturer's warranty. The replacement of devices in line with end of warranty, safeguards potential vulnerabilities to attacks as the latest software patches can be applied to the physical equipment mitigating the potential exploits.

The replacement of the data centre equipment such as servers and the storage area network devices are also in line with manufacturer's warranties and are covered through capital bids. The Council has recently replaced its storage area network in 2017 at a cost of £399,984.51. This is warrantied for 7 years.

As part of the Medium Term Financial Saving Strategy (MTFS), the replacement programme budget for end user devices has been offered as a saving. The mechanism going forward with regards funding will take the form of capital bids.

The Council consider "cloud" as an option at the procurement stage, the approach to date has been a "hybrid" methodology where the benefit of "on premise" and cloud can be leveraged, laying the foundations to embrace "cloud" in a strategic manner. There is a natural transition to off premise / cloud occurring for example; the All Wales Community Care System (WCCIS) which is now run outside of the Council's jurisdiction highlights this transition. The Digital Strategy will embrace the usage of cloud technologies where operational benefits can support efficiencies.

4.6 IT Operating Model

A lack of skilled resource is a significant risk to any transformation programme or indeed any ICT provision within Local Authorities. This is primarily due to the challenges of the “private sector” and an ICT skills shortage in South Wales. To date the Council has used a hybrid approach where partners have been commissioned to support the deployment of the technology with a view that knowledge transfer allows the Council’s ICT staff to take on further developments and ongoing maintenance. This is evidenced through the deployment of the Digital Platform where Bridgend County Borough Council ICT developed all the E-Forms.

Bridgend County Borough Council ICT has a strong background in the creation and development of staff to support the IT Operating Model. Working with Human Resources (HR) a successful apprenticeship programme has been implemented which has developed local talent to meet the challenges of resourcing a highly technical support function for the Council. To date 15 apprentices have been recruited into the apprenticeship programme since its inception in June 2014. The table below outlines the position statement with regards the apprenticeship programme.

- Current ICT apprentices = 7
- ICT Apprentices who have completed the programme = 8
- ICT Apprentices who have been promoted into Permanent Roles within the Council = 6

4.7 ICT Disaster Recovery (DR) planning

The Wales Audit Office (WAO) and the Healthy Organisation Management report identified that the Business Continuity Plan was outdated. Bridgend County Borough Council ICT have committed to complete this exercise i.e. updating the Business Continuity Plan by May 31st 2019.

Bridgend County Borough Council ICT have been working with Internal Audit assessing the Disaster Recovery procedures and capabilities that are currently in place. Internal Audit were in attendance to observe an automated failover and disaster recovery test for the server “SRMdemo” on October 17th 2018. A successful operation was carried out which brought up the server SRMdemo in our secondary data centre site in Rhondda Cynon Taf County Borough Council (RCT). These disaster recovery capabilities gives the assurance that Bridgend County Borough Council’s “data” is safe.

4.8 Cyber security and resilience (Public Services Network Code of Connection)

There was a delay in Bridgend County Borough Council commissioning of NTA-Monitor Ltd, which has impacted on the recertification of the Public Services Network Code of Connection. The work carried out by NTA-Monitor assists the council with their compliance requirement for the Public Services Network Code of Connection - Annual IT Health Check. It is a requirement of the Cabinet Office that the health check is carried out by an independent organisation. NTA-Monitor Ltd completed the internal and external penetration tests for the network on May 4th 2018.

The report for the “**internal**” penetration test confirmed a number of security vulnerabilities, listed below:

Severity	Confirmed Vulnerabilities
High Risk	35
Medium Risk	18
Low Risk	16
Informational	3
Total	72

Note No **Critical** risks were found, this is the highest severity
The severity descriptions are defined as:

Severity	Description
High	Allows unauthorised external users to obtain system access. The vulnerability is widely known and actively exploited by hackers.
Medium	Allows external users to disrupt services, permits internal users to obtain unauthorised access or could provide access to unauthorised external users if incorrectly configured.
Low	Provides information that could be valuable to an attacker.
Info	Informational issues regarding observations that are not a significant security risk.

The report for the “**external**” penetration test confirmed a number of security vulnerabilities, listed below:

Severity	Total Vulnerabilities
Medium Risk	5
Low Risk	12
Informational	5
Total	22

Note no **Critical** or **High** risks were found

On receiving the two reports a project team was set up in ICT with a responsibility for removing or mitigating all high and medium risks highlighted in the report.

There were 35 high and 23 medium risk items in total. The Code of Connection only stipulates that critical or high risks have to be addressed immediately, medium and low can just be accepted. Despite this requirement the Council also looked to resolve the medium risks.

The work was completed between May to December 2018. A submission pack was prepared and signed off by the Chief Executive and was supplied to the Cabinet Office on 11th December 2018. The Council was recertified on the 9th January 2019.

Going forward the Council will focus on Cyber Essentials Plus, all Welsh Authorities will be adopting this standard. Cyber Essentials Plus is a Government-backed, industry-supported scheme to help organisations protect themselves against

common online threats. A working group of stakeholders has been setup to work towards achieving the accreditation for next year.

4.9 Time Lines for Key Areas of Risk

Key Areas	Risk	Action	Responsibility	Activity	Date for Completion	RAG Status
Digital Strategy and Transformation	Missed opportunities and delayed implementation of digital projects to support the MTFS	Development of a Digital Transformation Strategy	Martin Morgans	Cabinet Approval for Consultation	April 2019	Green
ICT Disaster Recovery (DR)	IT DR Plans require updating	ICT to update the Business Continuity Plan (BCP)	Martin Bell	Update Plan	May 2019	Green
ICT Disaster Recovery (DR)	Delays in recovering from It Service interruptions	Ensure integrity of Data through test failover plans	Martin Bell	Internal Audit observed failover capability October 2018	Complete	Green
Cyber security and resilience	Threat to confidentiality, integrity and availability of IT services and data	Recertify the Council's Public Services Network (PSN)	Martin Bell	Implement Mitigation Plan	Complete	Green
Cyber security and resilience	Threat to confidentiality, integrity and availability of IT services and data	Recertify for 2020	Martin Bell	Implement Mitigation Plan	January 2020	Green
Data protection arrangements & GDPR	Risks from potential penalties if arrangements are not fully compliant	Appoint Siro	Chief Executive	Kelly Watson appointed	Complete	Green
Data protection arrangements & GDPR	Risks from potential penalties if arrangements are not fully compliant	Appoint DPO	Head of Legal	Charlotte Branford appointed	Complete	Green
GDPR Readiness	Risks from potential penalties if arrangements are not fully compliant	Ensure the Authority is GDPR compliant.	Information Governance Board	Ensure the Authority is GDPR compliant	Complete	Green

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment

6.1 There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 The original Digital Transformation programme funding of £2.5million was split into £1million for capital expenditure and £1.5million revenue expenditure. Spend to date is below:

Description	£'000
Capital	
Agilisys digital supply contract	480
Total Capital Expenditure	480
Revenue	
Staffing	141
Professional fees	64
Website Research	27
Software Licenses on Agilisys	301
Advertising & promotion	15
Other	5
Total Revenue Expenditure	553
Total	1,033

9. Recommendation

9.1 It is recommended that Members note the report.

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Background Documents: None