

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

**BUCKINGHAMSHIRE & MILTON KEYNES
FIRE AUTHORITY**

ICT STRATEGY 2014/15

June 2015





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Audit Control:

Closing meeting:	June 2015
Draft report:	June 2015
Management responses:	June 2015
Final report:	June 2015

Auditors:	Ian Dyson – Chief Internal Auditor Paul Beasley – Principal Auditor
Report Distribution:	
Draft Report	<i>Head of Service Delivery</i> <i>Chief Operating Officer</i> <i>Acting Director of Finance and Assets</i>
Final Report as above plus:	<i>Chief Fire Officer</i> <i>Chair, Bucks and Milton Keynes Fire Authority</i> <i>External Audit</i>

1. Executive Summary

1.1 Overall Audit Opinion

In our opinion **reasonable** assurance can be provided that relevant risks are effectively identified, managed and controlled.

- 1.2 The methodology used for this audit was one of reviewing key documentation regarding delivery of the KIS Strategy and discussion with key personnel on this and business as usual controls. We did not undertake any detailed testing.
- 1.3 Key to providing overall governance with regard to successful delivery of the strategy is project G1 “ICT Governance” which has seen the introduction of the Business Transformation Board through which all projects are approved and progress reported and monitored.
- 1.4 The strategy itself however, lacks clarity and is not written such that it is easily transferable into an action plan to bring about the clear outcomes. It is important that this is addressed as a matter of priority. Furthermore the Project Portfolio detailed in table 7.1 of the strategy document is also in need of updating as it contains business as usual activity, completed projects and various activities that come under the “Business and Systems Integration” umbrella. It is currently difficult to see how each specifically relates to delivery of the strategy.
- 1.5 Business as usual systems covering current KIS are sound in respect of the provision of adequate levels of assurance. With regard to security Mott MacDonald are used to undertake external penetration testing and internally a security expert is employed part-time. With regard to availability, performance and capacity Updata is used and uptime is very close to 100% other than for planned down-time. For every customer contact to the helpdesk they use Survey Monkey and the results are published.
- 1.6 Some areas for improvement were identified and are detailed in Section 3. There is one High priority recommendation.
- 1.7 Findings from the previous audit were found to have been implemented apart from the following: The SLA for Service Delivery Support has not yet been agreed. The whole position and value of internal SLAs is something that needs to be reconsidered. The SLA with Service Delivery will be revisited this year as part of an overall piece of work around ICT’s role in the services transformation programme.



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1.5 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives associated with the KIS.

Progress in implementing these recommendations will be tracked and reported to the Overview & Audit Committee.

Business Objective	Risk	Recommendations		
		High	Medium	Low
The Key Information Systems Strategy enables the agreed requirement to be delivered.	Key Information Systems are not delivered.	1	1	0
<i>TOTAL</i>		1	1	0

The detailed findings are summarised in Section 3 of this report. *(All findings have been discussed with the Head of Service Delivery and the ICT Development & Support Manager who have agreed all the recommendations and produced an action plan to implement them.)*

1.6 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.



2. Background

- 2.1 The audit review of the ICT Strategy formed part of the agreed audit programme for 2014/15. The review was carried out during February, March and April 2015.
- 2.2 ICT Strategy was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives.
- 2.3 In June 2012 Cronin Management Consultancy carried out a strategic review of Property, Fleet and ICT. Following this the Business Transformation Programme for ICT was launched and endorsed in August 2012. An interim ICT Strategy was put in place to deliver phase one of transformation during October 2012 – March 2013, with a view to updating the strategy by March 2013 and thereafter annually. In March 2014 Internal Audit undertook a review of the ICT Strategy. The Strategy was renamed the Knowledge & Information Services (KIS) Strategy in August 2014 and approved by the Executive Committee in September 2014. The Strategy sets out how it will deliver high-performing, customer focused, efficient and effective Knowledge and Information Systems and also real cashable savings
- 2.4 A summary of the scope of this review can be seen in Appendix A.



3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Findings & Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

- High** immediate action is required to ensure that the objectives for the area under review are met.
- Medium** action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.
- Low** action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
	Key Area	Risk Management Strategy/Framework			
1		The current KIS Strategy, April 2014 – March 2018, is in our opinion not written in plain English and lacks clarity. On discussion with the Head of Service Development (HoSD) and the ICT Development & Support Manager we established that they hold a fairly similar view and they feel there is a need for work to be undertaken to turn the strategy into an action plan. (Some of the projects listed in the portfolio at Table 7 in the strategy document have	High	KIS Strategy to be reviewed and revised as appropriate, to provide a more concise view of the way forward and method of achieving this, and then presented to the Fire Authority for approval.	<i>Who to be actioned by:</i> <i>Head of Service Delivery</i> <i>When to be actioned by:</i> 31 October 2015



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	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>however been completed).</p> <p>In order to effectively progress implementation of the strategy a business case for the restructure of KIS, written by the HoSD, was recently presented to the Senior Management Board (SMB). This proposed structure is a better fit with the action plan they intend to draw from the strategy. Alongside this the business case for the Business and Systems Integration (BSI) is also shortly to go to the SMB after which it will be presented to the Fire Authority in the summer. This is a major piece of work which, if approved, will last for two and a half years.</p> <p>In order to ensure that future key information systems deliver what the CFA require and the way forward has been appropriately approved there is a need to refocus the strategy document and following this revision endorsement obtained from the</p>			



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	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		Fire Authority.			
2		<p>Section 7 of the Strategy document “identifies a project portfolio to address information management and KIS requirements”. They are cross referenced to the “Strategic Business Requirements” and “Outcomes” within the document.</p> <p>Within this portfolio of 32 there is a key piece of work, “Project G1 ICT Governance” which was designed to provide overall control of delivery of the KIS strategy by establishing robust mechanisms to ensure all aspects of KIS management and development are handled in a robust, coherent and systematic manner”. To that end a Business Transformation Board has been established.</p> <p>Listed against each project is the original time frame. These go back to 2012 and have not been</p>	Medium	Project portfolio updated removing business as usual activity, and projects that have been completed and reference made to Business and Systems Integration where projects are part of this activity.	<p>Who to be actioned by:</p> <p>Head of Service Delivery</p> <p>When to be actioned by:</p> <p>31 October 2015</p>



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	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>updated to reflect the current position. We reviewed the list and ascertained the current position on each in discussion with the ICT Development and Support Manager. The portfolio contains business as usual activity, such as “documentation of ICT environment” and “optimising of sourcing channels” which are not projects. Some of the projects listed have been completed and others come under the umbrella of the BSI piece of work but this is not made clear. We therefore concluded that the content of the portfolio needs to be reviewed and updated in order to provide a clear picture of current and completed project activity and how it specifically relates to delivery of the strategy.</p>			

Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

4.1 The objective of the review was twofold. Firstly, to evaluate the governance arrangements for successfully implementing the strategy and to provide an opinion on the level of assurance that can be taken from these arrangements. This included follow up of the action plan resulting from the 2014 audit. Secondly, to provide an opinion on the level of assurance that can be taken from the high level controls currently in place to ensure that each of the IT service areas is operating effectively.

4.2 We considered the following areas and the associated potential risks:

KIS Strategy

- Governance structure to deliver the strategy
- Risk Management process
- Control of individual projects
- Outcomes
- Reporting

Business as Usual

- Systems and reporting that provide assurance that business as usual services are operating effectively.

5. Staff Interviewed

- Julian Parsons, Head of Service Delivery
- Dave Thexton, ICT Development & Support Manager

6. Audit Methodology and Opinions

- a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.
- b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.
- c. Each audit will result in an overall ‘audit assurance’. A detailed summary will be provided to the Overview and Audit Committee for all ‘limited’ assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system’s risks will be mitigated.	Most controls are in place to give assurance that the system’s key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

- d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.