



Coventry City Council

# Public report

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## Report to

Audit and Procurement Committee

28<sup>th</sup> June 2021

## Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

## Director approving submission of the report:

Director of Finance

## Ward(s) affected:

City Wide

## Title:

Internal Audit Annual Report 2020-21

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## Is this a key decision?

No

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## Executive summary:

This report to the Audit and Procurement Committee has two purposes:

- To summarise the Council's Internal Audit activity for the period April 2020 to March 2021 against the agreed Audit Plan for 2020-21 and the Public Sector Internal Audit Standards.
- To provide the Audit and Procurement Committee with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control and governance arrangements for the financial year 2020-21 (as documented in section 2.3 of this report).

## Recommendations:

Audit and Procurement Committee is recommended to note and consider:

1. The performance of Internal Audit against the Audit Plan for 2020-21.
2. The results of the Quality Assurance and Improvement Programme and the Chief Internal Auditor's statement on conformance with the Public Sector Internal Audit Standards.

3. The summary findings of key audit reviews (attached at appendix two) that have not already been reported to Audit and Procurement Committee during municipal year 2020-21 and which are relevant to the opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.
4. The opinion of the Chief Internal Auditor on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control and governance arrangements.

**List of Appendices included:**

Appendix One - Audits completed in 2020-21

Appendix Two - Summary findings from key audit reports

Appendix Three – Cyber / IT Security briefing note

**Background papers:**

None

**Other useful documents:**

Internal Audit Plan 2020-21 – Quarter Three Progress Report

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12271&Ver=4>

**Has it or will it be considered by scrutiny?**

No other scrutiny consideration other than the Audit and Procurement Committee.

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

Internal Audit Annual Report 2020-21

**1. Context (or background)**

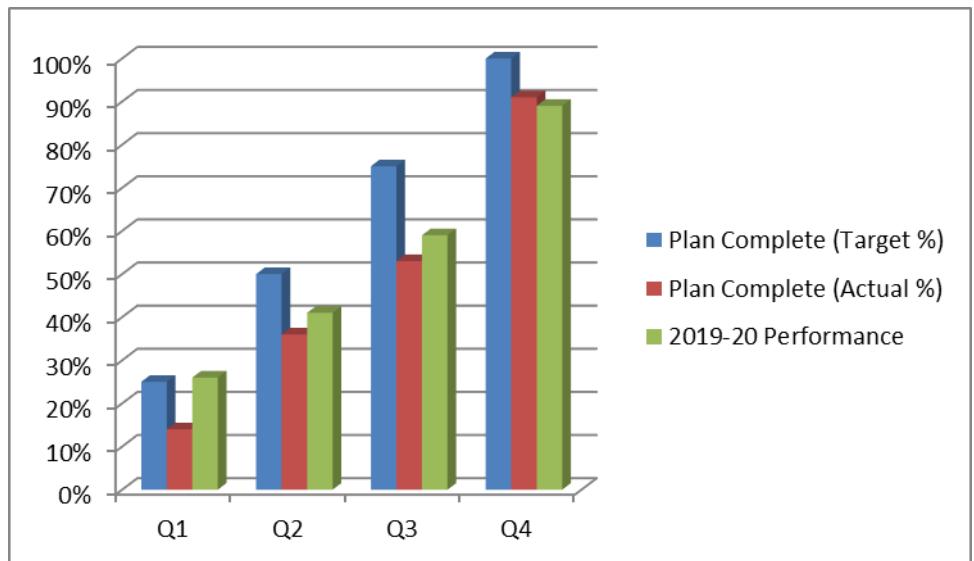
- 1.1 The Audit and Procurement Committee approved the Council's Internal Audit Plan for 2020-21 at its meeting on the 30<sup>th</sup> November 2020. During the last financial year, the Committee received a progress report summarising completed audit activity in January 2021.
- 1.2 This report details the performance of the Internal Audit Service against the Plan for 2020-21, which is presented in order for the Audit and Procurement Committee to discharge its responsibility, as reflected in its term of reference - *"To consider the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts"*.
- 1.3 The report is split into the following sections:
  - Assessment of the performance of the Internal Audit Service against its key targets.
  - The results of the Quality Assurance and Improvement Programme and the Chief Internal Auditor's statement on conformance with the Public Sector Internal Audit Standards.
  - A summary of the audit activity in 2020-21 and highlighting issues that have not been reported to the Audit and Procurement Committee previously and are relevant to the overall opinion.
  - The Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control and governance arrangements.

**2. Options considered and recommended proposal**

**2.1 Performance of the Internal Audit Service**

- 2.1.1 The key target for the Internal Audit Service is to complete 90% of its agreed work plan by the 31<sup>st</sup> March 2021. Whilst the plan was originally developed on the basis of an estimate of 550 available audit days, this was subsequently slightly amended to 500 days following a reassessment of available resources in quarter four, and reflects the fact that establishing an accurate resource position is more difficult when changes in staffing occur during the year. As a result, the performance of the Service has been assessed against the revised audit plan of 500 days. As illustrated by the chart overleaf, the service delivered 91% of this plan.

**Chart One: Performance of Internal Audit 2020-21**



2.1.2 In addition to the delivery of the Plan, the Service has a number of other key performance indicators (KPIs) which underpin its delivery. These KPIs are aimed at ensuring that the audit process is completed on a timely basis. The table below details the performance of Internal Audit for 2020-21, compared with performance in 2019-20.

**Table One: KPIs for the Internal Audit Service**

Performance Measure	Target	Performance 2020-21	Performance 2019-20
<b>Planned Days Delivered</b>	100%	89%	95%
<b>Productive Time of Team</b> (% of work time spent on audit work)	90%	90%	88%
<b>Draft Report to Deadline</b> (Draft issued in line with date agreed)	80%	67%	85%
<b>Final Report to Deadline</b> (Final issued within 4 weeks of draft)	80%	90%	88%
<b>Audits Delivered within Budget Days</b>	80%	76%	79%

Whilst performance in three areas is below target, there are a number of reasons behind this and performance management remains a key focus for management within Internal Audit as part of the Quality Assurance and Improvement Programme (see 2.2 below).

## 2.2 **Quality Assurance Improvement Programme**

2.2.1 The Public Sector Internal Audit Standards require that the Internal Audit Service develops and maintains a quality assurance programme that covers all aspects of the internal audit activity. In 2020-21, the Programme included the following:

- On-going supervision and review of audit work including the use of quality review checklists to provide a formal assessment of the quality of the work undertaken and identify areas for improvement.
- Results of staff performance appraisals.
- Support and induction for new members of staff.
- Continued focus on planning and time management to deliver audits in budget days through weekly team meetings and one to ones.

2.2.2 As a result of the pandemic and the need to prioritise work which has been required to support the Council's response to Covid-19, the Service have been unable to progress the improvement actions from the 2019-20 improvement plan. Consequently, these actions have been carried forward to this year's plan, along with new actions which have been identified during 2020-21. Forthcoming progress against these actions will be included in future reports to the Audit and Procurement Committee.

**Table Two: Internal Audit Improvement Actions**

<b>Public Sector Internal Audit Standards</b>	<b>Specific Standard</b>	<b>Improvement Action</b>
Code of Ethics	Competency	Development of a training strategy for Internal Audit and skills matrix
Attribute standards	Purpose, authority and responsibility	Review and update of the Internal Audit Charter
Attribute standards	Proficiency and due professional care	Continuing to develop knowledge of available technology-based audit and data analysis techniques to perform audit work
Attribute standards	Quality Assurance and Improvement Programme	Planning for a full external assessment against the Public Sector Internal Audit Standards to be undertaken.
Attribute standards	Quality Assurance and Improvement Programme	Introduction of a formal mechanism for capturing customer feedback
Performance standards	Managing the Internal Audit activity	Review and update of the Internal Audit Manual
Performance standards	Managing the Internal Audit activity	Developing a tool to support on-going supervision of audits.
Performance standards	Managing the Internal Audit activity	Review and update of audit report template

2.2.3 In considering the results of the quality assurance and improvement programme, it has been concluded that the Internal Audit Service partially conforms with the Public Sector Internal Audit Standards and it is recognised that there are improvement opportunities to achieve full conformance. Where improvements have been identified, it is not considered that this impacts on the overall scope or operation of the internal audit activity.

### 2.3 **Audit Activity 2020-21**

2.3.1 Appendix One details the audit reviews that have been carried out in the financial year 2020-21 along with the level of assurance provided. Table three below provides definitions to support the level of assurance applied to audit reviews carried out by the Service.

**Table Three: Definitions of Assurance Levels**

<b>Assurance Opinion</b>	<b>What does this mean?</b>
<b>Significant</b>	There is an appropriate level of control for managing all the significant inherent risks within the system. Testing shows that the controls are being applied consistently and system objectives are being achieved efficiently, effectively and economically.
<b>Moderate</b>	There are generally appropriate levels of control for managing the majority of the significant inherent risks within the system. Some control failings have been identified from the systems evaluation and testing that need to be corrected. The control failings do not put at risk achievement of the system's objectives.
<b>Limited</b>	There are weaknesses in the level of control for managing the significant inherent risks within the system. A number of control failings have been identified from the systems evaluation and testing. These failings show that the system is clearly at risk of not being able to meet its objectives and significant improvements are required to improve the adequacy and effectiveness of control.
<b>No</b>	There are major, fundamental weaknesses in the level of control for managing the significant inherent risks within the system. The weaknesses identified from the systems evaluation and testing are such that the system is open to substantial and significant error or abuse and is not capable of meeting its objectives.

2.3.2 **Other** – A summary of the findings of key audits that have not already been reported to the Committee during municipal year 2020-21 are included at Appendix Two / Three. In all cases, the relevant managers have agreed to address the issues raised in line with the timescale stated. These reviews will be followed up in due course and the outcome reported to the Audit and Procurement Committee.

2.3.3 **Follow up of Disclosures made in the Internal Audit Annual Report 2019-20** – In the previous annual report, the Chief Internal Auditor identified a number of areas where she believed significant control improvements were required. An update on each of these areas is provided below:

- **Health and Safety Audit Programme** – This disclosure was based on the findings of a review of the Council's audit arrangements in regards to health and safety. A revised audit strategy for 2020-22 was developed and a new set of audit protocols was established. In addition, a resource assessment to underpin a risk-based audit programme for 2020-21 was undertaken. However, the production and delivery of the programme has been significantly impacted by the pandemic and the re-focusing of the priorities of the Occupational Health, Safety and Wellbeing Service as a result. Consequently, this issue has been considered in the preparation of the Annual Governance Statement for 2020-21.
- **IT Disaster Recovery** – This disclosure was based on the findings of a review of the Council's IT disaster recovery arrangements. During 2020-21, various technical improvements have been made including commissioning a new secondary data centre and strengthening network resilience. However, as the pandemic has impacted on the capacity to be able to focus on a cross organisation working group with regards to business continuity and ICT disaster recovery, this issue has been considered in the preparation of the Annual Governance Statement for 2020-21.

## 2.4 Annual Report - Opinion on the Overall Adequacy and Effectiveness of Coventry City Council's Risk Management, Internal Control and Governance Arrangements

2.4.1 The Public Sector Internal Audit Standards (PSIAS) highlights that a key responsibility of Internal Audit is to provide an objective evaluation of, and assurance on, the effectiveness of the organisation's risk management, internal control and governance arrangements. It requires that the annual internal audit opinion provided by the Chief Internal Auditor is a key element of the framework of assurance that informs the Annual Governance Statement.

2.4.2 Given the above, an Internal Audit Charter was approved in April 2013, requiring the Internal Audit Annual Report to include the following information:

- An opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment.
- Disclosure of any qualifications to that opinion, together with the reason for the qualification.
- Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on the work of other assurance bodies.
- Draw to the attention of the Audit and Procurement Committee any issues particularly relevant to the preparation of the Annual Governance Statement.

2.4.3 **Audit Opinion / Disclosures** – In the Chief Internal Auditor's view, sufficient assurance has been obtained to form a reasonable conclusion on the adequacy and effectiveness of Coventry City Council's risk management, internal control and governance arrangements. This takes into account the internal audit work performed during 2020-21 (including specific reviews linked to risks arising from Covid-19) and other sources of assurance, specifically:

- The Internal Audit log of internal control issues which has been maintained in 2020-21 as a response to the pandemic to ensure the ongoing effectiveness of the system of internal control, including agreeing compensating controls where required.

- The Covid-19 risk register.
- Assessment of the Council's governance arrangements as part of the review of effectiveness which underpins the Annual Governance Statement.

It is the Chief Internal Auditor's opinion that **moderate assurance** can be provided that there is generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives. This means that there is generally an appropriate level of control for managing the majority of the significant inherent risks to the Council's objectives to a reasonable level. Through Internal Audit work, actions are agreed to improve the governance, risk management and internal control environment and assist the Council in achieving its objectives. A defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis.

In giving this opinion, assurance can never be absolute. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness.

2.4.4 Notwithstanding the above, during 2020-21, the Internal Audit Service have not been able to undertake the full remit of follow up work that would normally occur to gain assurance that audit recommendations have been implemented. This was due to the priority given to providing assurance on the Covid-19 business grant schemes. However, in the view of the Chief Internal Auditor, this does not impact on the ability to provide an annual opinion and the outstanding work will be completed during 2021-22.

2.4.5 **Audit work undertaken** – Appendix One details the audit reviews that have been carried out in the financial year 2020-21 along with the level of assurance provided. In considering the outcome of audit activity for 2020-21, an assessment is initially made of the number of '*limited*' or '*no*' assurance audits (as these require immediate improvements) in comparison with the results from the previous two years.

**Table Four: Comparison of Audit Assurance Levels**

Financial Year	Number of Audits	Number of Audits With ' <i>limited</i> ' or ' <i>no</i> ' Assurance	Percentage of Audits with ' <i>limited</i> ' or ' <i>no</i> ' Assurance
2020-21	49	6	12%
2019-20	49	8	16%
2018-19	60	5	8%

Table four above indicates that the percentage of audits with "limited" or "no" assurance in 2020-21 is comparable to the average of the previous two years and in the Chief Internal Auditor's opinion this remains at an appropriate level in regards to providing an opinion of moderate assurance on the overall environment, based on the definition of assurance in table three in section 2.3.1. Other factors that have been considered in the assessment of the control environment include:

- The impact that the weaknesses identified have on the overall Council control environment - When considering the six reviews, they fall into one of the following categories:

- Reviews that are focused on working practices in specific services / functions.
- Reviews where issues have a corporate impact either in terms of finance, reputation and / or service delivery.
- Whether there is any specific change in audit focus / approach that may have impacted on the number of '*limited*' or '*no*' assurance audits – in 2020-21, no specific changes in focus / approach have been identified which would have had a significant impact.
- Assessment of the control environment during the pandemic – a number of reviews have been carried out during 2020-21 to specifically consider the impact of the pandemic on the control environment and gain assurance that controls have continued to remain effective or where controls have been adapted / new activities undertaken, to gain assurance that arrangements are adequate.

**2.4.6 Issues relevant to the preparation of the Annual Governance Statement** – In undertaking the assessment of the Council's arrangements, the Chief Internal Auditor has identified a number of areas that, in her opinion, need to be considered when the Council produces its Annual Governance Statement for 2020-21.

From a general point of view, whilst any audit where '*limited*' or '*no*' assurance was provided requires attention, an assessment is also made as to whether the review has a significant corporate impact and consequently needs to be considered in the producing the Annual Governance Statement, or whether the review is limited to specific working practices in service areas which do not have a wider bearing on the Council's control environment.

In terms of key issues identified, the following are highlighted:

- 1. Information risk management** – This reflects the findings of a review of the Council's arrangements for managing information risks, which is summarised at Appendix Two. The review highlighted the need for improvements to the system for identifying, evaluating, controlling and monitoring information risks, with a new approach to this activity required to ensure information risks are being appropriately managed.
- 2. IT / Cyber Security** – This reflects the findings arising from a number of reviews undertaken linked to the security of the IT environment and cyber resilience and recognition that the Council's arrangements should be strengthened in light of the risks involved. Given the technical nature of this activity, a specific briefing note has been produced to summarise these findings and assist the Audit and Procurement Committee in gaining assurance that appropriate action is being taken. The briefing note is attached as Appendix Three.

### **3. Results of consultation undertaken**

3.1 None

### **4. Timetable for implementing this decision**

- 4.1 There is no implementation timetable associated with this report, although the opinion of the Chief Internal Auditor on the adequacy of the Council's risk management, internal control and governance arrangements is a key source in the preparation of the Annual Governance Statement.

## **5. Comments from the Director of Finance and the Director of Law and Governance**

### **5.1 Financial Implications**

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

### **5.2 Legal implications**

The City Council is required by the Accounts and Audit Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement alongside the Statement of Accounts. The opinion of the Acting Chief Internal Auditor on the adequacy of the Council's risk management, internal control and governance arrangements as included in the Annual Report is a key source in the preparation of the Annual Governance Statement. Reporting on progress in regards to the delivery of the Annual Audit Plan ensures that the Council meets its statutory obligations in respect of maintaining an internal audit function and represents good governance.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council Plan?**

Internal Auditing is defined in the Public Sector Internal Audit Standards as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis and reflected in the annual Internal Audit Plan.

### **6.2 How is risk being managed?**

In terms of risk management, there are two focuses:

- Internal Audit perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. This risk is managed through on-going communication with customers to agree timing and identify issues at an early stage to allow for remedial action to be taken.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

### **6.3 What is the impact on the organisation?**

None

### **6.4 Equalities / EIA**

None

### **6.5 Implications for (or impact on) climate change and the environment**

No impact

### **6.6 Implications for partner organisations?**

None

### **Report author(s):**

#### **Name and job title:**

Karen Tyler

Chief Internal Auditor

#### **Service:**

Finance

#### **Tel and email contact**

Tel: 024 76972186

Email: Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Service</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Michelle Salmon	Governance Services Officer	Law and Governance	10/6/21	10/6/21
Paul Jennings	Finance Manager Corporate Finance	Finance	10/6/21	15/6/21
<b>Names of approvers:</b> (officers and members)				
Barry Hastie	Director of Finance	-	10/6/21	15/6/21
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	10/6/21	17/6/21

This report is published on the council's website: [www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

## Appendix One – Internal Audit Reviews Completed in 2020-21

Audit Area	Audit Title	Assurance
<b>2019/20 B/Fwd</b>	Contract Management Framework	Moderate
	Adult Social Care workflow processes	Moderate
	Asset Management, patching and secure configuration *	Limited
	Accounts Payable	Significant
<b>Corporate Risk</b>	Business rates grants – round 1	N/a
	Discretionary grants – round 1	N/a
	PPE	Fact finding
	Supplier relief	N/a
	Information risk management	None
	Sickness absence recording	Moderate
	Controls over Covid-19 funding	Significant
	Analysis of expenditure	Significant
	Grants to businesses – round 2	N/a
	Cyber resilience	Limited
	Mobile devices	Limited
<b>Council / Audit Priorities</b>	Bribery and corruption arrangements	Moderate
	Tribepad recruitment system	Moderate
	Council plan performance reporting	Significant
<b>Financial Systems</b>	Accounts payable	Significant
	Accounts receivable	Significant
	Payroll	Significant
	Council tax	Significant
	CareDirector (income and expenditure)	Moderate
<b>Regularity</b>	Annual governance statement	N/a
	Blue badge grant	Verification
	Innovate UK grant – West Midlands RESO	Verification
	Coventry North Regeneration	Significant
	North Coventry Holdings	Significant
	Innovate UK grant – parking AV	Verification
	Disabled facility grant	Verification
	Sherbourne fields grant	Verification
	Growth deal hub	Verification
	S256 Health grant	Verification
	Teachers Pension Statements	Verification
	Bus subsidy grant	Verification
	Highways grants	Verification
	EU Brexit readiness grant	Verification
	School direct grant	Verification
	Troubled families	Verification
	Risk management	Moderate
	Declaration of interests	N/a
	Test and trace service support grant	Verification
	Enforcement and compliance grant	Verification
<b>Directorate issues</b>	Payment of allowances	Moderate
	Winter support scheme – distribution of vouchers to schools	Significant
<b>Formal Follow Ups</b>	Passenger transport	Moderate
	Sports and arts cultural grants process *	Limited

<b>Audit Area</b>	<b>Audit Title</b>	<b>Assurance</b>
	Resourcelink self-service delegated authority *	Limited
	St Osburgs Primary School	Moderate

(\*) Audit findings reported to Audit and Procurement Committee during municipal year 2020-21

## Appendix Two – Summary Findings from Key Audit Reports

<b>Audit Review / Actions Due / Responsible Officer(s)</b>	<b>Key Findings</b>
<b>Information risk management</b>  <b>January 2022</b>  <b>Head of Information Governance / Director of Law and Governance</b>	<p><b>Overall Objective:</b> To ensure that the Council has effective arrangements in place to identify, evaluate, control and monitor information risks.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- Roles and responsibilities for information risk management have been clearly and appropriately defined, documented and communicated across the Council.</li> <li>- The Council has determined an effective approach for highlighting information risks, which utilises appropriate sources of information / data to underpin the identification of risks.</li> <li>- The risk register template for information risks and associated processes / procedures are fit for purpose and facilitate the effective management of risk.</li> <li>- There is a coherent and joined up structure between the information risk management process and the Council's corporate risk management process, which is documented within relevant policies and procedures.</li> </ul> <p><b>Opinion:</b> No Assurance</p> <p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Undertake a fundamental review of the Information Governance Handbook with a view to providing a more simplified and coherent structure (H)</li> <li>• Clarify the role and responsibilities of the Information Management Strategy Group (IMSG) in relation to information risk management and ensure that they are clearly and consistently defined in appropriate documentation. (H)</li> <li>• Ensure that IMSG meetings are resumed as soon as practical to do so and include appropriate consideration of matters relating to information risk management. (H)</li> <li>• Reallocate the Senior Information Risk Owner role to the Director of Law and Governance. (H)</li> <li>• Re-evaluate the overall approach to information risk management, with consideration given to Information Governance coordinating the production of the risk register using the range of sources available to them, which should then be provided to Directors to consider / review as part of their service's risk management process. (H)</li> <li>• Ensure that appropriate policies and procedures are updated to reflect any changes to the risk management approach. (H)</li> </ul>

<b>Audit Review / Actions Due / Responsible Officer(s)</b>	<b>Key Findings</b>
	<ul style="list-style-type: none"> <li>• Re-introduce the programme of spot checks across services areas and utilise the findings to update the Information Risk Register as appropriate. (M)</li> <li>• Consider how the information risk management process can be coherently linked to the Council's directorate risk register processes. (H)</li> </ul>

## Appendix Three – IT Audit Briefing Note

### **1. Background**

The strategy for Internal Audit includes provision for a programme of ICT audit work to be undertaken on an annual basis. This reflects the fact that ICT is critical to the effective operation of all Council services on a day to day basis and consequently it is important that assurance can be provided that associated risks are being appropriately managed through the internal control environment. The programme of ICT audit work is agreed on an annual basis following a needs assessment.

A significant focus of Internal Audit's work over the past year has related to controls around the security of the ICT environment and cyber resilience, given the increasing number of cyber security incidents in the public sector and local government. A successful attack can have significant implications, both financially and on the ability of services to continue to operate. It is therefore critical that the Council has robust controls in place to ensure that the risk of this is minimised as far as possible.

Given the importance of ensuring that the Council has robust arrangements in place to protect against the risk of cyber-attacks and maintain a secure ICT environment, this briefing note is intended to provide details of the outcomes of the Internal Audit work in this area and provide assurance on further actions being taken.

### **2. Internal Audit findings and next steps**

Over the past year, Internal Audit have undertaken the following reviews in relation to ICT:

- Cyber resilience
- Asset Management, Patching and Secure Configuration
- Remote Access
- Mobile Devices

A significant focus of these reviews was on the internal controls that need to be in place to manage risks to the ICT environment (both externally and internally), for example, unauthorised access, loss / theft of data, and cyber-attacks resulting in denial of service and reputational damage. The work undertaken highlighted a number of areas of good practice in relation to the control environment including:

- A dedicated ICT Security Team
- Mandatory training for employees on ICT Security
- Systems to proactively monitor and block malicious network traffic and emails
- Anti-virus software and data encryption

However, the reviews also highlighted a number of areas for improvement, particularly in relation to those technical internal controls required to support effective operational security and as such, has impacted on the level of assurance given by Internal Audit that risks are being effectively managed in respect of those areas examined. Whilst recognising this is not straightforward in the context of an organisation the size of the Council with a significant and wide-ranging ICT infrastructure and estate, it is clearly important that controls are consistently applied and maintained on an on-going basis. The issues identified also reflect guidance issued by the National Cyber Security Centre on the standards required to reduce the risk of a successful cyber-attack.

In response to the issues raised in the Internal Audit reports highlighted above, a number of recommendations have been made, which ICT have committed to implement within agreed timescales. Alongside this:

- The ICT Service has been proactively raising awareness of cyber security across the organisation, including an innovative “Fakeminsters” series of videos and a well-received Let’s Talk Cyber Security session. As corporate attacks can result from the inadvertent actions of employees, for example through clicking on a malicious email link, ensuring that employees are cyber aware and have the knowledge to enable them to work securely is a key element of the internal control environment.
- During 2021/22, the Council will be working towards Cyber Essentials Plus accreditation (a government backed cyber security accreditation) which will provide external assurance that effective controls are in place.
- Cyber resilience is a key part of the continuing ICT service plan for 2021/22 and Corporate ICT strategy. As part of this, further work and external due diligence with Gartner is currently taking place with regards to our ICT security provision. It is expected that the output of this will form an investment ask relating to enhancing our controls and resource allocated to ICT security to support in increasing our assurance and compliance levels in relation to ICT security. This investment ask will be presented to Strategic Management Board in due course during 2021/22 with an associated options appraisal.
- Internal Audit will carry out formal follow up audits to ensure that recommendations have been implemented as planned. The outcome of this work will be subject to oversight by the Audit and Procurement Committee.
- Planned improvements will be included in the action plan for the Annual Governance Statement 2020-21.

An update on progress will also be provided to Strategic Management Board and the Audit and Procurement Committee in due course.