

**ICT update**

**AUDIT COMMITTEE  
MEETING DATE 2016/17**

**21 September 2016**

**CLASSIFICATION:**

**Exempt**

**If exempt, the reason will be listed in the  
main body of this report.**

**WARD(S) AFFECTED**

**All Wards**

**GROUP DIRECTOR**

**Ian Williams Group Director of Finance and Corporate Resources**

## **1. INTRODUCTION AND PURPOSE**

This report provides the Audit Committee with an update on the risks relating to the Council's ICT infrastructure and systems and the development of the Council's strategic direction for use of ICT.

The report is provided for information and comment.

## **2. RECOMMENDATION(S)**

**Audit Committee are asking to note the assessment of the Council's ICT strategy and risks and to provide feedback.**

## **3. REASONS FOR DECISION**

[ Not applicable ]

## **4. BACKGROUND**

The Council makes extensive use of information and communications technology in the delivery of services to Hackney's residents and businesses. It is essential that these systems are performing well, are resilient and that information (which includes personal information subject to the Data Protection Act) is held securely.

This report provides the Audit Committee with updates on:

- Outstanding actions from previous audit reports.
- The 2016/17 ICT audit plan.
- Ongoing development of the Council's ICT strategy.

### **4.1 Policy Context**

The Council's ICT systems are used across the Council's services, so have a bearing on many of the Council's policy priorities. The Council is also required to comply with statutory and regulatory requirements such as the Data Protection Act and the government's Public Services Network Code of Connection.

### **4.2 Equality Impact Assessment**

[ Not applicable ]

### **4.3 Sustainability**

The development of the Council's strategy for its ICT systems and infrastructure will include consideration of sustainability, including power consumption and the ability for Members and officers to work remotely (which as well as enabling

flexible working styles can also contribute to reducing the Council's carbon footprint).

#### **4.4 Consultations**

Engagement is taking place with managers and staff across the Council as part of shaping the continued development of the Council's strategy for use of ICT. This will include direct discussions with directorate management teams, staff groups, trades union representatives and a survey of staff to assess user satisfaction and needs.

#### **4.5 Risk Assessment**

Following the appointment of the Council's new Director of ICT the ICT service's risk register is being reviewed with colleagues from the Insurance and Risk Management team. This exercise will be used to ensure that high priority risks are reflected in the directorate and corporate risk registers and inform the audit plan.

The review of the risk register will be completed during Q3 2016/17 (October – December).

### **5. Audit review of the Council's ICT service**

#### **5.1 Outstanding actions from previous audit reports**

The Council's Director of ICT and ICT management team have worked with the Head of Internal Audit to review all open high and medium priority actions relating to audit reports from previous years.

At this point only five high priority recommendations remain outstanding, with a further two pending full validation by internal audit and eight that have been partially implemented.

- (i) Disaster Recovery (DR): There are two outstanding high recommendations which relate to a locational risk assessment for all servers and daily back up reports. A disaster recovery site has been set up at Stoke Newington Municipal Offices and a test was carried out over the 2016 Easter weekend on the Mosaic system (Care Services). Further tests were planned for the August bank holiday weekend but had to be cancelled due the need to prioritise resources to facilitate work related to power outages caused by Town Hall building works. Hence these recommendations remain outstanding or partially complete. The latest position on these is now being verified.
- (ii) Third Party Access: There are three outstanding high priority recommendations. These relate to establishing criteria for access in each system, establishing asset security classifications and logical access network controls. A pilot is currently taking place with two suppliers to

trial a new remote access tool (which would provide enhanced security for supplier remote access and replace the current form of access) and to develop revised operating procedures. The pilot is due to complete in October 2016 and subject to successful outcomes the plans for rolling this out to other third parties will then be developed by the end of Q3 2016/17. Transition to the new service may require changes to some contracts and supplier procedures so overall timescales will be subject to confirmation.

## **5.2 The 2016/17 ICT audit plan**

The Council's Director of ICT and ICT management team have also worked with the Head of Internal Audit to confirm the ICT audits that will be included in the 2016/17 audit plan.

The following audits have been agreed and will be carried out by Mazars:

- Universal Housing Applications Control (September / October 2016)
- Mosaic Post Implementation Review (October / November 2016)
- Housing Needs Payment System – Post Implementation Review (November / December 2016)
- One Account – Post Implementation Review (December 2016 / January 2017)
- CRM Applications Review – this will focus on the major CRM upgrade which is currently being planned (January / February 2017)

The following audits will also be included in the 2016/17 ICT audit plan and will be carried out by the in-house audit team:

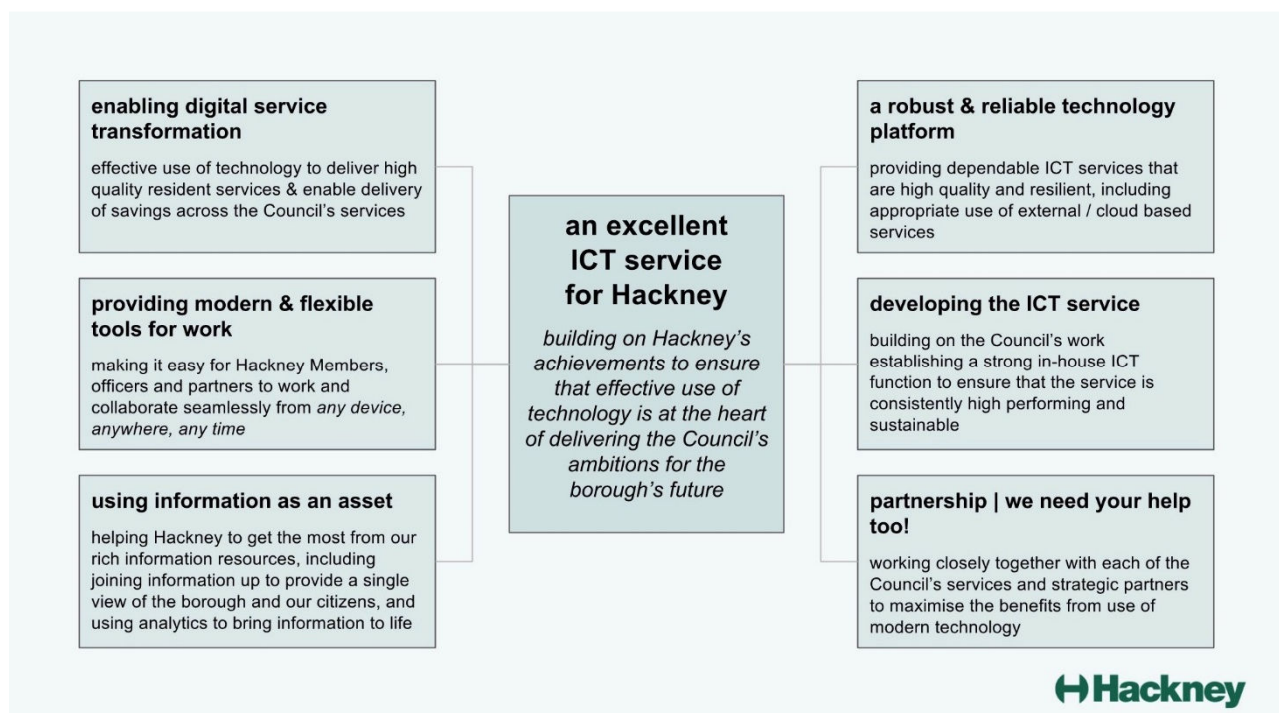
- IT Governance – this will be based on reviewing issues highlighted in previous audit work, including work on the Purchasing Card Industry Standards (September / October 2016)
- IT Recruitment – this will include retention of staff and will be aligned with the planned work to design restructure proposals for the ICT division (December 2016)
- iTrent (the Council's new HR/Payroll system which is being implemented with a target go live of spring / autumn 2017) – the audit team will be included in the project to ensure that system and process control design provides the required level of assurance

Detailed terms of reference will be developed for each audit and findings will be reported to Audit Committee through the usual reporting processes.

## 6. Developing the Council's strategic direction for use of ICT

Following the appointment of the Council's new Director of ICT in June 2016 work is in progress to review the Council's current strategic direction for its ICT systems and infrastructure and opportunities. The purpose of this is to ensure that Hackney achieves the maximum benefit from its investments in ICT and the potential for technology to contribute to the delivery of excellent services to Hackney's residents and businesses.

This review work will be based on exploring six main 'lines of enquiry' as illustrated in the diagram below:



This work will be informed by the analysis which was supported by PWC and reported to the Governance and Resources Scrutiny Commission in December 2015 ([see agenda item 5 on the Council's committee agenda system here](#)), and will be reviewed through consultation across the organisation as outlined in section 4.4. above.

Key strategic priorities are currently expected to include:

- Continuing to progress the Council's channel shift strategy which is being delivered through the OneAccount and online appointments developments.
- Working in close partnership with the Council's services to support further service transformation (eg housing and health / social care), including use of mobile technology to enhance workforce productivity.

- Review of core productivity tools (eg email, documents and other communication and collaboration tools) to develop our strategic plans to enable modern, flexible and collaborative working styles.
- Delivery of the Council's new Business Intelligence platform and corporate dashboards to provide enhanced access to information to support service delivery and policy / strategy development.
- Ongoing investment in the Council's core technology infrastructure and review of readiness for wider adoption of cloud technology.
- Further development of the ICT service, including review of organisational design and finance / investment plans, and also service process improvements.
- Business relationship development to ensure effective strategic engagement across the organisation and support other services in strengthening technology skills across the organisation.

## **7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

This report provides an update on the current status of outstanding audit recommendations and the development of the ICT strategy going forward and as such has no immediate financial implications.

Going forward, the development of the strategy will need to take account of the Council's financial position and the ongoing requirement for efficiencies in order to ensure that a balanced budget is maintained.

The development of the strategy and implementation of outstanding audit recommendations will be met from within both revenue and capital ICT budgets as these are developed.

## **8. COMMENTS OF THE DIRECTOR OF LEGAL**

The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective. There are no immediate legal implications arising from this report.

## **9. APPENDICES**

Not applicable

## **10. EXEMPT N/A**

By Virtue of Paragraph(s) 3 and 7 of Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains information relating to the arrangements for the security of the Council's ICT systems and information and it is considered that the public interest in

maintaining the exemption outweighs the public interest in disclosing the information.

## 11. BACKGROUND PAPERS

**Publication of Background Papers used in the preparation of reports is required**

**Description of document**  
None

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