1. Audit Summary – IT Governance Review (May 2022)

1. Background and Context

1.1 The Council holds a large amount of information across a wide range of IT systems, hosted on three different environments, local data centres, Azure Cloud and by the third-party providers.

1.2 Strong and effective IT governance is crucial to ensuring that IT operations, systems and applications are managed efficiently and effectively and support the Council's objectives. To achieve this, it is essential that IT is governed by staff who understand their role, and that key system processes and controls are in line with the Council's policies and best practice.

1.3 It is important that the Council has robust processes and controls in place for IT governance. Critical IT functions and business processes should be well-defined; roles and responsibilities should be clearly understood with clear lines of accountability and the Council should ensure that actions are taken to address issues.

2. Scope and Objectives

2.1 The scope of the assignment included the following areas:

- Leadership and Governance
  - IT governance structure, formation, and role of executive-level steering committees in setting up IT strategies and priorities
  - IT policies, standards and procedures over the accountability and ownership for IT governance across the Council.
- IT Operational Governance
  - Oversight and governance of end-to-end processes (e.g., incident response, change management) carried out by the central IT team
  - Collaboration with other departments outside the central IT team on key initiatives, such as, IT procurement, system implementation, data migration, and system integration
  - Monitoring controls over service reliability, system availability and performance monitoring
  - Resources, systems, tools, and methods designed to manage service delivery efficiently and effectively.
- We agreed with management to cover end-to-end processes for Incident Response and IT Change Management.

3. Audit Opinion

3.1 Overall, Internal audit obtained **limited assurance** that effective IT governance measures were in place.

4. Key Messages and Findings:

4.1 IT Strategy - While the Council had an IT Strategy, it was unable to provide evidence to confirm that ongoing IT initiatives were being assessed to confirm alignment to the IT Strategy. For example, no assessment had been undertaken on major transformation programme initiatives (such as the ITTP and DTP) to demonstrate alignment of these programmes to the IT Strategy. Going forward, the absence of a process to confirm alignment of planned/ inflight IT initiatives to the refreshed Digital Strategy could lead to the Council investing significant budget, time and resources into activities that do not support its strategic ambitions.

4.2 IT Service Plans - While an IT Service plan template is in place, the IT Service plan for 2022/23 was incomplete; key fields used to capture impact of key delivery, key milestones and KPI's had not been populated. The absence of a complete IT Service plan could lead to a risk that IT Service activities fail to meet the needs of internal and external service users. Furthermore, IT resources may be directed to non-critical services resulting in IT Service arrangements not supporting the ambitions of the new Digital Strategy or the Council.

4.3 IT Policies – Terms of Reference documents for management boards identify the review and approval of IT Policies as a responsibility of these boards. However no new/updated IT Policies were presented to the Governance boards for review and approval and IT Policy review and approval is not an agenda item for these meetings. We inspected a sample of IT Polices (Incident management and Change management) and noted these policies were not approved by the boards. In the absence of such a process, there is a risk that the Council may be using unapproved IT Policies to govern and execute key IT services.

4.4 IT Change Management – The Council has a decentralised approach to change management. Changes made to departmental systems are not managed by IT Services. We noted a lack of collaboration between central IT and departmental IT teams regarding change management. There is no formal process for communicating changes that may have an impact on other teams and services. There is a high risk of unforeseen incidents resulting from changes that are not communicated effectively.

4.5 IT Procurement - The Council has established corporate procurement rules, that are followed by IT Services for IT supplies and services. We noted a lack of clarity on various procurement options, and best available route to market for IT procurement. Due to this, there are often delays in large scale IT procurement. There is a lack of procurement support around IT contract monitoring /management. Where IT contract monitoring is not adequately supported by the Procurement team, there is a risk that the Council will be unable to achieve the level of performance and deliverable quality required from IT third party providers.

4.6 Incident Management – The scope of the current Incident Management Policy is limited to only IT security incidents. Without a comprehensive incident management policy, the Service desk may take longer to identify, triage, and resolve incidents.

5. Management Response

5 The findings of the report have been accepted by management who have agreed management actions to address them. These include:

- Review the process for each Change Board regarding the need for centralised change management;
- Procurement training for IT team members and clearly set out procurement options for large-scale IT procurement;
- A refreshed Digital Strategy was agreed at Cabinet in June 2022. A process for regular review will be put in place;
- Set up a process to ensure all IT related service plans are regularly monitored and performance tracked;
- 2023/24 Service Planning activity will be overseen by the Director Policy, Strategy and Digital;
- IT policies will be standardised with a formal review and approval process established;
- A new IT Incident Management Policy will be developed and regularly reviewed.