

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Computer Audit Plan

Meeting/Date: Corporate Governance Committee – 27 September 2016

Executive Portfolio: Strategic Resources: Councillor J A Gray (Deputy Executive Leader)

Report by: Internal Audit & Risk Manager

Wards affected: All Wards

Executive Summary:

Due to ongoing discussions about forming a shared internal audit service, no computer audit contract was in place when the 2016/17 internal audit plan was approved by the former Corporate Governance Panel in March 2016.

A competitive tender exercise has since been undertaken and BDO LLP (BDO) have been contracted to support the Internal Audit Service in undertaking computer audit reviews for the period October 2016 to March 2019.

The contract allows for the provision of 70 audit days per financial year, an increase of approximately 20 days per year on the previous contract. The contract sum has not increased however and remains within the budget allocated.

The tender submitted by BDO included an indicative audit plan for the period to March 2019. This was based upon BDO's assessment of the risks faced by the Council in delivering a shared IT service and their own extensive knowledge of the issues faced by their other public sector clients. Following their appointment, BDO discussed their indicative plan with both the Internal Audit & Risk Manager and the Head of ICT Shared Services and it has been agreed that the following seven audits will be completed in 2016/17.

- Cyber security
- IT disaster recovery
- IT strategy and governance
- Application security
- IT change management
- Website and intranet security
- Financial management system.

Recommendation

It is recommended that in accordance with the Public Sector Internal Audit Standards the Committee approve the 2016/17 computer audit plan.

1. PURPOSE OF THE REPORT

- 1.1 To inform the Committee of the arrangement in place for the delivery of computer audit services.

2. WHY IS THIS REPORT NECESSARY?

- 2.1 The Internal Audit & Risk Manager (IARM) is required by the Public Sector Internal Audit Standards to obtain the Committee's approval to the internal audit plan.

3. ANALYSIS

- 3.1 Competitive tenders were sought in July 2016 for the provision of computer internal audit services. Four tenders were received. Following analysis and review of the tenders submitted and tender clarification discussions, the tender evaluation group (IARM, Technical Architect 3C ICT Shared Services, and the Principal Auditor, Cambridge City Council) agreed that the tender from BDO LLP (BDO) was the most economically advantageous. This decision was based on both price and quality criteria. The quality criteria consisted of the breadth of coverage of the indicative audit plan; quality/experience of staff & staff continuity; development of the internal audit service, quality & contractor capability and experience.

- 3.2 The contract provides for 70 audit days per financial year, covering the three years ending March 2019. This is an increase of approximately 20 audit days per financial year. An option to extend the contract for a further two year period is also available.

- 3.3 The indicative computer audit plan that BDO submitted with their tender covered 21 separate areas as listed below:

Cyber security	IT disaster recovery	IT strategy & governance
Application security	IT change management	ITIL framework assessment
Intrusion detection	IT project management	Data protection compliance
Social media	Anti-virus arrangements	IT asset management
Firewall management	IT supplier management	Website & intranets
PCI-DSS compliance	Financial management system	
Patch & vulnerability management		
Application reviews : Capita; Northgate; and Resourcelink		

- 3.4 Following discussion between BDO and the IARM and the Head of ICT Shared Service a work plan for 2016/17 was agreed. This comprised of the seven areas listed below.

- Cyber security
- IT disaster recovery
- IT strategy and governance
- Application security
- IT change management
- Website and intranet security
- Financial management system

4. ACTION TAKEN

- 4.1 Contracts have already been exchanged with BDO and they have already prepared outline audit briefs for six of the seven audits planned. Dates for commencing the audits have also been agreed.

5. LINK TO THE CORPORATE PLAN

- 5.1 The Internal Audit Service through the audit plan contributes to all the strategic themes and outcomes. Specifically it supports Corporate Management Team and Heads of Service by undertaking reviews that provide assurance that:
- significant risks identified in the risk register are managed effectively;
 - laws and regulations are being met,
 - business and financial processes and systems are managed effectively; and
 - assets are safeguarded.

It also improves the performance of the Council by assessing current risks, considering emerging risks, identifying efficiency gains and process improvements.

6. RESOURCE IMPLICATIONS

- 6.1 The contract will be funded from the Internal Audit Service budget allocated for computer audit reviews.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The 2015/16 Internal Audit Service annual report highlighted the lack of computer audit reviews as a matter of concern. With the Council leading on the ICT shared service across the 3C's, it is important that internal audit review the key IT systems upon which the 3C's are reliant. BDO have been contracted to supply computer audit services to March 2019 and the Committee are required to approve the computer audit plan in accordance with PSIAS.

BACKGROUND PAPERS

BDO LLP computer audit tender (EXEMPT by virtue of Paragraphs 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972).

CONTACT OFFICER

David Harwood, Internal Audit & Risk Manager
Tel No: 01480 388115
Email: david.harwood@huntingdonshire.gov.uk