

APPENDIX 3: KEY THEMES ARISING FROM AUDIT REVIEWS

MANAGING SERVICE RISKS	
REPORT TITLE:	AGRESSO SOFTWARE APPLICATION, AUTOMATED CONTROL FRAMEWORK
OBJECTIVE OF THE WORK:	To assess the adequacy of the design and operation of the automated control framework within the Council's integrated financial management system (Agresso), which ensures the integrity of key financial systems processing.
STATUS:	REPORT ISSUED JANUARY 2013
CONTROL ENVIRONMENT:	IMPROVEMENT REQUIRED AS AT SEPTEMBER 2012
KEY THEMES ARISING:	<p>At the time this work was completed, Agresso's automated control framework was not being fully utilised nor was it sufficiently robust to guarantee the integrity of key financial systems' transaction processing. As a result, the full potential of the system was not being realised and, in some areas, more time consuming manual sample checks were being undertaken to compensate for this significantly reducing the level of assurance provided.</p> <p>It was recommended that the main focus initially should be on improving change management controls and configuring the system to robustly validate all data input.</p> <p>Subsequently, action has been taken to:</p> <ul style="list-style-type: none"> • restrict access to the data import and archive folders on the server to authorised personnel only • establish a change management framework, which includes regular reporting to a Change Advisory Board • confirm, via independent management checks that all changes to the software have been actioned through the approved change management process • stop the Agresso developer from implementing changes directly into the live environment, without the need for an independent person to test it first or promote the change to the live system • reactivate the system audit trail function, which identifies changes made, who made them and when • restrict those who have the ability to switch off the audit trail function to nominated senior staff only. <p>Work is still underway to:</p> <ul style="list-style-type: none"> • produce flowcharts for all Agresso modules detailing the internal, automatically applied controls • configure the application so that it:

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	<ul style="list-style-type: none"> • validates bank account details and addresses although in the interim adequate management checks are in place • prevents staff with permissions to amend employee records from being able to access their own records although in the meantime, appropriate management checks are in place to verify editing of records. <p>It has also been agreed that an annual data cleansing exercise will be undertaken to purge and merge customer and supplier records, the next one being due in May 2013 as part of the financial accounts closedown process.</p> <p>Internal Audit will shortly be checking on the adequacy of the work done where recommendations have already been implemented.</p>		
RECOMMENDATIONS:	HIGH: 6	MEDIUM: 4	TOTAL: 10

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REPORT TITLE:	AGRESSO, THE NEXT STAGE, PROJECT IMPLEMENTATION AND CHANGE MANAGEMENT
AUDIT APPROACH AND SCOPE:	<p>Internal Audit is working with officers in a ‘critical friend’ capacity to provide:</p> <ul style="list-style-type: none"> • for significant changes to existing functionality, an opinion (and where necessary any further recommended action) to the Change Advisory Board on whether the change management process is being effectively followed when any significant amendment is made to Agresso • feedback at key project milestones on whether the new functionality implemented in phase two is: <ul style="list-style-type: none"> • supported by appropriate testing plans that are followed • implemented in a controlled manner to ensure they work effectively and efficiently in the live system.
	<i>PROJECT IMPLEMENTATION</i>
CURRENT STATUS AND KEY THEMES ARISING:	<p>As at January 2013, a number of issues exist that require management attention to further improve the overall project governance structure.</p> <p>The Agresso Programme Board provides an overall level of individual project governance. To date, the overall programme governance framework has not been assessed. However, at this stage there does appear to be scope to provide a more robust, overall resource planning framework that capture’s individual project resource requirements and project resource interdependencies.</p> <p>It is acknowledged that the process to complete individual project plans is a key task that needs to be delivered before such resource planning can be undertaken.</p> <p>Three areas have been set out for improvement with regards to the initial assessment of the control framework, principally:</p> <ul style="list-style-type: none"> • individual project plans should be completed as a priority to inform the overall project planning requirements for each phase of the Agresso programme • job descriptions for all primary project related roles need to be documented, communicated and agreed • an overall resource plan should be produced that addresses all individual project requirements and interdependencies.

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	<i>CHANGE MANAGEMENT</i>		
CURRENT STATUS AND KEY THEMES ARISING:	<p>With regards to change control, an adequate control framework has been designed and is currently being adhered to, in order to support the integrity and validity of system changes.</p> <p>The current work to process map the change control process will further enhance the current level of control in place.</p>		
RECOMMENDATIONS:	HIGH: 0	MEDIUM: 3	TOTAL: 3

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REPORT TITLE:	IT SERVICE REVIEW		
OBJECTIVE OF THE WORK:	To assess whether there is an adequate strategic and operational IT framework to facilitate a responsive, supportive and cost effective IT service that works collaboratively with departments to enable services to be delivered efficiently and cost effectively.		
STATUS:	REPORT ISSUED MARCH 2013	CONTROL ENVIRONMENT:	ADEQUATE
KEY THEMES ARISING:	<p>A generally sound ICT strategy and steering group has been established to set direction and monitor implementation of work programmes. However overall progress in achieving strategic objectives should be more explicitly measured and reported.</p> <p>There is also potential opportunity to improve management of ICT related activities by adopting a single, integrated, good practice approach throughout the Council. Work underway includes:</p> <ul style="list-style-type: none"> • adopting an approach whereby the ICT Services Operational Manager (subject to resource constraints) has independent oversight of compliance with required IT project methodology, to ensure they are being properly managed given the relative risk, complexity and importance of the project • fully implementing recognised industry good practice operational and management ICT procedures within the next two years • evaluating whether IT services staffing and structures are fit for the Council's business, which includes looking at the current operational model of having both central and departmental IT teams • reporting half yearly on progress in achieving the IT Strategy's objectives, ensuring the timetable for its production enables it to be informed by the corporate and service plans and the budget, 		
RECOMMENDATIONS:	HIGH: 3	MEDIUM: 4	TOTAL: 7