Appendix 2c: Other Audits and Grant Claims

IT Audit: Remote Working and Cyber Security Arrangements

Objective

To evaluate the design of the Council's security controls developed to prevent, detect and respond to security and data incidents given the increased reliance on technology by Council staff working from home and the potential for emerging opportunistic threats.

Summary

As organisations move away from their physical premises, and become increasingly reliant on remote access technology, any disruption caused by cyber security attacks or IT outages will have a significantly greater operational impact. Furthermore, the usual manual or physical workarounds used to overcome these issues may be unavailable.

A required shift to remote working and prioritising business operations have brought some immediate risks to organisation, which includes:

- Security controls not being applied to new systems or tools hastily stood up to support employees with remote working that 'just works'.
- Existing processes and good practices may be sidestepped by, or not available to, employees.
- Employees may be more susceptible to social engineering attacks.
- Reliance on remote access systems may make organisations more vulnerable to distributed denial of service (DDOS) attacks.
- Employees will be required to work with technologies they are not familiar with, potentially resulting in new security risks being introduced.

As a result of the Covid-19 lockdown measures and the resultant increased remote working requirements, management implemented a rapid deployment of the Office 365 suite and ensured that sufficient licenses were available for the secure virtual private network (VPN) tool. Multi-factor authentication was also implemented to ensure user access was secure.

User access management processes specifically relating to leavers and privileged access users require strengthening of existing controls and implementing new processes.

Ensuring there is proactive monitoring of the network for security vulnerabilities and potential cyber-attacks will improve the overall IT security arrangements in place.

Drafting and implementing policies and procedures to cover key IT risks such IT Asset Management, Shadow IT and Patch Management will help to reduce the use of unauthorised devices and software, as well as reduce the likelihood of any devices being vulnerable to security exploitation.

To provide further assurances on the effectiveness of controls, a more substantive testing programme would need to be completed, preferably after the implementation of recommended actions raised as part of this high-level review of the remote working control environment.

Appendix 2c: Other Audits and Grant Claims

Objective

To confirm that grant allocations for 2019/20 received from the Department for Transport and the Ministry of Housing, Communities and Local Government have been spent in accordance with the relevant scheme's terms and conditions.

Pothole Action Fund

Purpose of funding

Funding was provided to assist with plans to repair potholes.

Conclusion

It was confirmed that spend was compliant in that:

- it fell within the definition of "capital" for accounting purposes
- work undertaken related to pothole repairs in the borough.

Opinion: Unqualified

National Productivity Investment Fund

Purpose of funding

Funding was provided to support the town centre redevelopment improvement project.

Conclusion

It was confirmed that spend was compliant in that:

- it fell within the definition of "capital" for accounting purposes
- work undertaken related to town centre redevelopment.

Opinion: Unqualified

Appendix 2c: Other Audits and Grant Claims

Local Transport Capital Block Fund

Purpose of funding

To assist in delivering transport improvement schemes, which can include:

- road markings and re-surfacing
- upgrades to traffic signals
- bridge strengthening
- installation / replacement of sign lights and street lights
- upgrades to electronic bus information screens.

Conclusion

It was confirmed that spend was compliant in that it fell within the definition of "capital" for accounting purposes.

Some issues were identified that did not impact on the ability to confirm the grant expenditure, but required attention from the service area. Evidence that works had been completed, such as records of site visits or photos showing works completed, were not always available. Work was undertaken by engineers to re-visit works and verify that they had been completed in line with the invoices paid.

Opinion: Unqualified

Troubled Families Programme, Payments by Results Scheme Grant 2020/21 - claim periods ending June and September 2020

Objective

To assess compliance with the terms and conditions of the Ministry of Housing, Communities and Local Government's (MHCLG) Financial Framework for making Payment by Result (PBR) claims under the Expanded Troubled Families Programme (Phase 2).

Background

The Financial Framework requires that Internal Audit verifies a 10% representative sample of PBR claims before they are made to ensure there is supporting evidence to confirm families:

- met the required criteria to be considered for entry to the Troubled Families Programme
- have achieved either continuous employment or significant and sustained progress as defined by the Council's agreed Outcomes Plan.

Larger sample sizes may be required for smaller claims in order to ensure the audit is meaningful.

Appendix 2c: Other Audits and Grant Claims

Troubled Families Outcome Plan 2020-21 and Covid-19 update

The MHCLG signed off the updated Troubled Families Outcome Plan 2020-21 on 29th April 2020, with some advisory suggestions on how the outcome plan could be improved. Some minor changes were made, based on those suggestions, and the plan was finalised by the Team Manager shortly after.

In June, the Team Manager was updated by Government on the measuring and evidencing of attendance during Covid-19. The proposal will come into effect when agreed by Ministers, and an appendix added to the outcome plan to reflect those changes.

Conclusion – claim period to June 2020

Between May 2020 and June 2020, 21 PBR claims were presented to audit, prior to submission to the MHCLG.

The Team Manager reviews a minimum of 10% of claims to confirm appropriate evidence has been provided. Due to the low number of claims, the Team Manager extended these checks and reviewed all the cases submitted.

One of the 21 claims was withdrawn because it was found to have already been claimed in April 2020.

Internal Audit randomly selected three claims for review, all of which had been checked by the Team Manager. For two of these cases, suitable evidence was available to support:

- entry into the programme
- a claim for significant and sustained progress.

The third case reviewed was withdrawn from the claim because the Early Help and Family Support Plan had not been in place long enough to demonstrate significant and sustained progress. Subsequently, the Team Manager withdrew two further claims where it was also felt that significant and sustained progress could not be demonstrated. This resulted in 17 claims being signed off and submitted to the MHCLG.

Conclusion – claim period to September 2020

Between July and September 2020, 64 PBR claims were presented to audit, prior to submission to the MHCLG.

The Team Manager had audited six cases to confirm appropriate evidence has been provided. This is slightly less than the usual 10%, but appropriate given the Team Manager had brought many of the cases together. One of the cases audited by the Team Manager was withdrawn ahead of the Internal Audit review taking place as it did not meet the necessary criteria to make a claim.

Internal Audit randomly selected seven claims for review, one of which had been checked by the Team Manager. For all of the cases reviewed, suitable evidence was available to support:

- entry into the programme
- a claim for significant and sustained progress.