

Internal Audit Report

Annual Report

Strata Services Solutions

May 2018

The following statement of assurance is provided by the Head of Audit Partnership, the provider of Internal Audit Services to Strata Service Solutions for audits in relation to the 2017-18 internal audit plan.

The provision of ICT services is the responsibility of Strata Services Solutions under the arrangements specified within the original Partnership Agreement between Exeter City Council, East Devon District Council and Teignbridge District Council .

This statement has been compiled to meet the assurance needs of The Partners, as the interested bodies for the provision of ICT services.

This assurance statement consists of the following elements:

- Overall Assurance Statement;
- Governance;
- ICT Service operations.

Overall, based on work performed during the year and our experience from the current year progress, the Head of Internal Audit’s Opinion is of “Significant Assurance” on the adequacy and effectiveness of the internal control framework in the Strata Service Solutions. (see key)

Good Standard - The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit of the ICT service operations, the recommendations made serve to strengthen what are mainly reliable procedures. However, governance arrangements for business continuity require improvement to ensure they are current, relevant and operating to link in with and meet Partner needs.

The work completed in this third year it has been at a combination of overview level in a developing company and more detailed service delivery areas in the plan. This assurance must be read in consideration of the evolving nature of complex ICT provision involving the merged ICT services from the three partner organisations whose infrastructure, service provision and service needs are at different levels but with a common objective; to improve the value and quality of ICT provision.

The scope of the audit for the year has included the following areas and are shown with the levels of assurance ;

Assurance Opinion on Risks or Areas Covered • key concerns or unmitigated risks	Level of Assurance	Direction of travel
Risk Management • significant improvement has been made to the risk management process and risk register. Further clarity is still needed between actual mitigating controls and that of further management action required.	Good Standard	
Performance Management: • is in the process of being restructured with a new shortened performance report more targeted to customer needs. • the performance monitoring processes are reliable and supported by practice recognised service desk	Good Standard	

<p>Business Continuity Plan:</p> <ul style="list-style-type: none"> • there is a sound structure of processes designed to support business continuity which have been tested through management of incident and recent weather related service pressure. • there is, however, no defined business continuity plan nor integration with Partner BC Plans. Strata is currently working with Partners to identify and agree service continuity requirements and an action plan from this gap analysis is being established. 	Improvements required	
<p>Cyber Security (Cyber Essentials Scheme (CE))</p> <ul style="list-style-type: none"> • CE presents the requirements for mitigating the most common Internet based threats to cyber security. • Using CE, no significant weaknesses identified with all of the five control areas achieving a good standard. 	Good Standard	
<p>Key IT Operational Functions Key operational functions and processes provide stable services that help deliver business outcomes.</p> <ul style="list-style-type: none"> • Looking at all core requirements for delivering ICT services, no areas of material concern were found. 	Good Standard	
<p>Service Design Turning service strategy into plans for delivering business objectives.</p> <ul style="list-style-type: none"> • High level review to assess future needs and assist in the delivery of service solutions identified no material control weaknesses. • A project prioritisation process has been developed, but further opportunities exist to improve the delivery of new services. 	Good Standard	

Our audit remit and coverage does not extend to financial and operational procedures as a business (outside of ICT service delivery) which are provided / supported by the Partners in 'host arrangements'. Assurance on financial and operational procedures should be sought from the Partner organisations audit services.

Further, more in-depth, audit reviews will be completed in the coming cycle as the maturity of the organisations arrangements develop and harmonise.

David Curnow
Deputy Head of Partnership

Full Assurance	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.	Limited Assurance	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
Significant Assurance	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.	No Assurance	Risks are not mitigated and weaknesses in control, and / or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.