

# Internal Audit Report

## Annual Report

### Strata Services Solutions

May 2019



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 2018-19 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 "Substantial 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. We reported last year that the governance arrangements for business continuity required improvement to ensure they are current, relevant and operating to link in with and meet Partner needs. We understand that these arrangements have been much improved and that an integrated business continuity plan is near completion. We will review these developments in the 2019-20 audit.

The work completed in this year has been focused around project management and strategy. This has naturally tied in to areas of cyber security and key IT operations providing a wider assurance coverage. 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
<b>Performance Management:</b> the new monthly performance reports are clearer in their presentation and more focused to KPIs than previously. There is clearer indication of improvement of performance over time with several of the kpi, though there is opportunity to link these to target outcome.	Good Standard	

Assurance Opinion on Risks or Areas Covered • key concerns or unmitigated risks	Level of Assurance	Direction of travel
<p><b>ICT Strategy:</b> The strategic direction remains appropriate to the needs of the Partners with financial benefits exceeding the values forecast within the original Business Case. The new Strata Business Plan* provides excellent and measurable detail as to how it will continually improve the services it offers the Partners and act as an effective enabler for transformational change.</p> <p>* Not formally adopted by all Partners at time of writing</p>	Good Standard	
<p><b>Cyber Security</b> (Cyber Essentials Scheme (CE))</p> <ul style="list-style-type: none"> <li>CE presents the requirements for mitigating the most common Internet based threats to cyber security.</li> <li>Using CE, no significant weaknesses identified with all of the five control areas achieving a good standard.</li> </ul>	Good Standard	
<p><b>Key IT Operational Functions</b> Key operational functions and processes provide stable services that help deliver business outcomes.</p> <ul style="list-style-type: none"> <li>Core operational infrastructure and service delivery processes now benefit from a largely stabilised operational environment. No areas of material concern were found.</li> </ul>	Good Standard	
<p><b>Service Design</b> Turning service strategy into plans for delivering business objectives.</p> <ul style="list-style-type: none"> <li>New project management process recognises the importance of design/ specification and governs within a project gateway.</li> <li>Dedicated resource created to enhance this area, including recognition of the importance of effective client liaison and business analysis.</li> </ul>	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

<b>Full Assurance</b>	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.	<b>Limited Assurance</b>	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.
<b>Substantial Assurance</b>	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.	<b>No Assurance</b>	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.