Audit Committee

30 November 2015

IT Audit Review Completed by Mazars

Durham
County Council

Report of Technical Services Manager, ICT Services

Purpose of the Report

1. To update the Audit Committee on the recent audit completed by Mazars of the general controls relating to the authority's financial/pension IT systems.

2. Copies of the full reports are attached at Appendix 1 and 2 but are summarised within this report.

Background

3. The purpose of the audit was to:

    (a) Understand the ICT environment.

    (b) Review the general ICT controls that are in place.

    (c) Recommend how ICT controls could be improved.

4. Mazars LLP were engaged to carry out the work, supported by appropriate DCC managers and officers.

Process

5. Over the course of 2 months, beginning in April 2015, three auditors from Mazars worked closely with DCC staff from ICT Services and Financial Services to:

    (a) Detail applications and map data flows between them.
    (b) Understand the Oracle transition project and review data migration.
    (c) Evaluate internal ICT controls relating to:

        i.   Physical Security
        ii.   Backup and Disaster Recovery
        iii.   Access Management and Logical Security
        iv.   Strategy and Internal Controls
        v.   Change Management

6.   Many tests were undertaken to seek evidence of the effectiveness of controls including:

> (a) Physical Access
> (b) Access Management:
>> i.   Granting Access
>> ii.   Terminating Access
>> iii. Changing Access
> (c) Application Access
> (d) Antivirus Systems
> (e) Daily Checks
> (f) Data Protection
> (g) Change Management

7.   Documentation was produced detailing the process, findings and recommendations of the audit.

8.   This process was carried out for ICT controls for both the financial system and for the Pension Fund system.

Findings

9.   These detailed reports are available as appendices to this report and include DCC management responses to each recommendation.

10.   For each system, a RAG risk identifier was assigned to indicate High, Medium and Low risks.

11.   The financial system general controls, results are set out below:

Domain	Risk Rating
Disaster Recovery Plan	Medium
Logical Security – Network	Medium
Logical Security – Network and Applications	Medium
Logical Security – Applications	Medium / Low
Change Management – Hardware	Medium
Change Management – Software	Medium
Oracle Migration Project	Low

12. The Pension Fund system results are set out below:

Domain	Risk Rating
Logical Security (UPM)	Medium / Low
Change Management (UPM)	Medium / Low
Disaster Recovery Plan	Medium
Logical Security – Network	Medium
Logical Security – Applications	Medium
Logical Security – Oracle	Medium
Change Management – Applications	Medium
Change Management – Oracle	Medium
Oracle Migration Project	Low

13. As an overall view, the lead auditor reported:

"Our final conclusion was that **we can rely on IT General Controls**, and although findings and recommendations were raised for some of the tested aspects, no major issues with impact on the financial accounts were found."

Progress

14. To date, all of the recommended actions have either been completed or are on track to be completed by the agreed dates.

Recommendation

15. The Audit Committee are asked to note the contents of this report and the attached appendices.

16. From the recommendations made, actions are to be added to the ICT Services Audit Action Log and will be monitored as part of the regular service management team meetings on a monthly basis.

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Appendix 1: Implications

Finance

No direct implications as a result of this report.

Staffing

None

Risk

None

Equality and Diversity/Public Sector Equality Duty

None

Accommodation

None

Crime and disorder

None.

Human rights

None

Consultation

None.

Procurement

None

Disability Issues

None

Legal Implications

None