Lincolnshire
COUNTY COUNCIL
Working for a better future

Open Report on behalf of David O'Connor, Executive Director Performance and Governance

Report to:	**Audit Committee**
Date:	**11 November 2013**
Subject:	**ICT Audits Update**

Summary:

This report is to provide an update to the position reported at the Audit Committee meeting on 23 September 2013.

Lincolnshire County Council has been issued with a deadline of November 19th 2013 to achieve its Public Service Network Code of Connection (PSN CoCo) compliance. Work to ensure compliance prior to the disconnection date is described within the report. Many local authorities are in a similar position due to a change of approach by central government in taking a 'zero tolerance' approach.

Recommendation(s):

The Committee is asked to note the progress being made to address the issues highlighted in the IT audits described in this report.

1   **Background**

During 2012 five internal audits of ICT were undertaken; these were IT Service Management, SAP Security and Licencing, Software Licence Management, IT Asset Management and Electronic Data Management. These audits all resulted in an outcome of limited assurance.
The findings of these audits have been reviewed in detail with Mouchel management and corrective action has been undertaken as a matter of urgency where possible and otherwise planned to an agreed timetable.

The findings also included some activities that the Council needed to address and these have also been undertaken or planned as appropriate.

During 2013 two further IT audits have been undertaken;

1. Mobile Computing and Remote Access which resulted in an outcome of substantial assurance, and

2. Disaster Recovery which is still being written up but is expected to result in an outcome of limited assurance due to the Council only having a single data centre.

2   IT Service Management Audit

The results of this audit were reported to the Audit Committee in September 2012, January 2013 and September 2013.

	Key Issue	Action	September 2013 position	October 2013 Position
1.	The Council needs an IT Strategy	IMT Strategy agreed by The Executive – September 2012	Complete	N/A
2.	Performance measures in current Mouchel contract no longer fit for purpose	New performance measures to be agreed through NGP	Partially Complete. Provisional new SLAs for the monitoring of the ICT service have been measured in parallel to current measures for several months. Amendments are currently being agreed and are anticipated to be implemented from October 2013 onwards.	Partially Complete. The amendments have now been agreed and final sign off (which is part of a bigger piece of work) is expected by the end of November 2013.
3.	Lack of availability of charging information to enable contract and budget management	Mouchel and LCC carried out a joint project to review costs in the current contract	Complete	N/A

3   SAP Security and Licence Audit

This audit was reported to the Audit Committee in January 2013 and September 2013.

	Key Issue	Action	September 2013 Position	October 2013 Position
1.	Some users were found to have inappropriate security levels	Security levels for these users have been appropriately modified on new controls put in place	Complete	N/A
2.	There is not a clear formal process for reviewing and changing user access	Process agreed and implemented between LCC and Mouchel	Partially Complete. However, LCC need to sign off the proposed list of LCC access authorisers provided by Mouchel.	Partially Complete. Sign off responsibility now clarified and agreed. Sign off expected by 30 November 2013.
3.	Roles and licences are not clearly mapped to SAP agreed licence types	Clarity SAP licence type and map identified roles.	Complete	N/A

4   Software Licence Management

This audit was reported to the Audit Committee in January 2013 and September 2013.

	Key Issue	Action	September 2013 Position	October 2013 Position
1.	There is a lack of clear responsibility for the management of software licences in the current contract	The agreement between Mouchel and LCC requires a variation to put this in place	Partially Complete. It is LCC's responsibility to ensure it meets its licencing legal requirements. The ICT Contract Delivery Lead role has this responsibility. Mouchel has provided LCC with	Complete. LCC and Mouchel now have an agreement in place for the provision of a software asset management service.

			a proposal for a software asset management (SAM) service. This proposal is due for sign-off by LCC during September and will ensure Mouchel has responsibility for the management of software licences.	
2.	There is no software licence management database recording all software assets and their deployment (current records are dissipated and not kept up to date)	Mouchel will implement and populate a corporate software licence database for the management of software assets	Partially Complete.\n\nUnder the terms of the SAM proposal, Mouchel will implement a "license management dashboard", a tool capable of managing a license baseline for LCC and giving an accurate position based on the purchased and installed software.\n\nThe SAM service tools will be in place by mid-October, but it will take several months for the SAM data within the tools to mature.	Complete.\n\nThe necessary management and reporting tools are in place and the service is live.\n\nIt will take several months for the software asset management data to fully mature as this is a gradual collection process now that the software is operational.
3.	There is no automated process for updating software licence usage	The tools for carrying out this activity is being deployed as part of the desktop refresh in the NGP programme and is in use	Partially complete.\n\nThe final stage of the automation will be achieved by linking new requests and role changes to the	Complete.\n\nSystems and processes are in place and operational.

		although not fully complete	Configuration Management Database in October.	

5   IT Asset Management

This audit was reported to the Audit Committee in January 2013 and September 2013.

	Key Issue	Action	September 2013 Position	October 2013 Position
1.	The Asset Management database was found to be out of date	Mouchel to verify and update the database Mouchel's assurance team to carry out quarterly sample audits of the database	Complete	N/A
2.	No automated asset tracking was found to be in place	The tools for carrying out this activity are being deployed as part of the NGP programme and are in use although not fully complete	Complete	N/A
3.	Asset disposals are not reported to LCC	A monthly disposal report is to be produced by Mouchel for LCC	Complete	N/A

6   Electronic Data Management

This audit was reported to the Audit Committee in January 2013 and September 2013.

	Key Issue	Action	September 2013 Position	October 2013 Position
1.	The majority of the Council's backups are	Review backup storage facilities to increase	Partially Complete. Backup Tapes are held in three	Partially Complete.

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		separate locations:	A decision has been made to move one set of tapes to a fire proof safe in the main Council offices basement.
stored within the data centre, creating a single point of failure (one set of tapes is stored off site)	offsite storage	• Fire Brigade HQ • Orchard House Data Centre in a fireproof safe • Orchard House Data Centre in Set-Up room The relocation of one of the sets of back-up tapes, currently residing in Orchard House, to an appropriately secured location within County Offices will be in place by end of September 2013.	The fire safe procurement is in progress.
2.	Whilst the success of backups is monitored there is no testing of backups	Mouchel to develop and implement a formal process for testing of restores from backups on a periodic basis	Complete	N/A

(Note: row 2 columns — index "2.", finding, recommendation "Mouchel to develop...", status "Complete", action "N/A")

7 Mobile Computing and Remote Access

This audit has resulted in substantial assurance with recognition that the Council has a comprehensive set of procedures and guidance in place to manage remote and mobile working.

Additional communication to staff has been undertaken to seek to address the non-compliance.

8 Disaster Recovery

The report from this audit has not yet been completed but an outcome of limited assurance is expected due to the reliance on a single data centre.

The Council is currently exploring the possibility of moving its systems and data off site through the Future Delivery of Support Services Programme. Suppliers are being asked to present options for providing dual data centres that would provide greatly improved resilience for the Council without the need to invest in building an additional data centre. The results of this procurement will be presented to the Executive for a decision in March 2014.

In addition to investigations in regards to data centre provision via the FDSS Programme, LCC and Mouchel are in contact with Sungard, a leader in the field of DR solutions, to investigate the possibility of providing additional DR capability for the duration of the rest of the Mouchel contract. The proposal would be likely to provision the supply of essential high risk IT infrastructure in a remote Sungard datacentre to provide quick recovery of key systems from offline back-ups. Costs, timescales and benefits are currently being documented.

9   PSN CoCo Compliance

On the 21st October, Lincolnshire County Council received notice that it would lose access to GSi Convergence Framework (GCF) Services as of 19th November 2013, in the absence of a successful resubmission for compliance following an unsuccessful submission in July 2013. Many local authorities are in a similar position due to a change of approach by central government in taking a 'zero tolerance' approach.

	Key Issue	**Action**
1.	Lincolnshire County Council submitted a full pack of information and was rejected at assessment on 29 July 2013. The key items to resolve at that time were: • Failure to evidence compliance against a number of the Annex B Compliance controls, including: Patching policies, boundary content and malware checking, disk encryption for data in transit and protective monitoring. • IT Health Check did not detail the activities completed to close the	A full GAP Analysis has been performed against the results of the July submission and the feedback regarding non-compliance. LCC does not dispute where security controls required to meet PSN compliance were found to not meet the stated compliance levels required. All compliance failure items have been addressed through a high priority joint LCC-Mouchel project which treated each failure item as a work package to be completed. As part of our compliance submission the Chief Executive has provided a statement to the Cabinet Office committing to adhering to the long term requirements for unmanaged end device by the time of our 2015 PSN Compliance Authorisation.

	High and Significant Medium risks identified. • Lincolnshire County Council currently utilise an un-trusted endpoint solution.	Constant contact has been maintained between the LCC IT department, Mouchel and the nominated Project Manager at the cabinet office ensuring that our approach and timescales are acceptable. IT Status Reports, Health Checks and Mitigation Reports have been routinely submitted to the Cabinet Office to ensure that progress is visible and that LCC are in a position to achieve compliance.
2.	The PSN Programme is to operate a 'zero-tolerance' approach to the minimum standards for connectivity. Organisations that fail to reach compliance can expect to have their connectivity suspended to protect the interests of the wider community.	If the submission on 30 October is successful then the only remaining issue with the LCC submission will be with regard to unmanaged endpoints (non-LCC computers accessing email and remote services on the LCC network). It is LCC's expectation that a 6 month compliance certificate will be issued to allow the authority to make additional amendments to this area to allow us to be fully compliant. This is a common issue with other authorities and an agreed approach to compliance within this area remains unclear for local authorities. If this remains an issue, the switch off of this functionality would enable full compliance, albeit with significant user impact.
3.	The suspension date is 19 November 2013.	A revised submission will be with the cabinet office on the 30th October 2013. There is a ten day SLA for approval / rejection which should be within the timescale given for disconnection. Considering the level of correspondence undertaken with our nominated Project Manager at the Cabinet Office, LCC do not expect this submission to be rejected.

The risk of disconnection is reputational, and the removal of access to GCX (Secure email) which would increase risks associated with securely communicating confidential data with other partner organisations. It could also cause the Council to fail its N3 compliance (ability to connect to Health) if not resolved in a timely manner.

10 Conclusion

Progress is being made by LCC with Mouchel in managing the issues raised in the audit reports. The issue of data centre resilience continues to be an issue and is it is expected that the new contract for support services will provide a long-term viable solution, with a possible enhanced DR solution from Mouchel providing short-term improvements.

The short term priority is achieving full PSN compliance along with many local authorities affected by the new 'zero tolerance' approach of central government.

11 Consultation

a) Policy Proofing Actions Required

n/a

12 Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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