

Internal Audit Report

Annual Report

Strata Services Solutions

June 2020

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 2019-20 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;
- Strategy, project management;
- Cyber Security and related ICT service operations.

Overall, based on work performed during the year and our experience and from the previous years coverage, 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 overall ICT service operations, the recommendations made serve to strengthen what are mainly reliable procedures.

The work completed in this year has been focused around project management and cyber security. This has naturally tied into areas of key IT operations providing a wider assurance coverage. This assurance must be read in consideration of the continually 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 current pandemic situation has presented great challenges to all ICT delivery and our audit thereof. We understand in this period that Strata has also pro-actively engaged with Senior Officers within each authority to identify key areas of focus as a result of Covid-19. Strata state that priority themes have been captured and will become an addendum to the 2020/21 Business Plan. We have previously recommended that an IT Service Management solution (ITSM - vFire) be implemented. We are aware that this was deployed in Feb2020 to aid efficiencies and improve the customer experience. We will include this in our 2020-21 audit plan. We will also follow-up on our previous review of business continuity arrangements which previously were at improvements required; thus, they were being worked through with partners.

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

Assurance Area	Opinion	Direction of travel
ICT Strategy The new Strata Business Plan is pending ratification by the three Partners and provides sound and measurable detail as to how it will continually improve the services it offers. The strategic direction and approach remain appropriate and mirror current trends within local government. Work has now been undertaken to look at opportunities for a limited amount of commercialisation, but this remains on hold until the impacts of the coronavirus pandemic ease appreciably.	Good Standard	

Improvements to Project Management processes and capacity make Strata an effective enabler for IT-led transformation of councils' services to deliver service improvements to citizens and/or cost savings.		
Cyber Security (Cyber Essentials Scheme (CE)) <ul style="list-style-type: none"> CE presents the requirements for mitigating the most common Internet based threats to cyber security. The rebalancing of ICT access management controls against operation of a multi-partner platform is ongoing. Using CE, no significant weaknesses identified with all other control areas achieving a good standard. A very limited number recommendations arose from audit work undertaken. 	Good Standard	
Key IT Operational Functions Key operational functions and processes provide stable services that help deliver business outcomes. <ul style="list-style-type: none"> Not reviewed in detail but work conducted to fulfil the Strategy, Cyber and Project Management did not identify any areas of material concern. Operational metrics and reporting are of a high standard. New ITSM will aid efficiencies and provide a better customer experience (detailed review to be undertaken 2020/21). 	Good Standard	
Service Design Turning service strategy into plans for delivering business objectives – focus on project management 2019-20 <ul style="list-style-type: none"> New project management process recognises the importance of design/ specification and governs within a project gateway. All three Partners have adopted Strata's Project Management process. Client liaison and business analysis function are embedded and developing to meet partner needs. 	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.
Substantial 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.

