

VERSION 3.0
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SHARED RESOURCE SERVICE

AUDIT STRATEGY 2017 – 2020 AND RISK ASSESSMENT [UPDATE]

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1. INTRODUCTION AND APPROACH

1.1. Introduction

1.1.1. This document provides:

- An update on the current progress of the 2017-18 operational audit plan as provided in the Audit Strategy 2017-2020 issued to you on February 21,2017;
- The intended operational audit plan for 2018-19, that the Finance and Governance Board is asked to objectively examine, evaluate and report back to the Head of Audit where there is a need for change based on the Board’s knowledge of new initiatives, changes in the risk profile or the cessation of activities.

1.2. Approach

1.2.1. This year’s operational internal audit plan is as previously set out with adjustment for issues encountered with the 2017-18 plan and known changes.

1.3. Other Sources of Assurance.

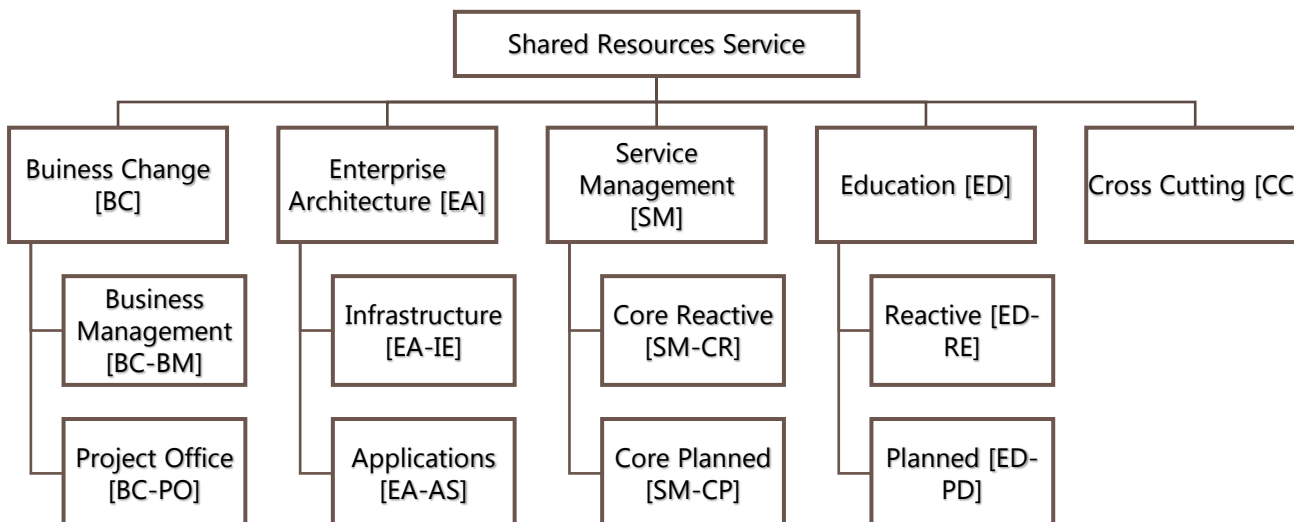
1.3.1. No reports have been received from any of the partner internal audit sections or from the External Auditor.

1.4. Key Contacts

1.4.1. A copy of this document will be issued to the appointed external auditors of the SRS partners for consideration and comment.

2. AUDIT UNIVERSE

2.1.1. The SRS audit universe is shown below:



3. 2017-18 OPERATIONAL AUDIT PLAN

3.1.1. The following table details the current position.

Ref	Auditable Unit / Risk Indicator	Plan Days	Priority / Risk Ref	Focus / Scope	Progress / Update
BC-BM-7801	CCTV / Control Room	5	PS5, PS6, BP3, 10	Follow up of the 16/17 Audit	Audit is complete, the Final Report was accepted by the SRS COO on 17/08/2018 15:20.
Systems Audit Opinion is MODERATE with 9 recommendations made (7M, 2L).					
BC-BM-7802	Back Office	5	PS2,	Follow up of the 16/17 Audit	Audit is complete, the Final Report was accepted by the SRS COO on 16/04/2018 12:56.
Systems Audit Opinion was LIMITED with 4 recommendations made (3M, 1L). Follow up Audit Opinion is UNSATISFACTORY with 2 recommendations made (2L).					
CC-7801	Cybersecurity	20	PS1, PS5, PS6, 35, CRR 2	MCC Commissioning Paper GPA Commissioning Paper	The audit fieldwork has been completed and a draft report was issued on 03/09/2018 07:10.
Systems Audit Opinion is MODERATE with 43 recommendations made (41M, 2L).					
CC-7802	ISO27001	15	PS1, PS5, PS6, 35, CRR 2	External Accreditation Requirement	This audit could not be started in 17-18 but a number of ISO27001 controls were covered in the Cybersecurity audit and in all future audits, any relevant ISO27001 controls will be separately identified.
CC-7803	Information Technology Governance	8	PS3, PS4, PS5, PS6, PS7, PS8, BP1, BP4, 6, 8, 9, 10, 21, 25, 30, 31, R_1, R_2	Follow up of the 16/17 Audit	Audit is complete, the Final Report was accepted by the SRS COO on 08/12/2017.
Systems Audit Opinion is MODERATE with 9 recommendations made (9M).					
EA-7801	IT Service Continuity Management ITSCM	20	PS1, PS5, PS6, BP3, 35, CRR 2	MCC Commissioning Paper TCBC Audit Cycle	Audit is complete, the Final Report was accepted by the SRS COO on Wed 08/08/2018 11:14.
Systems Audit Opinion is LIMITED with 22 recommendations made (22M).					
EA-AS-7801	Application Development / Management	5	PS1, PS4, PS6, PS9, BP1, BP3, BP4, 35, 16, 23, R_1	Follow up of the 16/17 Audit	This audit is to be carried out in Quarter 4 of 18/19.
EA-IE-7801	Email	5	PS1, PS5, PS6, PS9, BP2,	Follow up of the 16/17 Audit	Audit is complete, the Final Report was accepted by the SRS COO on 05/04/2018.

Ref	Auditable Unit / Risk Indicator	Plan Days	Priority / Risk Ref	Focus / Scope	Progress / Update
Systems Audit Opinion was SUBSTANTIAL with 5 recommendations made (3M, 2L). Follow up Audit Opinion is SATISFACTORY with 1 recommendations made (1M).					
EA-IE-7802	Architecture Management (Service Design) Inc. Cloud – One Wales	30	PS1, PS3, PS5, PS6, PS9, BP1, BP2, BP4, 10, 16, 23, R_2	Examine the adequacy and effectiveness of partner efforts to integrate systems architecture and administration and realise efficiencies from systems on a single platform. MCC Commissioning Paper TCBC Commissioning Paper GPA Commissioning Paper	This audit will not be performed in 17/18 and will be rolled forward to 19/20.
SM-7801	Performance Management	15	PS1, PS3, BP1, BP3, BP4, 1, 22, 8, 9, 10, 16, 23, 25	Audit of the degree to which: <ul style="list-style-type: none"> ▪ the SRS performance targets and critical success factors are sufficient and met; ▪ customer SLAs operate and design services accordance with the agreed SLAs; ▪ Operational Level Agreements and Underpinning Contracts are appropriate; ▪ service levels are reported and delivered to the agreed service level targets; ▪ the desired outcomes (customer requirements) for new services / major service modifications are captured, documented and initially evaluated. TCBC Commissioning Paper	A draft report was issued to Management on 25/07/2018 and the responses received are currently being processed.
Systems Audit Opinion is LIMITED with 8 recommendations made (8M).					
Total		128			

4. 2018-19 OPERATIONAL AUDIT PLAN

4.1.1. The following table details the proposed plan.

Ref	Auditable Unit / Risk Indicator	Plan Days	Priority / Risk Ref	Focus / Scope	Progress / Update
BC-BM-7801	CCTV / Control Room	5	PS5, PS6, BP3, 10	Follow up of the 16/17 Audit.	Audit is complete, the Final Report was accepted by the SRS COO on 21/08/2018.
Follow up Audit Opinion is UNSATISFACTORY with 7 recommendations made (5M, 2L).					
CC-8902	Mobile Computing	25	PS1, PS3, PS4, PS6, BP2, BP3, BP4, CRR 2,	The audit will evaluate the current control environment for the management of devices and in particular, the associated security risks of connecting to the network.	The audit is in the fieldwork/testing stage.
SM-CR-8901	Identity and Access Management (Service Operation)	15	BP3, 30	Audit to evaluate whether: <ul style="list-style-type: none"> ▪ the right to use a service is only granted to authorised users and it is only that needed to carry out their job/role effectively; ▪ the Confidentiality, Integrity and Availability of data and intellectual property is protected; ▪ users have inappropriate access and have / could cause errors in critical services; ▪ regulatory compliance is ensured and the data required for forensic / other investigations is effectively provided; 	The audit is in the fieldwork/testing stage.
BC-BM-8901	Supplier Management (Service Design)	15	PS1, PS3, PS6, PS7, BP1, 8, 10	Audit to evaluate <ul style="list-style-type: none"> ▪ whether binding contracts with suppliers exist where required and they support the needs of the business, and suppliers meet their 	The audit is in the fieldwork/testing stage.

Ref	Auditable Unit / Risk Indicator	Plan Days	Priority / Risk Ref	Focus / Scope	Progress / Update
				contractual commitments; <ul style="list-style-type: none"> ▪ the effectiveness of the Supplier Contract Management Information System (SCMIS); ▪ the guidance and standards for the procurement of services / products is adequate; ▪ whether prospective suppliers accordance with the Supplier Strategy and result in the most suitable supplier being selected; ▪ whether contractually agreed performance is delivered, and improvement measures are defined where required; ▪ the effectiveness of the contract renewal process to ensure all contracts are relevant and terminated when no longer needed; ▪ whether key process elements exist e.g. Supplier and Contract Management Information System; Supplier and Contract Review Meeting Minutes; Supplier Evaluation; Supplier Service Level Report; Supplier Strategy; Underpinning Contracts; 	
EA-IE-8902	Virtualisation	15	PS3, PS5, PS7, PS9, BP1, BP3, 8, 9, R_2	Audit of the control environment following the move to Hyper V.	Audit has not been scheduled as yet.
CC-8903	ISO27001	15	PS1, PS5, PS6, 35, CRR 2	External Accreditation Requirement	Audit approach has been changed to address ISO27001 controls in each audit, so scope will need discussion before the audit commences.

Ref	Auditable Unit / Risk Indicator	Plan Days	Priority / Risk Ref	Focus / Scope	Progress / Update
CC-7803	Information Technology Governance	8	PS3, PS4, PS5, PS6, PS7, PS8, BP1, BP4, 6, 8, 9, 10, 21, 25, 30, 31, R_1, R_2	Follow up of the 16/17 Audit	Audit has not been scheduled as yet.
EA-AS-7801	Application Support / Management	5	PS1, PS4, PS6, PS9, BP1, BP3, BP4, 35, 16, 23, R_1	Follow up of the 16/17 Audit	Audit has not been scheduled as yet.
EA-8901	IT Service Continuity Management ITSCM	5	PS1, PS5, PS6, BP3, 35, CRR 2, 10	Follow up of the 17/18 Audit	Audit has not been scheduled as yet.
	Total	108			

5. APPENDIX 1: KEY STRATEGIC PRIORITIES AND RISKS.

5.1.1. The SRS's key strategic priorities and risks are reflected in the:

- **SRS Partner Strategy 2016-2020**

Ref	Strategic Priority
PS1	To be an organisation that delivers great digital services / solutions to its partners using open standards through a cloud model and a standard service catalogue of commodotised services and integrated provision.
PS2	To move staff from reactive services into proactive, disruptive ones.
PS3	To increase the value for money (as defined from the customer point of view) delivered.
PS4	To focus the partner investment in technology to achieve corporate priorities.
PS5	Deliver effective ICT services from a single combined unit.
PS6	Improve services to provide a solid foundation upon which partner organisation's can operate.
PS7	Ensure the investment in ICT is focused on delivery of the corporate priorities of the partner organisations'.
PS8	Develop a capable, professional workforce that can meet the challenges within ICT over the coming years.
PS9	Provide a collaborative platform for public sector organisation's to share common ground.

- **SRS Business Plan 2016-17**

Ref	Aim / Priority
BP1	To develop a 3 to 5 year roadmap that the SRS and its strategic partners can use to develop options which exploit the latest technologies / methodologies and support public sector innovation.
BP2	To operate as a flexible, agile and integrated platform.
BP3	To deliver highly available systems and delight our customers. <ul style="list-style-type: none"> ▪ Improve the core service. ▪ Implement a supportive organisational structure. ▪ Improve customer service and reduce the amount of time customers wait for a resolution.
BP4	To deliver business value through the implementation of new ideas and maximise the investment made in existing technologies. <ul style="list-style-type: none"> ▪ Implement an agile project management structure ▪ Implement a supportive organisational structure ▪ Build the 3-5 year roadmap ▪ Deliver the commissioned project items

▪ **Risk Registers**

Ref	Risk Description
Torfaen	
35	Failure to provide services through any complete failure of critical IT systems for longer than 48 hours.
Blaenau Gwent	
CRR 2	The ICT provision supporting Council services is not resilient and fails to provide assurance requirements in terms of operational functionality and data security. Medium to long terms loss of IT systems.
Gwent Police Authority	
4824	GPA / SWPA issues with uploading force records to the PND (GPA 9 months behind) so forces carrying out searches do not have accurate and up to date information. An FTP solution sends and collects files to/from South Wales for the STORM system automatically but access is limited and it cannot be loaded. Extractions are incomplete / inaccurate e.g. number of arrests since Niche went live.
Monmouth	
Shared Resource Service	
1, 22,	Failure of the service level agreement process due to a lack of partner organisation input.
2	Failure of the change management process in managing the addition of a new partner.
3, 4,	Failure to fully anticipate the full cost(s) e.g. infrastructure, employee skilling, of taking on an additional partner.
6	Lack of required capacity to deal with the addition of a new partner.
8	Failure to effectively manage the resources of the SRS.
9	Failure to implement a structure aligned to a Core/Projects split; to deliver a robust and reliable service to the partner organisation's which is costed appropriately.
10	Failure to effectively manage partner requirements of the SRS.
16, 23,	Failure to deliver high value collaboration opportunities (with a roadmap) due to the partners not specifying collaboration needs.
17, 18	The opportunity cost of having to return a resource to the configuration required by its landlord.
19, 20,	Failure to benchmark and improve due to funds not being available.
21	Failure to prioritise work demands.
25	Failure to deliver the strategy due to the need to meet savings targets.

30	Failure to meet the reporting requirements of partners due to the configuration of the system / tools available.
31	Failure to demonstrate the effectiveness of operation and the delivery of stated business benefits due the measures in existence being deficient.
R_1	The commissioning statements do not specify the required business strategy.
R_2	The SRS cannot deliver against the strategy requirements.