



## **ANNUAL GOVERNANCE STATEMENT 2018/19**

### **Action Plan 2019/20 - Issues identified in 2018/19**

During 2018/19 SIAS conducted audits across a number of services in East Herts.

The Good assurance opinion overall on financial systems (Substantial in 2017/18) has been concluded from 10 financial systems audits, where an opinion has been given. Seven received Good assurance, two received Satisfactory assurance and one was Not Assessed. No Critical or High priority recommendations were made in these audits.

The Limited assurance opinion overall on non-financial systems (Moderate 2017/18) has been concluded from fourteen non-financial systems audits, where an opinion has been given. One received Good assurance, seven received Satisfactory assurance and six received Limited assurance.

SIAS changed the range of definitions used for providing our assurance opinions for individual audits at the start of the Financial Year. It has moved from a five-tier scale to a four-tier scale. It is likely to have resulted in some 2018/19 audits receiving a Limited assurance rating (3rd of 4 levels), that may otherwise have attracted a Moderate opinion (3rd of the five levels) under the previous assessment scale.

Management action plans have been prepared to address the recommendations arising in the 2018/19 audits.

### **TSS Improvement Plan – Governance**

- Management should complete the review of the IT policies and tailor them to the needs of both Councils. The purchased IT policy software should be deployed without any further delay and the policies should be made available to all members of

staff. Management should track and monitor staff attestation and responses.

Furthermore, management should review and, where necessary, revise the Service's IT procedures so that they are consistent across both Councils. The procedures should be documented and communicated to all members of staff.

- Representatives from both Councils should agree a shared set of expectations for how technology will be used to achieve their respective strategic objectives.

These expectations should form the basis for a defined IT Strategy for the Shared IT Service, which should include as a minimum:

- The expectations for the levels of service to be provided
- The metrics for monitoring the performance of the Shared IT Service.
- The performance of the Service should be reviewed on a routine basis by the ICT Partnership Board and measured against the defined metrics and key performance indicators.

## **Cyber Security**

- Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network.

Where there is a demonstrable need for a device to connect to the IT network, the Service should require:

- The purpose for the connection has been recorded

- Appropriate security controls have been enabled on the device connecting to the IT network
  - The period of time that the device will require the connection
  - All connections are approved before being allowed to proceed.
  - Devices connected to the IT network should be reviewed on a routine basis.
- There should be a record of the configuration of the Council's firewalls, which includes but is not limited to:
    - The purpose of all of the rules
    - The expected configuration and activity for each rule
    - The member of staff that requested and approved the rule
    - The configuration of the firewall should be reviewed on a routine basis.
    - The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of security

## **Incident Management**

- Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.

A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.

The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.

- Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.

A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.

The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.

- Management should define the processing capacity threshold at which it is no longer possible for a data centre to operate as the single data centre.

This should be monitored and, where exceeded, appropriate action should be taken.

## **S106 Spend Arrangements**

- Record keeping of S106 contributions, the spend arrangements and associated timeframes be reviewed to confirm fitness for purpose. An effective master record is adopted for monitoring and reporting purposes.
- The Council establish a sound legal position in respect of any time expired contributions. Contributions due to expire in the near future are subject to urgent consideration and remedial action where required.

## **Digital East Herts**

- We recommend that management should conduct a robust review of active projects at risk, or likely to become at risk, to determine if strategic intervention is needed by Leadership Team. This should include making sure the financial savings targets set are actually viable and likely to be met by the deadline of 31 March 2020. Any projects identified as highly likely not to produce the minimum financial savings expected should be escalated to Leadership Team so that remedial action to adjust or re-assign targets can be taken in a timely manner.

We also recommend that management should develop a new list of potential digital projects for Leadership Team to consider, as a way to find solutions to cover the £50,000 shortfall presently being forecast.

## **Joint Waste Contract**

- The four performance indicators in place have a significant weighting within the PMR and therefore measuring these allows management to assess service delivery. We recommend that management undertake an exercise of prioritising the remaining indicators and determine which the next most important service measurement indicators are. This should be part of the project currently underway.

In addition, we recommend that priority is given to formally agreeing the service failure types to be measured. A clear and defined record of all adjustments to the PMR should be maintained and appropriate approval retained.

A contract variation notice should be raised to formalise any locally agreed changes to performance criteria, with the support of the Legal Commercial Team Manager.

**We propose to address the previously described matters to further enhance our governance arrangements. We will monitor our performance against these recommendations as part of our next annual review.**

**Certified by the Leader of the Council and the Head of Paid Service:**

**Signed.....Dated.....**

**Councillor Linda Haysey  
Leader of the Council**

**Signed.....Dated.....**

**Richard Cassidy  
Chief Executive**