

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	30 September 2015
Subject:	ICT – Asset Inventory Audit
Report of:	Graeme Simpson, Corporate Services Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor M Dean
Number of Appendices:	Two

Executive Summary:

As part of the 2014/15 annual Internal Audit Plan an ICT audit was undertaken and specifically looked at how well ICT assets are controlled and recorded within the asset register. The audit concluded there was an unsatisfactory level of control. The main reason for this conclusion was the asset register was not fit for purpose and there were no documented procedures. The audit opinion was reported to Audit Committee on 24 June 2015. During discussion it was requested a progress report be brought to the next Committee on how the control issues identified by Internal Audit were being resolved.

Recommendation:

The Audit Committee is asked to CONSIDER the progress which has been made in implementing the internal audit recommendations to improve the control over ICT assets.

Reasons for Recommendation:

Where Internal Audit conclude there is either a 'limited' or 'unsatisfactory' level of control then it is practice for the service area given that opinion to take ownership of the recommendations and bring a progress report back to the next Committee.

Resource Implications:

None directly related to the report.

Legal Implications:

None directly related to the report.

Risk Management Implications:

If Internal Audit recommendations are not implemented then there is a risk that one or more of

the following will not be adequately mitigated:

- achievement of plans and objectives;
- compliance with rules of procedure, legislation etc.;
- reliability and integrity of information;
- economy, efficiency and effectiveness of systems; and
- safeguard and security of assets.

Performance Management Follow-up:

All Internal Audit recommendations are reported to Audit Committee.

Environmental Implications:

None directly relating to this report.

1.0 INTRODUCTION/BACKGROUND

1.1 As part of the 2014/15 annual internal audit plan an ICT audit was undertaken and specifically looked at how well ICT assets are controlled and recorded within the asset register. The audit concluded there was an unsatisfactory level of control. The main reason for this conclusion was the asset register was not fit for purpose and there were no documented procedures. The audit opinion was reported to Audit Committee on 24 June 2015. During discussion it was requested a progress report be brought to the next committee on how the control issues identified by internal audit were being resolved.

2.0 ICT - ASSET INVENTORY AUDIT

2.1 The report and audit recommendations can be found in Appendices 1 and 2. Progress against the agreed audit actions is as follows:

Since the review ICT have worked with audit to produce a new set of procedures, flow diagrams and asset management spreadsheet.

New draft procedures are now in place in ICT and a new Asset management sheet has started to be used. The new Asset sheet now allows improved cross referencing of assets from purchase date to disposal date

2.1.1 - POs are now against each individual item on the asset register along with purchase dates.

2.1. 2 - Disposal is now checked with finance before collection is arranged. Disposal is arranged by the helpdesk and signed off by the ICT Operations manager.

2.1.3 - Annual reviews of all assets will now take place. Users/departments that have signed out an asset will be asked to prove the location and condition of the asset

2.1.4 - The asset register will have a check date, this will be updated when the checks are completed. Escalation process for missing items, incorrect items needs finalising.

2.1.5 - Checks are run before equipment is disposed of to make sure that the recycling company is WEEE Accredited, ISO9001, 14001 and 27001. Any hard drives that are disposed of must have a certificate of their destruction. A review of the procurement of the disposal contract will be undertaken.

2.1.6 - 2.1.7- Mobile assets (laptops, phones etc.) will now need to be signed in and out of ICT by the department/user that requires it. The ownership and responsibility of that asset will then belong to the department/user that signs the asset out. All users who

currently have a mobile asset will be asked to complete and sign one of these forms.

2.1.8 - Assets are recorded against service, individual and PO number.

2.1.9 - A full asset check has been completed to make sure everything on the new asset sheet is accounted for

3.0 OTHER OPTIONS CONSIDERED

3.1 None considered.

4.0 CONSULTATION

4.1 None undertaken.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None other than resource time to confirm existence of assets.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 To ensure the safeguard of Council assets.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 Audit Committee 24 June 2015 – original internal audit opinion.

Background Papers: None

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Appendices: Appendix 1 – Audit Objective and Opinion
Appendix 2 - Audit recommendations

Introduction:

The purpose of this audit was to establish if the Council adequately records and controls the issue and disposal of ICT hardware. This was done by examining the management of the physical components of computers and computer networks from the time they are purchased through to their secure disposal. The review included an examination of the appropriateness of insurance arrangements.

Control Objectives:

1. To ascertain if the Council adequately records, insures and controls the issue and disposal of ICT hardware.

Audit opinion

CO	Assurance Level	Opinion
1	Unsatisfactory	<p>The ICT department maintain an asset register for the purpose of assisting with the management of items of ICT hardware. The review of this register has concluded it is not fit for purpose and procedures to support the recording and control of acquisitions and disposals need significant improvement. Currently, there are no documented procedures to manage the process from when an item of computer equipment is purchased through to when it is disposed of.</p> <p>Specific areas for improvement include;</p> <ul style="list-style-type: none">• Documenting the acquisition and disposal system so procedures are applied consistently.• Ensure there is adequate separation of duties within the process.• The ability to track a piece of equipment from when it is purchased and received in ICT to when it is transferred and used by service areas – there are a number of items located in the register deemed to be 'lost'. This is particularly important for mobile devices.• The introduction of regular checks to verify the hardware is still held.• Reviewing how the disposal supplier has been procured to ensure best value is being achieved.• Using the asset register to inform insurance requirements. <p>The limitations of the current system are recognised and ICT Services have commenced the implementation of an improved version of the register. The audit recommendations can therefore be included as part of this process and will complement the work that has already started.</p>

Appendix 2

Rec No	Risk (of non-implementation)	Recommendation	Action to be taken	Officer Responsible	Implementation Date	Priority
1	Failure to adequately protect council equipment	Implement a robust and accurate asset inventory supported with documented procedures.	<p>Procedures and new register should include (but not a definitive list)</p> <ol style="list-style-type: none">1) Purchase orders to be recorded on the register.2) At least 2 officers involved in the acquisition and disposal process.3) Frequency with which checks should occur and determine who should undertake the checks.4) Document checks and what the escalation process is for exceptions identified.	ICT Manager	September 2015	E

Rec No	Risk (of non-implementation)	Recommendation	Action to be taken	Officer Responsible	Implementation Date	Priority
			<p>5) Documented disposal procedures including review of contractor. Disposal schedule reference to be annotated on register.</p> <p>6) Define responsibility of users</p> <p>7) Procedures for tracking equipment between ICT and individual services.</p> <p>8) Assets to be recorded in a logical manner e.g. by service</p> <p>9) Prior to roll out the register must be checked to ensure it is accurate from the outset</p>			