

## Final Internal Audit Report

### The Children and Families Systems Support Team (ControCC)

June 2019

**Distribution:** Executive Director of Children Families and Education (Final only)  
 Director of Early Help and Children’s Social Care  
 Head of Quality Assurance and Safeguarding  
 Strategic Manager, Children, Families and Education  
 Business Support Team Manager

Assurance Level	Recommendations Made	
	Limited Assurance	Priority 1
Priority 2		11
Priority 3		2

#### Confidentiality and Disclosure Clause

This report (“Report”) was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

## Contents

Page

### Executive Summary

1. Introduction.....	2
2. Key Issues.....	2

---

### Detailed Report

3. Actions and Key Findings/Rationale .....	4
4. Priority 3 Issues.....	15

### Appendices

1. Terms of Reference
2. Definitions for Audit Opinions and Recommendations
3. Statement of Responsibility

## Executive Summary

### 1. Introduction

- 1.1 The Children and Families Systems Support (CFS) Team has the responsibility to develop and deliver fit for purpose electronic recording systems, processes and workflows aligned to the new social work practice model and evolving workforce needs.
- 1.2 The key children's systems for Social Care and Early Help are the Children's Recording System (CRS) and the Early Help Module (EHM) both supplied by Liquid Logic.
- 1.3 This audit focussed on the ControCC system, which is designed to integrate with the Liquid Logic systems to help improve the accuracy of payments and charges. It can also help eliminate data duplication and improve efficiency of administration.
- 1.4 The CFS Team aims to deliver improved usability of the ControCC system, user knowledge, information flow and system functionality to meet service requirements.
- 1.5 This audit was undertaken as part of the agreed Internal Audit Plan for 2018/19.

### 2. Key Issues

#### Priority 2 Issues

Procedure notes for the key activities undertaken by the CFS team had not been documented. **(Issue 1)**

The ownership of the process of confirming or ensuring that members of the CFS Team have the required Disclosure and Barring Service (DBS) clearance was not defined. **(Issue 2)**

The key accountabilities and responsibilities of members of the CFS Team were not documented. **(Issue 3)**

There were no formally defined Service Level Agreements (SLAs) between the CFS Team and the teams it supports. **(Issue 4)**

Instances were identified where manager approval for user creation was not documented. **(Issue 5)**

There was no evidence provided to confirm the system parameter settings for logical access controls or the Account Lock-out were appropriate. **(Issue 6)**

Two security roles were identified that did not show suitable segregation of duties in the tasks that were permitted. **(Issue 7)**

There were no defined arrangements in place for testing of the CFS Team Business Continuity and Disaster Recovery Plans. The full Plans were not evidenced as being tested. **(Issue 8)**

At the time of the audit the arrangements for data back-up were not evidenced; as such, Internal Audit was unable to confirm that the back-up arrangements were adequate. **(Issue 9)**

The arrangement for data quality governance was not formally defined. **(Issue 10)**

There was no formal documentation of the Key Performance Indicators of the CFS Team or the individual team members. **(Issue 11)**

The Priority 3 issues are detailed under item 4 below.

3. Actions and Key Findings/Rationale

<u>Control Area 1: Legislative, Organisational and Management Requirements</u>	
<b>Priority</b>	<b>Action Proposed by Management</b>
2	To develop and circulate new guidance procedures.
	<p>Procedure notes provide staff with guidance on the process for completing tasks, to help ensure they abide by regulations as well as the requirements of the Council and management. These should be regularly reviewed to ensure they fit current procedures and legislation.</p> <p>There are general central policies that relate to the Council's Information Technology systems in place; however, there are no documented procedure notes for the key activities undertaken by the CFS Team. Discussions established that as a part of the ongoing ControCC Implementation Project, ControCC Admin User Guides are being developed from the existing ControCC Supplier Technical Policy and Process guides with an estimated completion date of Q1 2019.</p> <p>Where procedure notes are not available or up-to-date, there is a risk that staff will not comply with the requirements expected by the Council or legislation for important processes. This could lead to reputational damage where legislation is breached or a service user is negatively affected as a result of non-compliance.</p>
<b>Responsible officer</b>	<b>Deadline</b>
Business Support Team Manager	30 June 2019

**Control Area 1: Legislative, Organisational and Management Requirements**

<b>Priority</b>		<b>Action Proposed by Management</b>	<b>Detailed Finding/Rationale – Issue 2</b>
<b>2</b>	<p>All CFS team members to have DBS Checks.</p> <p>The Director of Early Help and Children's Social Care has already approved all users with access to CRS &amp; EHM to have a DBS check and information is being sent to HR to follow up.</p> <p>New starters will be brought in line with new DBS policy.</p>	<p>Disclosure and Barring Service (DBS) clearance checks are required for staff with access to sensitive data, which includes ControCC.</p> <p>Staff requiring access to ControCC, as well as the CFS Team members themselves are required to have valid DBS clearance. While it was confirmed that DBS clearance of staff requiring access to ControCC was checked, the ownership of the process of confirming or ensuring that members of the Team have the required clearance is not defined. The Strategic Manager, Children, Families and Education was unable to confirm whether the CFS Team members had valid DBS clearance.</p> <p>Testing of HR records identified that of the eight team members, one did not have an up-to-date DBS clearance (it was three years old in October 2018 and had not yet been renewed).</p> <p>Where arrangements and responsibility for ensuring DBS clearance checks are not established or where these are not performed or monitored, there is the risk of breach of regulation and also failure of the Council to perform its safeguarding duty.</p>	
<b>Responsible officer</b>		<b>Deadline</b>	
Strategic Manager, Children, Families and Education		30 June 2019	

<b><u>Control Area 1: Legislative, Organisational and Management Requirements</u></b>	
<b>Priority</b>	<b>Action Proposed by Management</b>
2	To create a CFS team accountabilities and responsibilities briefing to be shared with CFS Governance and linked from CRS & EHM.
	<p>Key accountabilities and responsibilities are agreed and documented to ensure staff are aware of the tasks they are responsible for.</p> <p>The Development Plan included in the Children and Family Services (CFS) Workbook assigns key items of ControCC system development to different team members; however, the key accountabilities and responsibilities for the individual CFS Team members are not documented. Discussions established that this is currently being developed for agreement by the ControCC Task &amp; Finish Group.</p> <p>An overarching document that details the work carried out by each team involved in the Project is in draft and being developed.</p> <p>Where roles and responsibilities are not defined or agreed, there is the risk that staff may not know what they are responsible for, which could lead to an ineffective and inefficient service.</p>
<b>Responsible officer</b>	<b>Deadline</b>
Strategic Manager, Children, Families and Education	30 June 2019

<b><u>Control Area 1: Legislative, Organisational and Management Requirements</u></b>						
<b>Priority</b>	<b>Action Proposed by Management</b>	<b>Detailed Finding/Rationale – Issue 4</b>				
2	To review and agree at CFS Governance Group how best to management and monitor the provision of CFS support alongside the development.	A Service Level Agreement (SLA) is required to document the agreed commitment between two parties; in particular the expectations for quality, availability and responsibilities. There are no formally defined SLAs between the CFS Team and the CFS Service Teams it supports.				
	<table border="1"> <thead> <tr> <th><b>Responsible officer</b></th> <th><b>Deadline</b></th> </tr> </thead> <tbody> <tr> <td>Strategic Manager, Children, Families and Education</td> <td>30 June 2019</td> </tr> </tbody> </table>	<b>Responsible officer</b>	<b>Deadline</b>	Strategic Manager, Children, Families and Education	30 June 2019	Where service standards are not formally agreed and documented, there is a risk that the needs of the Service and the Council are not met.
<b>Responsible officer</b>	<b>Deadline</b>					
Strategic Manager, Children, Families and Education	30 June 2019					



<b>Control Area 2 : ControCC System Administration</b>	
<b>Priority</b>	<b>Action Proposed by Management</b>
2	<p>An additional page has been created for requesting access to ContrOCC as part of the new starter process.</p> <p>Access to information systems is granted on approval by an appropriate authority, which helps ensure users are limited to specific defined, documented and approved applications and levels of access rights.</p> <p>Examination of available records for the nine users created between April 2018 and March 2019 noted that for six users, there was no evidence that the relevant Manager's approval was obtained prior to user creation.</p> <p>Subsequently, after the recommendation was raised, the team has developed a ControCC access form, that documents Manager's approval.</p> <p>Internal Audit acknowledges that access to ControCC is only granted to users who have existing access to the CRS system. The user access control for the CRS system was outside the scope of this audit.</p> <p>Where user access is not authorised appropriately, there is the risk of unauthorised users gaining access to the system.</p>
<b>Detailed Finding/Rationale – Issue 5</b>	
<b>Responsible officer</b>	<b>Deadline</b>
Business Support Team Manager	Implemented

<b>Control Area 2 :ControCC System Administration</b>	
<b>Priority</b>	<b>Action Proposed by Management</b>
2	<p>Provide evidence to CFS Governance Group of the password and lockout parameters and testing these for sign off.</p>
	<p><b>Detailed Finding/Rationale – Issue 6</b></p> <p>The ControCC application should have adequate logical access controls in operation; configured in accordance with the Council's password policy and in line with any compliance and best practice requirements such as Code of Connection (CoCO) and ISO27001.</p> <p>The Account Lockout setting determines the number of failed sign-in attempts that will cause a user account to be locked.</p> <p>At the time of the audit there was no evidence provided to confirm the system parameter settings for logical access controls or the Account Lock-out; as such, Internal Audit was unable to confirm that these were appropriate.</p> <p>Internal Audit was informed that 'Enforce Password Policy' and 'Enforce Password Expiration' are options in ControCC, which are both enabled and that the system passwords are set to expire after 25 days; however, these were not evidenced.</p> <p>Where the system does not provide an adequate access control system and does not report on failed log on attempts, there is an increased risk of unauthorised users gaining access to the system.</p>
<b>Responsible officer</b>	<b>Deadline</b>
Business Support Team Manager	30 June 2019

**Control Area 2 : ControCC System Administration**

<b>Priority</b>	<b>Action Proposed by Management</b>	<b>Detailed Finding/Rationale – Issue 7</b>
2	As part of the ControCC development to agree new profile arrangements which ensure segregation of duties and business continuity.	<p>The security roles in ControCC help ensure that users are assigned the permissions they require to do their jobs, while preventing them from performing additional tasks that are not relevant to their roles.</p> <p>Examination of the 12 user security roles in use and the related permissions noted that the Business Support Invoice Role, which is assigned to four members of the Business Support Team allows users to create, edit and authorise invoices and credit notes. It was also noted that the Business Support Scheduled Payments Role assigned to 11 members of the Business Support Team grants the users the ability to edit and authorise payments.</p> <p>It was confirmed that only one user had the access to the Business Support Payments Finalisation Role which granted permission to finalise payments. This, however, creates a significant business continuity risk.</p> <p>Where permission settings do not provide a suitable separation of duties, there is the risk of duties being overlapped and a heightened risk of fraudulent and/or irregular activities going undetected.</p>
<b>Responsible officer</b> Strategic Manager, Children, Families and Education	<b>Deadline</b> 30 June 2019	

<b>Control Area 3: Back-Up and Delivery</b>		<b>Detailed Finding/Rationale – Issue 8</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	
2	<p>To update the BCP with outages which have tested the plan.</p> <p>To ensure that CFS team, HoS, Director and CFS Governance are up to date with the plan.</p> <p>To work with CDS to confirm arrangements with LL regarding disaster recovery and business continuity.</p>	<p>Statutory duty under the Civil Contingencies Act requires testing of business continuity plans as part of maintaining a healthy and robust business continuity programme. Comprehensive and integrated tests should be performed at least annually on all components of the BCP as this ensures the correctness and viability of the Plan.</p> <p>There were no defined arrangements in place for testing of the CFS Team BCP. Internal Audit was informed that there has been no recent testing, as there have been recent outages that have helped to confirm the viability of the Plan with the most recent being on 1 March 2019.</p> <p>Examination of the information exchange on Jira that documented the actions relating to the disaster recovery activity for this incident noted the recovery efforts related to a component and not a comprehensive and integrated test of the full BCP.</p> <p>Internal Audit was informed that the supplier (Liquid Logic) is responsible for the Team's disaster recovery procedures. This was not evidenced; as such, Internal Audit was unable to confirm that the disaster recovery plan is tested on an annual basis or that the disaster recovery arrangements for the application meets the recovery time objectives determined by the Business.</p> <p>Where business continuity and disaster recovery arrangements are not defined, communicated or tested, there is the risk of service failure in the event of disaster.</p>
<b>Responsible officer</b>	<b>Deadline</b>	
Strategic Manager, Children, Families and Education	30 June 2019	

<b>Control Area 3: Back-Up and Delivery</b>		<b>Detailed Finding/Rationale – Issue 9</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	
2	Confirm arrangements for data backup and provide to CFS Governance.	<p>Data backup protects the Council's information from being lost in the event of a hard drive failure, natural disaster, or virus.</p> <p>Internal Audit was informed that the back-up procedures for data are the responsibility of the System Supplier as documented in the supplier contract. This was not provided at the time of the audit; as such, Internal Audit was unable to confirm that the back-up arrangements were adequate.</p> <p>Furthermore, as the system is used to make regular payments in respect of vulnerable young people, it is critical that the system is able to be recovered in a timely manner and, regardless of whether it is the supplier's responsibility for backups, the service should be obtaining regular assurance that these backups are being performed as expected.</p> <p>Where processes for back up, storing and recovering data are not effectively planned, tested or confirmed, the Council may not be able to recover data after a disaster or system failure. Depending on the volume of data lost, this could result in considerable cost being incurred re-inputting data, or may well affect the reputation of the Council and could impact on service users.</p>
<b>Responsible officer</b>	<b>Deadline</b>	
Strategic Manager, Children, Families and Education	30 June 2019	

**Control Area 4: Information and Quality Governance**

<b>Control Area 4: Information and Quality Governance</b>		<b>Detailed Finding/Rationale – Issue 10</b>
<b>Priority</b>	<b>Action Proposed by Management</b>	<p>Poor data quality can have a negative impact on the Council's functions from service provision through to performance management and decision-making, as well as affecting overall efficiency. Ensuring that data and information is of an appropriate quality for its purpose underpins the usefulness of information.</p> <p>The arrangement for data quality governance is not formally defined. Discussion with the Team Manager noted that weekly meetings are held with the Performance and the Business Objects Teams to discuss data quality issues; however, these are informal and meeting minutes are not recorded. Issues raised are not evidenced as formally tracked.</p> <p>A ControCC issue log is included in the CFS workbook that is presented to the Governance Group; however, regular data quality reporting is not evidenced.</p> <p>Examination of the agenda and minutes of the CFS Team meetings that were held in October 2018, December 2018 and February 2019 did not evidence that data quality issues were considered or discussed. Internal Audit was informed that minutes only detail actions and not discussions.</p> <p>Where the arrangement for data quality governance is not formally defined, there is an increased risk that management is unaware of poor data quality issues, hence appropriate corrective action fails to be taken leading to unreliable data and information.</p>
2	Data quality is a standing item on the CFS Governance Group agenda – performance Team to provide regular updates (using data quality indicators) and raise issues.	
<b>Responsible officer</b>	<b>Deadline</b>	
Head of Quality Assurance and Safeguarding	In place	

**Control Area 5 :Performance Monitoring**

<b>Detailed Finding/Rationale – Issue 11</b>	
<p><b>Priority</b></p> <p>2</p>	<p><b>Action Proposed by Management</b></p> <p>To review and agree at CFS Governance Group how to best manage and monitor the provision of CFS support alongside the development.</p>
<p><b>Detailed Finding/Rationale – Issue 11</b></p> <p>Key Performance Indicators (KPIs) are a set of quantifiable measures that are used to gauge performance over time. These metrics are used to determine a team/individual's progress in achieving its strategic and operational goals, and also to ensure that performance appraisals are objective.</p> <p>There is no formal documentation of the KPIs of the CFS Team or the individual team members.</p> <p>The System development plan in the CFS workbook details the items assigned to individual team members; however, this does not represent the documentation of KPIs/ performance measures.</p> <p>Discussions established that reports are produced to the Governance Group on system use and feedback from user groups on development of systems and user engagements is discussed at service meetings.</p> <p>The monthly workbook completed by the CFS Team for the Governance Group provides information on the systems development plan, the CRS, EHM and ControCC issue logs, completed tasks and completed issues. It is not evidenced that the performance of the Team is discussed in relation to pre agreed metrics. Internal Audit was informed that there is no quantitative analysis performed on performance indicators.</p> <p>Where performance indicators are not defined, monitored or reported, there is a risk that the team/individual performance cannot be assessed effectively and that Senior Management is unaware of performance issues.</p>	
<p><b>Responsible officer</b></p> <p>Head of Quality Assurance and Safeguarding</p>	<p><b>Deadline</b></p> <p>30 June 2019</p>

4. Priority 3 Issues

Action Proposed by Management	Findings
<p>1) Action as per issue 8.</p>	<p>Business Continuity Management (BCM) is 'A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.'</p> <p>There is a Business Continuity Strategy for Croydon Council that provides a programme to which the Council can align itself with best practice. It requires considered and assured business continuity plans for each team to ensure that the Council can continue to deliver a minimum level of service of its critical functions in the event of any disruption.</p> <p>There is a Business Continuity Plan (BCP) dated June 2018 for the Children's Business Systems Team with a P1 priority level. Section 3.2 of the Plan indicates that the Team is comprised of seven team members and not eight as indicated in Annex 3.</p> <p>At the time of the audit, discussions with the CFS Team members did not evidence awareness or familiarity with the details of the Team's Business Continuity Plan or where it is stored.</p> <p>Where business continuity and disaster recovery arrangements are not defined, communicated or tested, there is the risk of failure of service of its critical functions in the event of disaster.</p>
<p>2) Action as per issue 11.</p>	<p>Customer satisfaction surveys helps to discover the customer's perception of the services provided which could aid efficiency.</p> <p>Customer surveys were not carried out by the CFS Team with respect to the services it provides.</p>



Internal Audit was informed that the Transformation Team sends customer surveys to social workers on CRS performance; however, the CFS Team are not aware of the frequency of these or the details.

Where service requirements are not defined or client surveys are not performed, there is a risk that the business requirements are not known or met.

## TERMS OF REFERENCE

### The Children and Families Systems Support Team (ControCC)

#### 1. INTRODUCTION AND BACKGROUND

- 1.1 The Children and Families Systems Support (CFS) Team has the responsibility to develop and deliver fit for purpose electronic recording systems, processes and workflows aligned to the new social work practice model and evolving workforce needs.
- 1.2 The key children's systems for Social Care and Early Help are the Children's Recording System (CRS) and the Early Help Module (EHM) both supplied by Liquid Logic.
- 1.3 This audit will focus on the ControCC system which is designed to integrate with the Liquid Logic systems to help improve the accuracy of payments and charges. It can also help eliminate data duplication and improve efficiency of administration.
- 1.4 The CFS Team aims to deliver improved usability of the ControCC system, user knowledge, information flow and system functionality to meet service requirements.
- 1.5 This audit is being undertaken as part of the agreed Internal Audit Plan for 2018/19.

#### 2. OBJECTIVES AND METHODOLOGY

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
  - Walkthrough the processes to consider the key controls;
  - Conduct sample testing of the identified key controls, and
  - Report on these accordingly.

#### 3. SCOPE

- 3.1 The audit included the following specific areas:

Control Areas/Risks	Issues Identified		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational and Management Requirements;	0	4	0





The Children and Families Systems Support Team (ControCC) 2018/19

ControCC System Administration;	0	3	0
Back-Up and Delivery;	0	2	1
Information and Quality Governance; and	0	1	0
Performance Monitoring.	0	1	1
<b>TOTAL</b>	<b>0</b>	<b>11</b>	<b>2</b>

## DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are consistently applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or weak and/or there are high levels of non-compliance, leaving the system open to the high risk of error or abuse which could result in financial loss and/or reputational damage.

Priorities assigned to recommendations are based on the following criteria:

<b>Priority 1 (High)</b>	Fundamental control weaknesses that require the immediate attention of management to mitigate significant exposure to risk.
<b>Priority 2 (Medium)</b>	Control weakness that represent an exposure to risk and require timely action.
<b>Priority 3 (Low)</b>	Although control weaknesses are considered to be relatively minor and low risk, action to address still provides an opportunity for improvement. May also apply to areas considered to be of best practice.

## STATEMENT OF RESPONSIBILITY

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: Tower Bridge House, St Katharine's Way, London E1W 1DD, United Kingdom.  
Registered in England and Wales No 0C308299.