central midlands audit partnership

Derby City Council –
Internal Audit Progress Report
Covering the period 1st November 2015 to 31st December 2015)

Audit & Accounts Committee: 27th January 2016

Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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Providing Excellent Audit Services in the Public Sector

Derby City Council – Internal Audit Progress Report

Summary

Role of Internal Audit

The Internal Audit Service for Derby City Council is provided by the Central Midlands Audit Partnership (CMAP). The Partnership operates in accordance with standards of best practice applicable to Internal Audit (in particular, the Public Sector Internal Audit Standards – PSIAS). CMAP also adheres to the Internal Audit Charter.

The role of internal audit is to provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively.

Recommendation Ranking

To help management schedule their efforts to implement our recommendations or their alternative solutions, we have risk assessed each control weakness identified in our audits. For each recommendation a judgment was made on the likelihood of the risk occurring and the potential impact if the risk was to occur. From that risk assessment each recommendation has been given one of the following ratings:

- Critical risk.
- Significant risk.
- Moderate risk.
- Low risk.

These ratings provide managers with an indication of the importance of recommendations as perceived by Audit; they do not form part of the risk management process; nor do they reflectthe timeframe within which these recommendations can be addressed. These matters are still for management to determine.

Control Assurance Definitions

Summaries of all audit reports are to be reported to Audit & Accounts Committee together with the management responses as part of Internal Audit's reports to Committee on progress made against the Audit Plan. All audit reviews will contain an overall opinion based on the adequacy of the level of internal control in existence at the time of the audit. This will be graded as either:

- **None** - We are not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks were not being well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Limited** - We are able to offer limited assurance in relation to the areas reviewed and the effectiveness of the controls found to be in place. Some key risks were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Reasonable** - We are able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Comprehensive** - We are able to offer comprehensive assurance as the areas reviewed were found to be adequately controlled. Internal controls were in place and operating effectively and risks against the achievement of objectives were well managed.

This report rating will be determined by the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks. Any audits that receive a None or

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Limited assurance assessment will be highlighted to the Audit   Accounts Committee in Audit's progress reports.

Audit Coverage

Progress on Audit Assignments

The following tables provide Audit & Accounts Committee with information on how audit assignments were progressing as at 31stDecember 2015.

B/Fwd 2014-15 Audit Plan Assignments	Type of Audit	Current Status	% Complete
Corporate Programmes - Property Rationalisation	Governance Review	Final Report	100%
Safeguarding Missing Children	Systems/Risk Audit	Final Report	100%
Payroll 2014-15	Key Financial System	Final Report	100%
Business Support	Systems/Risk Audit	Final Report	100%
Fixed Assets 2014-15	Key Financial System	Final Report	100%
Treasury Management 2014-15	Key Financial System	Final Report	100%
Main Accounting System 2014-15	Key Financial System	Draft Report	95%
Creditors 2014-15	Key Financial System	Final Report	100%
Debtors 2014-15	Key Financial System	Final Report	100%
IT Governance	IT Audit	In Progress	50%
Configuration Management	IT Audit	Final Report	100%
Virtualisation Management	IT Audit	Final Report	100%
Oracle Business Intelligence	IT Audit	Final Report	100%
Wireless Network Infrastructure	IT Audit	Draft Report	95%
Network Access Management	IT Audit	Final Report	100%
Oracle EBS R12 Security Assessment	IT Audit	Final Report	100%
Strategic Housing	Systems/Risk Audit	Final Report	100%
Integrated Commissioning: Younger Adults	Systems/Risk Audit	Final Report	100%

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Progress on Audit Assignments (Cont.)

2015-16Audit Plan Assignments	Type of Audit	Current Status	% Complete
Sickness Absence	Governance Review	Final Report	100%
Locality Services	Systems/Risk Audit	Draft Report	95%
Children in Care & Registered Services	Systems/Risk Audit	Final Report	100%
Integrated Commissioning	Systems/Risk Audit	Allocated	5%
Investigation - School	Investigation	Complete	100%
Payroll 2015-16	Key Financial System	In Progress	15%
Democratic Services	Systems/Risk Audit	In Progress	70%
Procurement	Procurement/Contract Audit	Reviewed	90%
Fixed Assets 2015-16	Key Financial System	In Progress	20%
Treasury Management 2015-16	Key Finasical System	Draft Report	95%
Main Accounting System (MTFP) 2015-16	Key Financial System	Allocated	10%
Teachers Pensions 2014-15	Key Financial System	Reviewed	90%
Grant Certification Audits 2015-16	Grant Certification	In Progress	70%
Insurance	Systems/Risk Audit	Allocated	15%
Anti-Fraud & Corruption 2015-16	Governance Review	In Progress	70%
Internal Groups 2015-16	Advice/Emerging Issues	In Progress	50%
IT Forensics 2015-16	Advice/Emerging Issues	In Progress	55%
Risk Management 2015-16	Governance Review	Allocated	0%
Debtors 2015-16	Key Financial System	In Progress	60%
Council Tax 2015-16	Key Financial System	Allocated	20%
Non-Domestic Rates 2015-16	Key Financial System	Awaiting Review	80%
Housing Benefits & Council Tax Support 2015-16	Key Financial System	Draft Report	95%
EDRMS Application	IT Audit	In Progress	75%
Income Management (Civica ICON)	IT Audit	In Progress	20%
MiPeople Application	IT Audit	Allocated	5%
IT Risk Management	IT Audit	Allocated	0%
Highways & Engineering	Systems/Risk Audit	Allocated	0%
Waste Management & Disposal	Systems/Risk Audit	Draft Report	95%
Bereavement Services	Systems/Risk Audit	Final Report	100%
Sector Development	Systems/Risk Audit	Allocated	5%
Business Intelligence	Systems/Risk Audit	Allocated	10%
Learning Disabilities	Systems/Risk Audit	In Progress	75%
School Self-Assessments 2015-16	Schools	In Progress	85%
20 Schools SFVS Assessments	Schools	Various	Various

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1planned audit assignment has yet to be allocated.
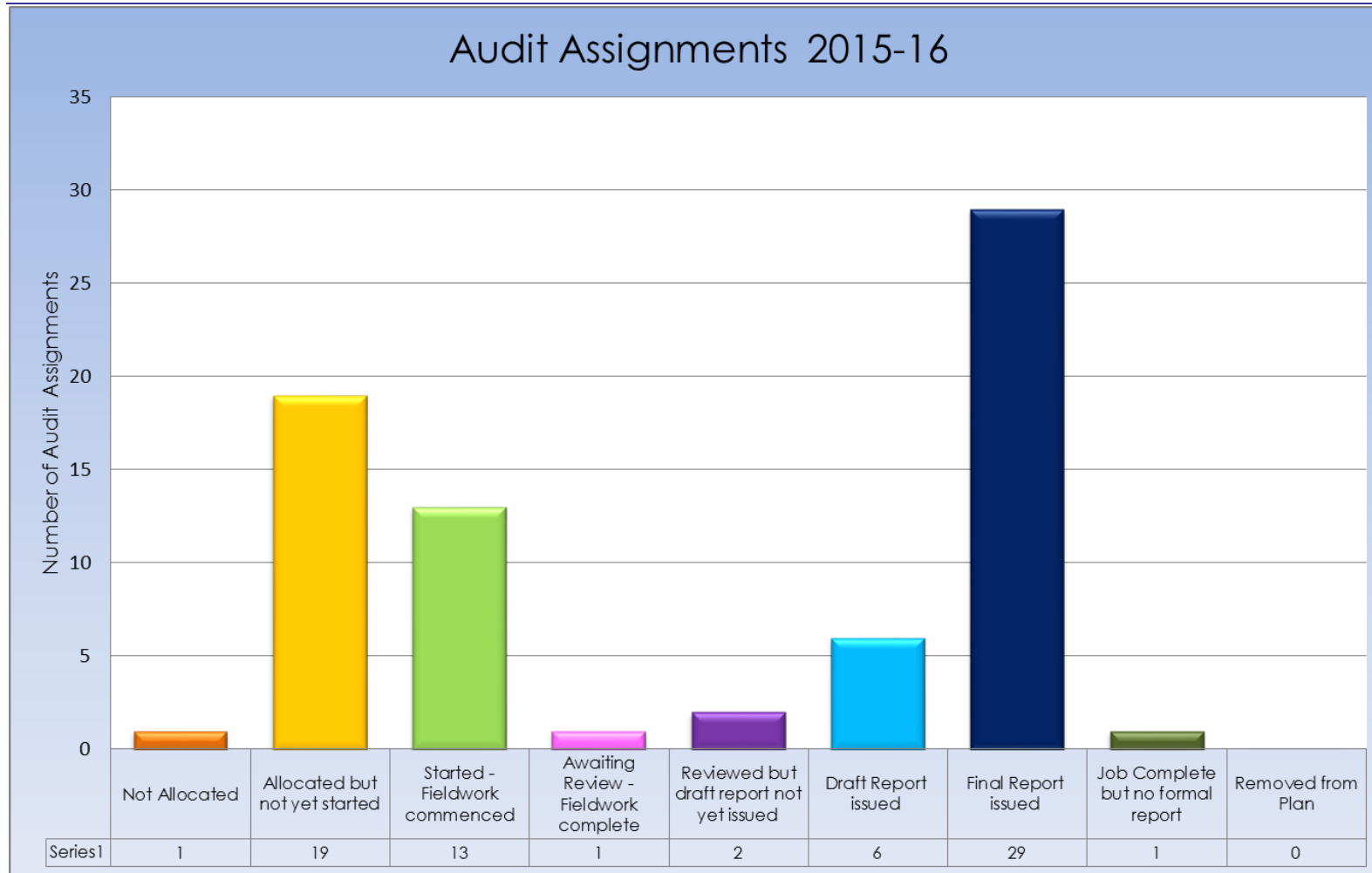
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Audit Coverage

Progress on Audit Assignments Chart

The following graph provides Audit & Accounts Committee with information on what stage audit assignments were atas at 31stDecember 2015. Of the 19 assignments allocated but not yet started, 9 relate to School's Financial Value Standard reviews.

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Audit Assignments 2015-16

Series1	Not Allocated	Allocated but not yet started	Started - Fieldwork commenced	Awaiting Review - Fieldwork complete	Reviewed but draft report not yet issued	Draft Report issued	Final Report issued	Job Complete but no formal report	Removed from Plan
	1	19	13	1	2	6	29	1	0

Audit Coverage

Completed Audit Assignments

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Between 1stNovember 2015 and 31stDecember 2015 Internal Audit has completed the following 2 audit assignments for Derby City Council as well as completing 6 School's Financial Value Standard reviews:

Audit Assignment	Overall Assurance Rating
Investigation - School	N/A
Children In Care – Registered Services	Comprehensive

All audits leading to a rating of "Limited" or "None" will be brought to the Committee's specific attention. Accordingly, noaudit assignments are brought to Committee's attention from this period.

In recent times, the organisation has demonstrated a higher appetite for risk which has resulted in Management taking decisions not to take mitigating actions to address certain control weaknesses we have identified. Internal Audit acknowledges Management's responsibility to only take appropriate and proportionate actions to mitigate risks. Accordingly, we no longer intend to provide full details of any Low risk recommendations where management has decided not to take any mitigating actions. These will still be highlighted to this Committee in the assignment summaries provided in these Progress reports. However, we will continue to provide full details of any Moderate, Significant or Critical risk issues where management has decided not to take any mitigating actions.

The following summarises the internal audit work completed in the period and seeks to highlight issues which Committee may wish to review in more detail at the next meeting.C

Children & Young People

Investigation - School

See separate exempt items report from the Head of Governance & Assurance.

Children In Care – Registered Services

This audit focused on reviewing the adequacy of the processes in place for ensuring that placements with the Independent Foster Care Agencies were legitimate and properly authorised and there was adequate budget monitoring management.From the 12 key controls evaluated in this audit review, 8 were considered to provide adequate control and 4 contained weaknesses. This report contained 3 recommendations which were all considered to present a low risk. Another minor risk issue was also highlighted for management's consideration.The following issues were considered to be the key control weaknesses:

- The 'Request for a Placement' form was not being signed and authorised by the Service Director to evidence that the approval for placing a child with an Independent Fostering Agency had been authorised. (Low Risk)
- The Directors Approval and Requests for Placement forms were not being fully completed with financial details to evidence that the funding requirements had been considered as part of the assessment. (Low Risk)
- A routine exercise was not being undertaken to check whether the placements with independent fostering agencies held in the Liquid logic Children's Social Care System agreed to those accounted for in the Oracle financial system.(Low Risk)

All 3 control issues raised within this report were accepted and positive action had already been taken to address 2 of these control issues by the end of the audit and the one remaining control issue was agreed to be addressed by 29thFebruary 2016.

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Audit Performance

Customer Satisfaction

The Audit Section sends out a customer satisfaction survey with the final audit report to obtain feedback on the performance of the auditor and on how the audit was received. The survey consists of 11 questions which require grading from 1 to 5, where 1 is very poor and 5 is excellent. The chart across summarises the average score for each question from the 89 responses received between 1st April 2013 and 31stDecember 2015. The overall average score from the surveys was 50.2 out of 55. The lowest score received from a survey was 29, whilst the highest was 55 which was achieved on 30 occasions.
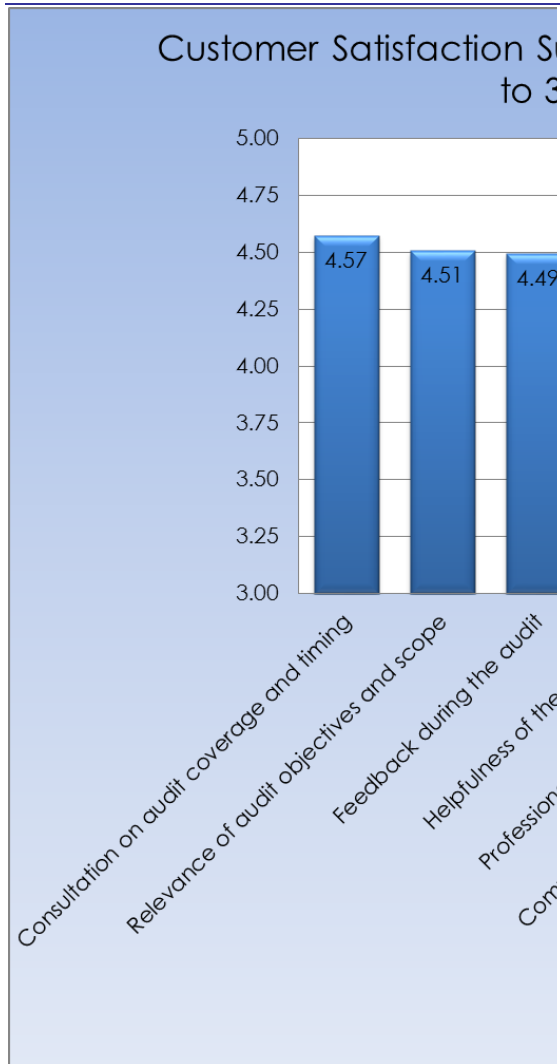
The overall responses are graded as either:

- Excellent (scores 47 to 55)
- Good (scores 38 to 46)
- Fair (scores 29 to 37)
- Poor (scores 20 to 28)
- Very poor (scores 11 to 19)

Overall 68 of 89 responses categorised the audit service they received as excellent, another 19 responses categorised the audit as good and 2 categorised the audit as fair. There were no overall responses that fell into the poor or very poor categories.

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Customer Satisfaction S...
to 3...

5.00	
4.75	
4.50	4.57
4.25	4.51 4.49
4.00	
3.75	
3.50	
3.25	
3.00	

Consultation on audit coverage and timing

Relevance of audit objectives and scope

Feedback during the audit

Helpfulness of the...

Profession...

Com...

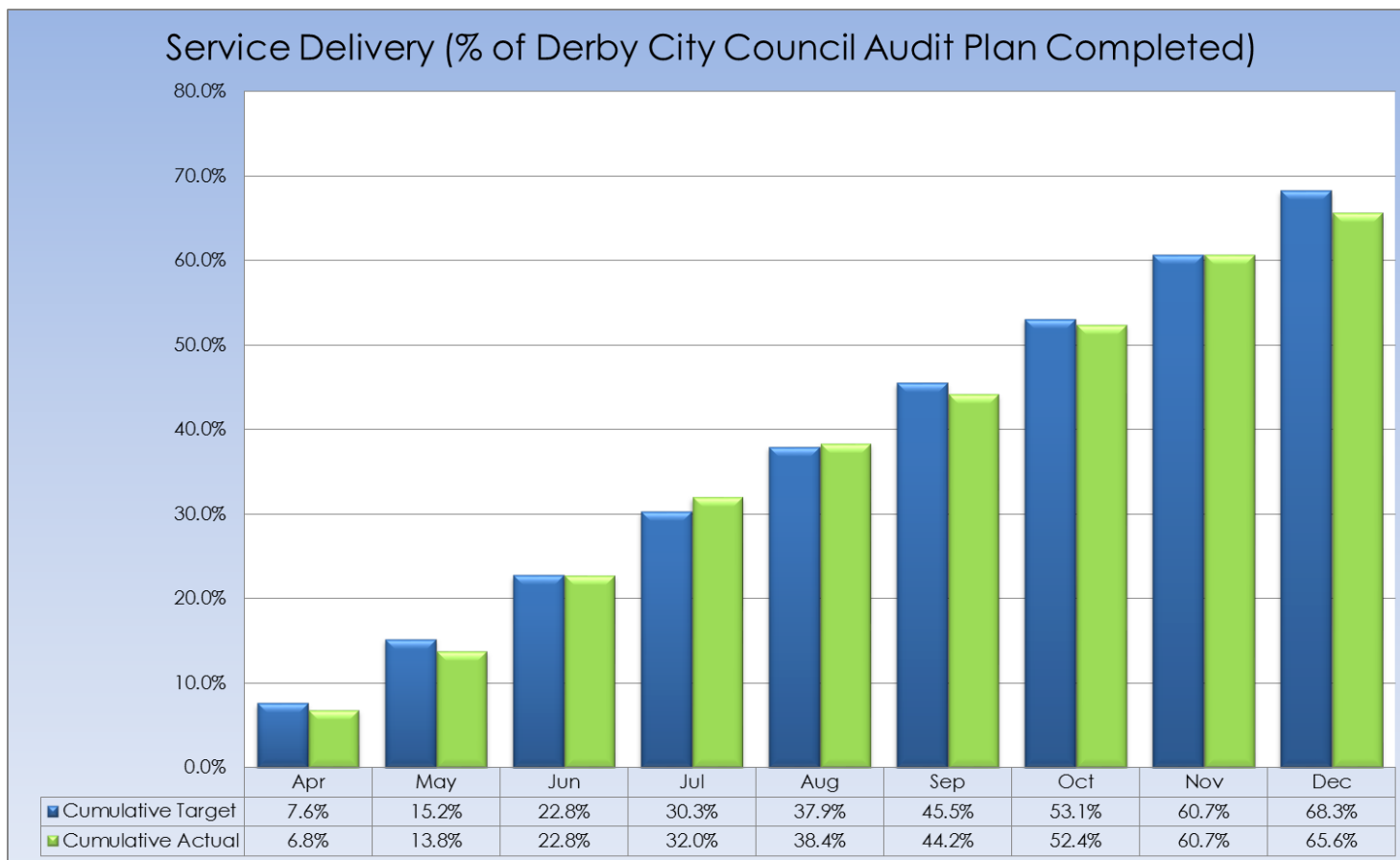# Derby City Council – Internal Audit Progress Report

Audit Performance

Service Delivery (% of Audit Plan Completed)

At the end of each month, Audit staff provide the Audit Manager with an estimated percentage complete figure for each audit assignment they have been allocated. These figures are used to calculate how much of each Partner organisation's Audit Plans have been completed to date and how much of the Partnership's overall Audit Plan has been completed.

Shown across is the estimated percentage complete for Derby City Council's 2015-16 Audit Plan (including incomplete jobs brought forward) after 9 months of the Audit Plan year.

The monthly target percentages are derived from equal monthly divisions of an annual target of 91% and do not take into account any variances in the productive days available each month.

Service Delivery (% of Derby City Council Audit Plan Completed)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cumulative Target	7.6%	15.2%	22.8%	30.3%	37.9%	45.5%	53.1%	60.7%	68.3%
Cumulative Actual	6.8%	13.8%	22.8%	32.0%	38.4%	44.2%	52.4%	60.7%	65.6%

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Recommendation Tracking

Follow-up Process

Internal Audit has sent emails, automatically generated by our recommendations database, to officers responsible for action where their recommendations' action dates have been exceeded. We will request an update on each recommendation's implementation status, which will be fed back into the database, along with any revised implementation dates.Each recommendation made by Internal Audit will be assigned one of the following "Action Status" categories as a result of our attempts to follow-up management's progress in the implementation of agreed actions. The following explanations are provided in respect of each "Action Status" category:

- **Blank(Due)** = Action is due and Audit has been unable to ascertain any progress information from the responsible officer.

- **Blank (Not Due)** = Action is not due yet, so Audit has not followed up.

- **Implemented** = Audit has received assurances that the agreed actions have been implemented.

- **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.

- **Being Implemented** = Management is still committed to undertaking the agreed actions, but they have yet to be completed. (This category should result in a revised action date)

- **Risk Accepted**= Management has decided to accept the risk that Audit has identified and take no mitigating action.

Implementation Status Details

Reports to Committee are intended to provide members with an overview of the current implementation status of all agreed actions to

address the control weaknesses highlighted by audit recommendations made between 1stApril 2013 and 31stDecember 2015. All recommendations made prior to this period have now been resolved.

	Implemented	Being Implemented	Risk Accepted	Superseded	Due, but unable to obtain progress information	Hasn't reached agreed implementation dates	Total
Low Risk	216	18	13	2	7	6	**262**
Moderate Risk	71	9	5	2	5	1	**93**
Significant Risk	2	1	1	1	1	2	**8**
Critical Risk	0	0	0	0	0	0	**0**
Totals	**289**	**28**	**19**	**5**	**13**	**9**	**363**

The table below shows those recommendations not yet implemented by Dept.

Recommendations Not Yet Implemented	Chief Executives	Children & Young People	Resources	Neighbourhoods	Adults Health & Housing	**Totals**
Being implemented	2	1	18	7	0	**28**
Due, but unable to obtain progress information	0	1	10	0	2	**13**
Totals	**2**	**2**	**28**	**7**	**2**	**41**

Internal Audit has provided Committee with summary details of those recommendations still in the process of 'Being Implemented' and those that have passed their duedate for implementation. 18 of the risk accepted issues shown above have already been reported to this Committee. Another2 moderate risk recommendations, previously agreed to be implemented, have now been 'risk accepted' in respect of the Oracle EBS R12 Security Assessment audit as management, having taken advice from the third party provider, have determined that it would be too risky to change from the Default password setup which does not enforce password complexity etc. Another low risk recommendation previously decided to be' risk accepted' by management in respect of this same audit has now been decided to be implemented.
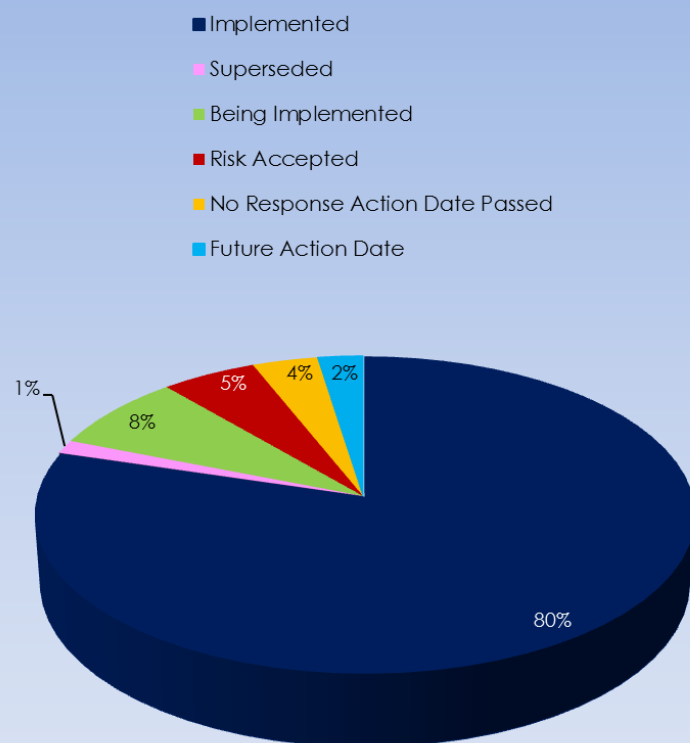
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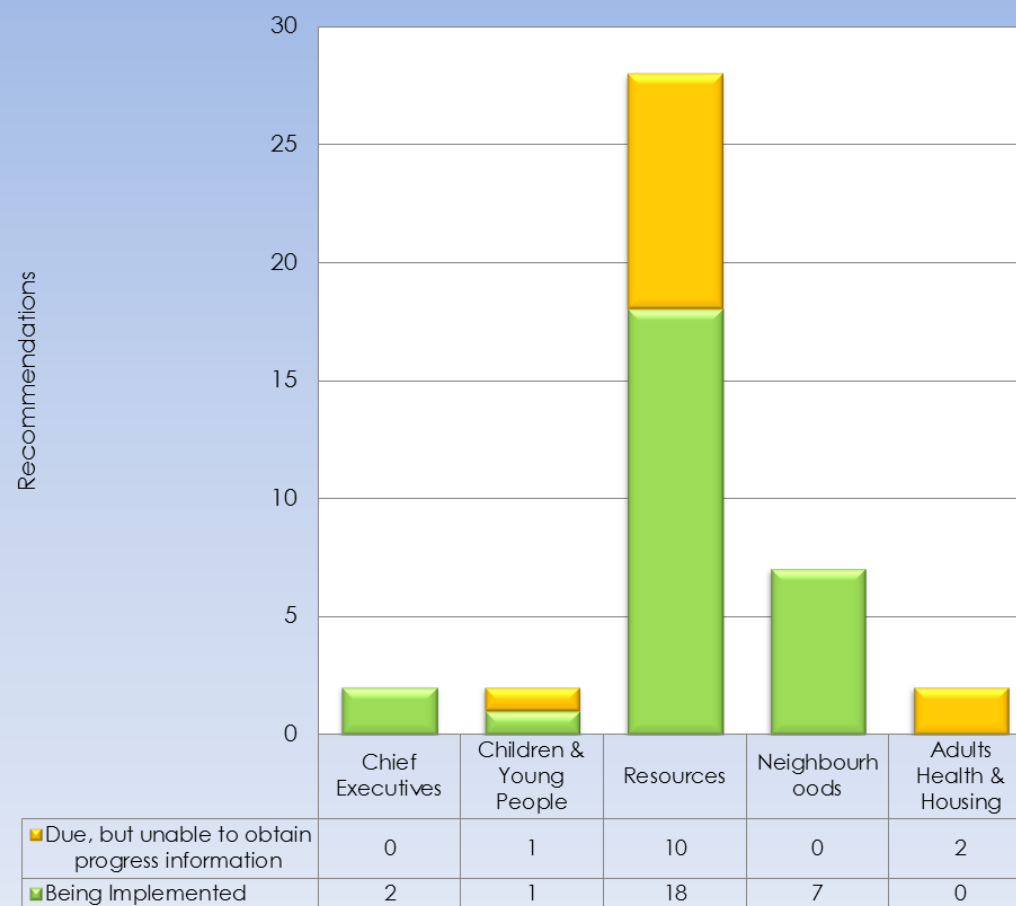# Derby City Council – Internal Audit Progress Report

Recommendation Tracking

Implementation Status Charts

Action Status of Recommendations made between 1st Apr 2013 and 31st Dec 2015

- Implemented
- Superseded
- Being Implemented
- Risk Accepted
- No Response Action Date Passed
- Future Action Date

Recommendations Not Yet Implemented by Department

	Chief Executives	Children & Young People	Resources	Neighbourhoods	Adults Health & Housing
Due, but unable to obtain progress information	0	1	10	0	2
Being Implemented	2	1	18	7	0

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Recommendation Tracking

Recommendations Not Yet Implemented

Chief Executives

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Data Quality 2013-14	2	0	17-Dec-14
Total No. of Outstanding Recommendations	**2**	**0**	

Children & Young People

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Safeguarding Missing Children	1	1	30-Jun-15
Total No. of Outstanding Recommendations	**1**	**1**	

Neighbourhoods

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Leisure Facilities	1	0	24-Sep-14
Bereavement Services	2	0	31-Jul-15
Asset Management & Estates	3	0	3-Mar-15
Markets	1	0	19-Nov-13
Total No. of Outstanding Recommendations	**7**	**0**	

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Resources

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Creditors 2014-15	1	0	26-Oct-15
Configuration Management	0	6	22-Apr-15
VOIP Security Assessment	1	0	12-Dec-13
Contracts Register	1	0	16-Dec-13
Risk Management 2013-14	2	0	26-Feb-14
Main Accounting System 2013-14	2	0	07-Jan-15
Council Tax 2014-15	1	0	17-Mar-15
Oracle Business Intelligence	0	4	03-Jul-15
Debtors 2014-15	4	0	27-Jul-15
Payroll 2014-15	3	0	30-Jul-15
Oracle EBS R12 Security Assessment	2	0	03-Jul-15
Treasury Management 2014-15	1	0	15-Sep-15
Total No. of Outstanding Recommendations	**18**	**10**	

Adults, Health & Housing

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Integrated Commissioning: Younger Adults	0	2	10-Sep-15
Total No. of Outstanding Recommendations	**0**	**2**	

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Recommendation Tracking

Highlighted Recommendations

We have included this section of this report to bring recommendations to your attention for either of the following reasons:

- Any Moderate, Significant or Critical risk recommendations (either being implemented or with no response) that have passed their original agreed implementation date.

- Any recommendations still to be implemented (regardless of risk rating) where it has been more than a year since the original agreed implementation date.

Neighbourhoods

Asset Management & Estates

Control Issue1 - The asset list submitted for insurance did not reflect asset transactions undertaken outside of the Estates Section. The SAM system had not been updated as there was no process for notifying Estates of these changes.

Risk Rating – Significant Risk

Status Update - The revised Corporate Landlord Policy and Procedure is at draft stage and is being reviewed. This will enforce all property transactions to be approved by the Head of Strategic Asset management and estates and will ensure that transactions do not take place outside of the SAM system. There will be some system updates required to allow for full automation of notifications between the various key teams (legal, maintenance, insurance, capital accounts) which will enhance the information flow between teams.

Original Action Date   1Sep 15   Revised Action Date   29Feb 16

Control Issue3 –The list provided by Estates for insurance purposes did not value the assets listed at reinstatement value, needed for correct assessment of insurance cover. Data to enable the computation of reinstatement values was not available at the time of the Insurance review.

Risk Rating – Moderate Risk

Status Update –Revised action by date required due to delays in identifying the properties to be valued.

Original Action Date   30Sep 15   Revised Action Date   31Jan 16

Leisure Facilities

Control Issue4 –There were not any documented cash handling and banking procedures in place.

Risk Rating – Low Risk

Status Update –Notes to create a documented procedure for cash handling and banking procedures have been made.The staff who handle the cash are aware of the procedure most of the cash is taken during the school holidays with the largest amount at Easter and during the summer. Recommendation being implemented still, as at November 2015.

Original Action Date   30 Sep 14   Revised Action Date   30 Nov 15

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Markets

Control Issue 4 –There was no approved Council policy in place for offering concessions on rental charges to market stall traders in the Council's three markets.

Risk Rating – Moderate Risk

Status Update – Progress delayed due to competing priorities and staff shortage.We have been unable to progress this action to date but will raise it with the Markets Officer on her return to work.This action remains outstanding and will not be progressed until the future of Markets is resolved.No progress has been made on this action due to competing priorities included discussions about a future management model.

Original Action Date   1 Jan 14   Revised Action Date   31 Mar 16

Resources

Payroll 2014-15

Control Issue5 –Invoices in respect of salary overpayments were not always being raised in a timely manner. In some instances, several months after the employee had left the Council's employment.

Risk Rating – Moderate Risk

Status Update –This one is still in progress. We have agreed that all HR Operations Advisors will be given the profile and be expected to enter their own overpayment invoices but this access change is outstanding.

Original Action Date   31 Oct 15   Revised Action Date   30 Nov 15

Main Accounting System 2013-14

Control Issue1 –The VAT element of payments made by the Neighbourhoods Directorate was not being correctly classified as recoverable VAT within the Oracle Financial System and was not being posted to the VAT code within the General Ledger. The total value of the payment, inclusive of VAT, was being posted to the budget code.

Risk Rating – Moderate Risk

Status Update –This report is still being tested for accuracy.

Original Action Date   1 Jan 15   Revised Action Date   20 Mar 15

Control Issue4 –Budget monitoring responsibilities within the Oracle Financial System had not been reallocated in a timely manner, where the previous Budget Holder had left the Council.

Risk Rating – Low Risk

Status Update –The review of Oracle approvers is almost complete resulting in some Oracle permissions being removed

Original Action Date   1 Jan 15   Revised Action Date   20 Mar 15

Risk Management 2013-14

Control Issue1 –The Council's appetite for risk had not been adequately communicated throughout the organisation, nor had it been reconsidered since it was agreed in September 2010. There was not a culture at the Council of responding to risk taking behaviours that were in or out of line with the agreed risk appetite.

Risk Rating – Moderate Risk

Status Update –The setting of appetite and tolerance needs to be set by COG and agreed by Audit and Accounts committee. A report is to be taken to COG in January 2016 to outline the options. It will then go to the March meeting of Audit & Accounts Committee.

Original Action Date   30Jun 14   Revised Action Date   23 Mar 16

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Control Issue3 –Risk Management guidance documents had not been reviewed and updated in the last 3 years. There were two project risk management guides in place: one was owned by Risk Management, the other was owned by the Corporate Programmes team.

Risk Rating – Low Risk

Status Update –The Corporate Risk Handbook has been reviewed and is in the process of being refined. It incorporates project risk management. The Council will be expected to follow the guidance in the Corporate Risk Handbook, as should always have been the case. The Handbook will be brought to the March meeting of Audit and Accounts for approval.

Original Action Date   31Mar 14   Revised Action Date   23Mar 16

Contracts Register

Control Issue2 –The Council's Procurement Strategy was not listed on the intranet pages. The Strategy was being reviewed, but the planned completion date this summer had passed and a revised completion date had not been set.

Risk Rating – Low Risk

Status Update –The strategy is now being revised in light of directives from the new Procurement and Commissioning Board.The publishing of the draft has been delayed but is being worked on.Head of Procurement is leaving in April 2015 and hopes to complete this by end of March 2015.Head of Procurement said that this had been completed working with the Category Manager - Environment. Category Manager to locate the previous strategy and update it in discussion with the Director of Finance and Procurement.The Category Manager has prepared a draft Strategy for her discussion with the Director of Finance & Procurement (on 6/7/2015).

Original Action Date   28 Feb 14   Revised Action Date   31Jul 15

VOIP Security Assessment

Control Issue1 –We found that neither VoIP data nor signalling media were encrypted to prevent voice conversions being recorded by malicious users.

Risk Rating – Moderate Risk

Status Update –The upgrade was undertaken without adding SRST as this had a domain-wide PKI requirement - this is now within the technology roadmap awaiting approval.

Original Action Date   31 Jul 14   Revised Action Date   31 Dec 14

Debtors 2014-15

Control Issue2–It appeared that departments were not acting on reports received and outstanding debts were not being monitored and action taken to write-off or suspend service provision. Organisational restructures meant that the responsibility for older debts was not necessarily assigned to the correct department.

Risk Rating – Moderate Risk

Status Update –Waiting for decision on one off write off exercise. Awaiting information as to whether reports can be amended /created.
Guidance added to iDerby but not referenced in Managers Briefing yet.

Original Action Date   30Nov 15   Revised Action Date   31 Mar 16

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Control Issue7–There were unpaid invoices to the value of £3.06million 'on hold' which meant that normal debt recovery process had been suspended.

Risk Rating – Moderate Risk

Status Update –Local Taxation Manager: Additional resource has been authorised and recruitment is to begin imminently.The reason for the resource is to address ongoing work demands and to increase collection.Circulation of holds will recommence once staff are recruited and trained.

Original Action Date   30 Nov 15   Revised Action Date   31 Mar 16

Configuration Management

Control Issue1 –There were no formally defined or documented requirements around configuration management data scope, span or granularity. Without formally defining and documenting requirements around data capture and maintenance within a CMDB (Configuration Management Database), there is no platform on which to identify defects, data quality issues and non-compliance problems.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31Dec 15   Revised Action Date   n/a

Control Issue4 –There were no formally defined, documented or implemented procedures for auditing and verifying the accuracy of data within the CMDB. Documented audit and verification procedures are crucial to validate and improve the accuracy and completeness of the CMDB, to ensure timely and accurate data is available for resolving IT incidents and considering changes.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31 Dec 15   Revised Action Date   n/a

Control Issue6 –There were 734 servers or computers enabled in the AD that were missing from the CMDB. Failure to accurately record and update information about Configuration Items and their interdependencies means the Council cannot effectively always manage business risk that is associated with changes to the IT infrastructure and environment.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31 Dec 15   Revised Action Date   n/a

Oracle Business Intelligence

Control Issue1 –The Oracle Business Intelligence Enterprise Edition (OBIEE) environment was not subject to formal internal or external support, and current employees in business systems and accountancy did not have access to a number of the management tools that would be required to effectively manage the System. Ultimately lack of support jeopardises the availability, integrity and confidentiality of the System.

Risk Rating – Significant Risk

Status Update –No Response Received.

Original Action Date   31 Dec 15   Revised Action Date   n/a

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Control Issue2 –There were a number of database accounts with weak or Oracle default passwords, making the database highly prone to unauthorised access. In some cases the accounts with weak passwords had DBA level permissions over the production BI database.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31 Dec 15   Revised Action Date   n/a

Control Issue6 –The OBIEE production database was missing a large number of CPU (critical patch updates), making the data vulnerable to known vulnerabilities, which could be exploited for unauthorised access to sensitive data.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31 Dec 15   Revised Action Date   n/a

Oracle EBS R12 Security Assessment

Control Issue6 –Application passwords were stored in the database in encrypted form (as opposed to the best practice recommendations of hashed), which makes it a simple task to decrypt in order to obtain plain text passwords for powerful administration accounts such as APPS, which could be used for malicious and fraudulent purposes.

Risk Rating – Moderate Risk

Status Update –To arrange with Velocity to make switch to hash passwords in Test and complete testing by 15 Jan16.

Original Action Date   31 Dec 15   Revised Action Date   29 Jan 16