



APPENDIX 2d

South Lakeland District Council

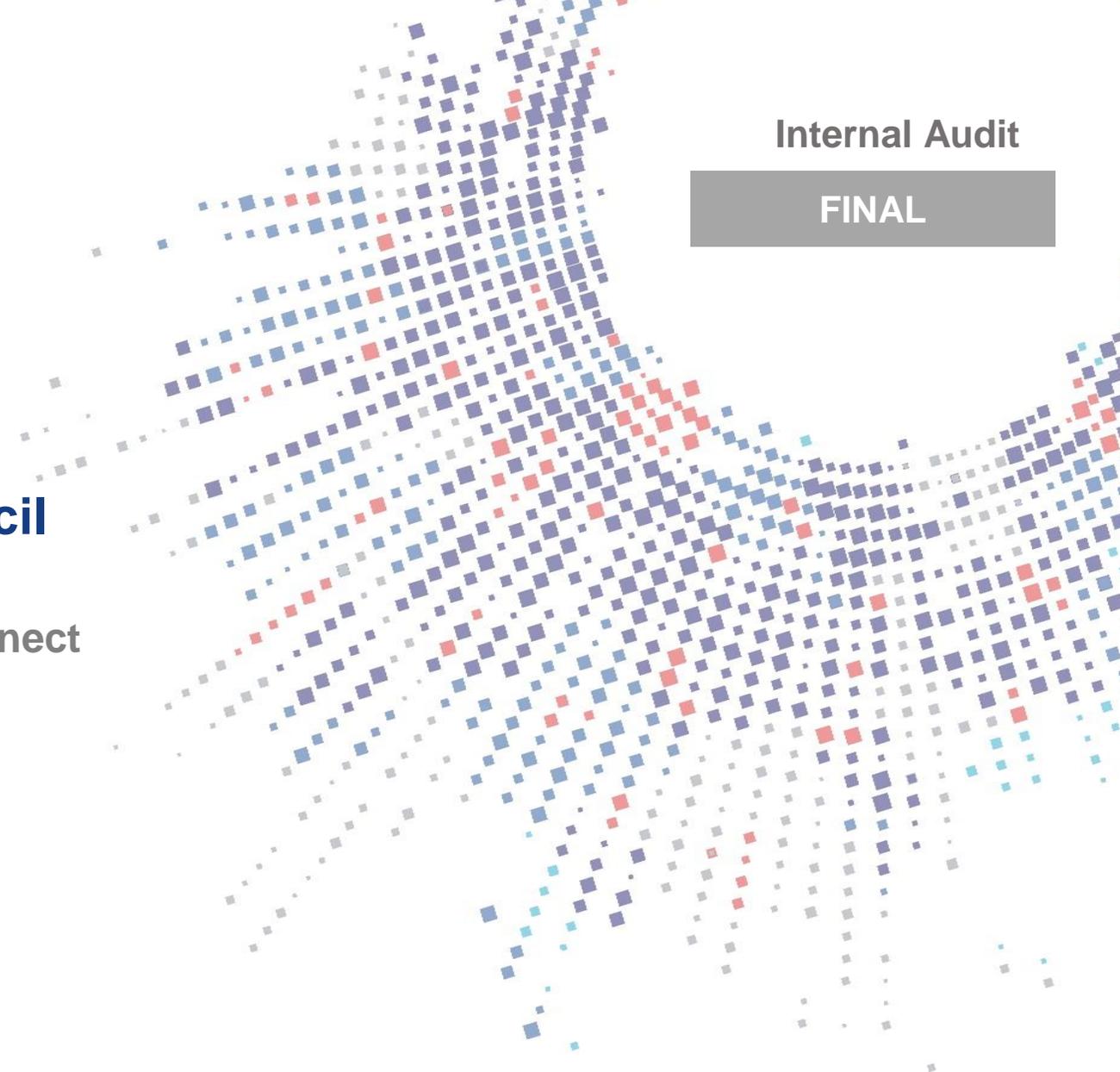
Assurance Review of Customer Connect

2019/20

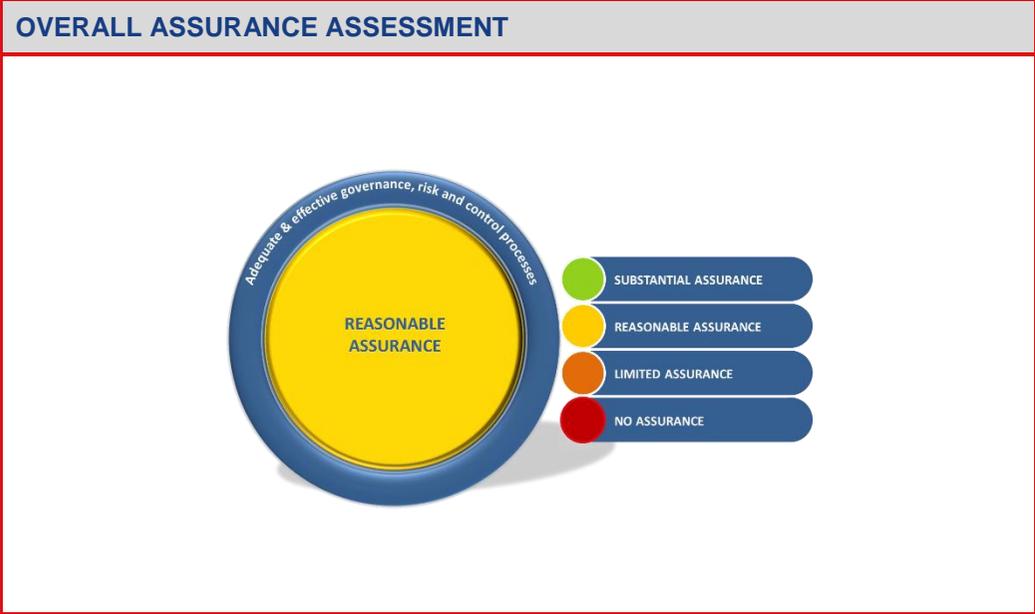
September 2020

Internal Audit

FINAL



Executive Summary



OVERALL CONCLUSION

The Council is now into the fourth year of its ambitious transformational ‘Customer Connect’ programme based on a blueprint provided by their implementation partners, Ignite.

- Significant progress has been made, however, when compared against the original digital business case in 2016, the digital innovation aspect of the programme, which commenced in advance of receipt of the blueprint, is behind schedule, over budget and under-delivering when compared against the original business case.
- A revised digital project plan was reported to the Steering Group on 30th October 2019 and was approved. Anticipated benefits arising from the digital innovation project identified in the original business case have not been tracked, therefore, it is recommended that anticipated benefits arising from the digital innovation project be re-calculated based upon the new plan and reported to the Steering Group.

SCOPE

The review considered the progress of the Customer Connect programme, including project governance, timescales, milestones, budgetary control, benefit management, communications planning and training.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Management Action Plan – Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Delays in the delivery of the ESBAgile technology platform, upon which the Council is to deliver business transformation, has impacted on the overall cost of the Digital project and on the benefits anticipated. An updated project plan together with details of revised costs was reported to the Steering Group on 30th October 2019 and was approved. Although a range of benefits detailed in the original digital business case are still anticipated, including those arising from a restructure of the joint ICT service with Eden DC, they have not been tracked. These should, therefore, be re-calculated based upon the new plan and reported to the Steering Group. Anticipated benefits may include reduction in license costs from legacy systems; improved disaster recovery arrangements; rationalisation of the joint ICT service following completion of work on the new technology platform; and any future scope for commercial enterprise with the technology platform supplier.	Ownership of anticipated benefits arising from the Digital project be allocated and the benefits restated based upon the new plan and reported to the Steering Group.	2	<p><i>EsbAgile is one of many technology components which is part of the Digital and Customer Connect business cases</i></p> <p><i>The original Digital Business Case was approved in April 2016 prior to Customer Connect but was always intended to be a key enabler for a major transformation programme such as Customer Connect. As part of the Customer Connect business case the requirements for technology were enhanced and as such the Digital Business case was in many ways consumed into Customer Connect.</i></p> <p><i>The Original Digital business case was jointly created with Eden DC and as such was governed by a joint digital board between SLDC and Eden DC.</i></p> <p><i>All decisions made in relation to delivering the Digital business case, including changes to timelines and budget requirements, were made by the joint digital board and as such agreed by both SLDC and Eden DC. Localised decisions are made in</i></p>	December 20	Shared ICT Manager and SCRUM Master

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p>relation to the detailed configuration and exploitation of the technology which has been delivered.</p> <p>The Shared ICT Services Manager and the Scrum Master, will revisit the Digital Business Case and Customer Connect business case, identify the areas of technology which remain to be delivered, review against benefits required and align these into an updated forward delivery plan.</p> <p>The output of this work will be included in a wider report which is destined to be presented to the December Overview and Scrutiny Committee followed by Cabinet and Council on the overall programme deliverables, outcomes and benefits. This report will include all aspects of the programme and will highlight what is still left to achieve and how work will continue in the future. A new set of benefits will then be developed against future service improvements.</p>		

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3	ROUTINE	Control issue on which action should be taken.
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Operational Effectiveness Action Plan

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Detailed Findings

Introduction

1. This review was carried out in January 2020 as part of the planned internal audit work for 2019/20. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

Background

2. Significant investment is being made in the Council's digital platform to provide more accessible and innovative means of communication and interaction with the public. The Council is working with an external partner to redesign services and introduce a new operating model which will see a reduction in the number of roles and generate annual savings of circa £1.55m.

Materiality

3. South Lakeland District Council places considerable reliance on the design of its computer systems for day to day operations and to achieve its business objectives.

Key Findings & Action Points

4. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

Scope and Limitations of the Review

5. The review considered the progress of the Customer Connect programme, including project governance, timescales, milestones, budgetary control, benefit management, communications planning and training.
6. The definition of the type of review, the limitations and the responsibilities of in regard to this review are set out in the Annual Plan.

Disclaimer

7. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Risk Area Assurance Assessments

8. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Audit Contacts

9. For any queries or to discuss the content of this report, please contact either of the following:

Lead Auditor:	Peter Simpson peter.simpson@ttaa.co.uk 07580 700415
Head of Internal Audit:	Peter Harrison peter.harrison@ttaa.co.uk 07970 376542

Audit Report Distribution

10. We would like to thank staff for their co-operation and assistance during the course of our work.

For Action:	Claire Gould, Performance, Innovation and Commissioning Lead Specialist
For Information:	Helen Smith, Finance Lead Specialist and Section 151 Officer David Sykes, Director of Strategy, Innovation and Resources Simon Rowley, Director of Customer and Commercial Services

Release of Report

11. The table below sets out the history of this report.

Date draft report issued:	3 rd February 2020
Date management responses rec'd:	3 rd September 2020
Date final report issued:	3 rd September 2020