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REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE

REPORT ON: EXTERNAL AUDIT REPORTS

REPORT BY: PEARL TATE, SENIOR AUDIT MANAGER

REPORT NO: 488-2007

1 PURPOSE OF REPORT

- 1.1 To submit to Members of the Audit and Risk Management Sub-Committee the External Audit Report finalised since the last Sub-Committee.

2 RECOMMENDATIONS

- 2.1 Members of the Sub-Committee are asked to consider the CSR findings and note the submission of the SPIs and amendment to the reporting of the Efficient Government Progress findings.

3 BACKGROUND

- 3.1 The following elements of the 2006/07 ARAP have been finalised since the last Sub-Committee meeting:
 - Computer Services Review
 - Statutory Performance Indicators (return).
- 3.2 As part of the 2006/07 ARAP, a separate report on Efficient Government Progress was planned by 31 July 2007. This review was subsequently delayed to enable officers to pull together the relevant information for audit. It is now proposed that the findings from our review of Efficient Government Progress be detailed in the Final Report to Members in October 2007.

Pearl Tate
Senior Audit Manager
13 September 2007

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Mr Alex Stephen
Chief Executive
Dundee City Council
21 City Square
Dundee
DD1 3BD

13 July 2007

Dear Mr Stephen

2006/2007 Audit – Computer Service Review

As agreed in our 2006/07 Audit Risk Analysis and Plan, we have undertaken a Computer Service Review which looked at the arrangements in place in the Information Technology (IT) division for the delivery of information technology. With the retirement of the Director of IT and a pending strategy update for the next five years, 2007 is a year of change for the IT division.

Our review confirmed that:

- The 2007 strategy review will give service departments an important opportunity to influence the future direction and priorities of the ICT service;
- The IT division has effective decision making processes and a quality framework in place;
- There is a strategy of centralisation of IT infrastructure which appears to have brought flexibility, resilience and manageability to Council systems;
- There is full participation in national projects for the government's *Customer First* agenda.

The IT division has recognised that there is scope for improvement in aspects of infrastructure change control, inventory management and the information security management system. We understand that the strategy review will consider these matters.

We looked at the project management arrangements in place for commissioning the new server room. Whilst work has not yet started on this area and there is uncertainty over construction aspects, we found that suitable measures have been taken to reduce construction and technical risks.

Over the next two years a number of IT system changes are proposed. At the same time the Dundee House project will be progressed, so assurance that IT project risks are adequately managed is important.

We considered arrangements for monitoring internal projects with significant IT elements. In accordance with good practice, Projects Boards are set up with designated teams that include IT expertise. Certain projects are also subject to additional scrutiny by the Chief Officers' Management Team. However, we encountered one significant project which was under-resourced, and is over a year behind schedule. Whilst this situation

currently being addressed it raised some concerns about the overall management of IT projects. The council should build on the experiences of implementing previous projects and, as it moves into a period of significant change in relation to IT, we shall continue to monitor assurances from senior officers in relation to project management.

Yours sincerely

Pearl Tate
Senior Audit Manager

Cc:

Mr D White, Head of Information Technology
Mr G Bell, IT Implementation Manager
Mr D Dorward, Depute Chief Executive (Finance)
Mrs M Stewart, Head of Finance
Mrs S Dailly, Chief Internal Auditor
Ms F McFarlane, Performance Audit