

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15 DECEMBER 2008

BUSINESS AT RISK SURVEY 2008

Responsible Portfolio Holder	Councillor Geoff Denaro Portfolio Holder for Finance
Responsible Head of Service	Jayne Pickering, Head of Financial Services

1. SUMMARY

- 1.1 To advise Audit Board of the Business at Risk Survey that was undertaken in 2008 by the Audit Commission as part of the Use of Resources assessment.

2. RECOMMENDATIONS

- 2.1 Audit Board to consider the Business at Risk Survey and to note the Councils response to the improvements identified.

3. BACKGROUND

- 3.1 The Business at Risk (YB@R) is a web-based survey that helps auditors and public sector organisations to focus on the business risks associated with information and communications technology (ICT). The survey is part of a portfolio of tools developed by the Audit Commission's Good Conduct and Counter Fraud and IT Knowledge Networks.
- 3.2 The Graham Committee report on the Standards of Conduct in Public Life endorsed these tools and recommended that they be used throughout the whole of the public sector.
- 3.3 Despite improvements in the percentages of organisations which have developed ICT security policies (for example), recent national studies have shown that as few as 20 per cent of staff have actually been provided with a copy and only 33 per cent have been informed about the policy and its implications for them. This has been accompanied by a significant increase in the inappropriate use of the internet and email, virus infections continuing to pose a huge risk and widespread ICT fraud still being committed resulting in financial loss and reputational damage.

- 3.4 The existence of policies and procedures is not enough. Examining how well policies and procedures are embedded is necessary to gain assurance that they are effective.
- 3.5 The YB@R web based survey helps organisations and auditors to focus on business risks such as major business disruption, reputational damage, financial loss and the erosion of user confidence in technology.
- 3.6 Using the assessment tool has a number of benefits in terms of; gauging the levels of IT awareness among staff; providing the ability to measure improvement over time; and highlight areas where you may need to improve governance and reduce risk.
- 3.7 The survey was undertaken on-line and was open to all staff for a period of 4 weeks. The survey findings and formal report is attached at Appendix 1.

4.0 FINDINGS FROM SURVEY

4.1 The survey found that generally the processes and policies were available in the Council to prevent risk to the business but these may not be that widely known by the staff. The main areas are as follows:

4.1.1 Risk of Business Disruption

- Ensure staff are aware of the threat of virus infection and how they should deal with this
- Raise awareness of the importance of password use and access to computer rooms
- Clarify roles and responsibilities in relation to Business Continuity

4.1.2 Risk of Financial Loss through Fraud

- Raise awareness of the Councils anti fraud strategy
- Identify and assess systems that are at risk from fraud and ensure these are adequately protected

4.1.3 Risk of Reputational Damage

- Raise awareness of auditing software installation and the integrity of access to systems
- Raise the profile of the Councils data protection arrangements

4.1.4 Risk of loss of confidence

- Raise awareness of data security and access arrangements

4.2 Officers will undertake the actions in relation to raising awareness on the issues identified via Core Brief and Connect communications.

5. FINANCIAL IMPLICATIONS

None as a direct result of this report.

6. LEGAL IMPLICATIONS

None.

7. COUNCIL OBJECTIVES

7.1 The effective use of resources underpins all the Council's objectives.

8. RISK MANAGEMENT

8.1 The main risks associated with the details included in this report are:

- Lack of an effective ICT and fraud control environment.

8.2 These risks are being managed as follows:

8.2.1 Ineffective communication with staff in relation to policies and procedures to safeguard the business of the Council.

8.2.2 These risks are mitigated through the communications department together with financial services advice and support on fraud awareness.

10. CUSTOMER IMPLICATIONS

10.1 None.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

11.1 None.

12. OTHER IMPLICATIONS

Procurement Issues	None
Personnel Implications	None
Governance/Performance Management	– subject of the report
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None

Environmental None

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Joint Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

APPENDICES

Appendix 1 Audit Commission Business at Risk Survey

CONTACT OFFICERS

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