

LONDON BOROUGH OF CROYDON

REPORT:	Audit & Governance Committee	
DATE OF DECISION	14th March 2024	
REPORT TITLE:	Update on IT Controls Audit 2022/23	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Jon Martin, Interim Head of Specialist Systems Email: jon.martin@croydon.gov.uk	
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance	
CONTAINS EXEMPT INFORMATION?	YES	Public with exempt Appendix B. Exempt pursuant to Paragraph 3 of Schedule 12A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) It is considered that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 A presentation will be given to update the committee on the progress with IT Controls Audit 2022/23, slides attached at **Appendix A**. Appendix B is exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and sets out the audit findings in full in respect of the IT Controls Audit 2022/23.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, Audit & Governance Committee are recommended to:

- 2.1 Receive the presentation and update on IT controls.

3 REASONS FOR RECOMMENDATIONS

3.1 This report and presentation provide an update for Audit and Governance Committee.

4 BACKGROUND AND DETAILS

4.1 Part of the scope of the external audit is to review the IT Controls in place for agreed key systems. Whilst incorporated into the overall auditor's submission for each financial year, the specialist nature of the IT Controls warrants a separate report and discussion.

4.2 The agreed in scope key systems are:

4.2.1 Oracle Fusion – the platform used to deliver the council's 'My Resources' solution covering finance, HR, payroll, and procurement functions.

4.2.2 NEC Revenues and Benefits.

4.3 The presentation at **Appendix A** covers the IT Controls Audit 2022/23 findings, work done to date, and priority areas to address.

5 CONSULTATION

5.1 This report and its appendices provide an update on the work being undertaken to mitigate concerns identified by the external auditor. There is no requirement for Member or Public consultation.

6 CONTRIBUTION TO COUNCIL PRIORITIES

6.1 The scope of this report covers two of the council's critical business systems. It's focus on assuring effective controls over use and access to these systems means it is part of the mayor's priority to *ensure good governance is embedded and adopt best practice*.

7 IMPLICATIONS

FINANCIAL IMPLICATIONS

7.1 As this is an update report for noting, there are no financial considerations directly arising from this report.

7.2 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 06/03/2024

LEGAL IMPLICATIONS

7.3 There are no direct legal implications arising from the recommendations in this report. Members will, however, be aware that the Council as a best value authority "must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness"

(Section 3 Local Government Act (LGA) 1999). The Best Value Duty applies to all functions of the Council.

- 7.4** On 20th July 2023, the Secretary of State for Levelling Up, Housing and Communities (“the SoS”) issued Directions under Section 15(5) of the LGA to the Council on the basis that the Council was failing to comply with its Best Value Duty and setting out actions to be taken by the Council to comply the duty. The SoS Directions require the Council to, amongst others, continue to address the culture of poor financial management and to restore public trust and confidence by transforming the Council’s activities, practices, and omissions to ensure that they are compatible with the best value duty. In addition, the Council is required to secure as soon as practicable that all its functions are exercised in conformity with the best value duty thereby delivering improvements in services and outcomes for the people of Croydon.
- 7.5** On 6 October 2023, The Improvement and Assurance Panel agreed an intervention Exit Strategy which describes the tangible improvements they expect the Council to make by March 2025. This includes in relation to Oracle IT system and how this operates in supporting the functions of the authority. Members will also be aware that reports have and are being taken to Mayor in Cabinet to seek approval for and provide updates on the Oracle Improvement Programme.
- 7.6** Comments approved by the Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 08/03/24)

EQUALITIES IMPLICATIONS

- 7.7** The Council has a statutory duty to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must therefore have due regard to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.8** In general, all IT systems should be monitored to ensure compliance with accessibility standards in relation to colleagues with disabilities, in particular relating to conditions related to some physical disabilities and neurodiverse conditions.
- 7.9** As this is an update report for noting, there are *no changes* to any systems or processes, therefore no direct impact on equalities identified.

7.10 Comments approved by: Helen Reeves, Head of Strategy & Policy, 06/03/2024.

8 APPENDICES

Appendix A. Presentation: Croydon Council Audit and Governance Committee – IT Controls 2022/23.

Appendix B: Exempt: IT Audit Findings 2022/23