

APPENDIX 3 – Executive Summaries finalised since last update to Accounts, Audit & Risk Committee September 2023

Climate 23/24

Overall conclusion on the system of internal control being maintained	A
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions
Strategy and Scope	G	0	2
Governance	A	1	1
Reporting and Monitoring	A	0	4
Service Planning and Performance Monitoring	A	0	4
Risk Management	n/a	0	0
Procurement	A	1	0
Capital Planning	A	0	1
		2	12

Opinion: Amber	
Total: 14	Priority 1 = 2 Priority 2 = 12
Current Status:	
Implemented	0
Due not yet actioned	2
Partially complete	0
Not yet Due	12

Leading on Environmental Sustainability forms one of four overarching objectives for Cherwell District Council identified in the Business Plan approved by Council in February 2023 and its response to the Climate Emergency is one of the Council's ten key Strategic Priorities in the 2023/24 Annual Development Plan. The Council has declared a climate emergency and made a public commitment to be carbon neutral from its own operations by 2030. The Council works closely with countywide partners to tackle climate issues, including initiatives such as the Oxfordshire Net Zero Route Map and Action Plan. The Council's approach to tackling the climate emergency is set out in the 2020 Climate Action Framework. At the time that commitment was made, and the Climate Action Framework written, Cherwell District Council was working in partnership with Oxfordshire County Council and there was a climate team in place to drive this agenda forward across both councils. Following the decoupling in 2022, a

dedicated Climate Action Manager has been appointed, there is also a part time Climate Officer post which is currently vacant. The audit has reviewed the arrangements in place to meet the Council's climate ambitions and address climate change risks.

Significant progress has been made since the Council began monitoring emissions compared to the baseline of 2008-09. A number of major projects have been completed which have contributed to this, and more are currently in progress. However, there are some areas where the Council could improve processes and controls to ensure that its ambitious targets are more likely to be achieved. These are explained in more detail below.

Strategy and Scope – The Council's climate ambitions are clearly documented, and a member working group has been established which reports to Overview and Scrutiny to provide oversight and challenge to achievement of the documented ambitions. A strengthened communication strategy will help to ensure that all stakeholders are aware of how they can contribute to achieving the two targets "to be net carbon neutral from our operations and activities by 2030" and "to do our part to achieve a zero-carbon district by 2030 and lead by example" and will increase the likelihood of these objectives being achieved.

Governance – There is evidence of some reporting on climate actions to Extended Leadership Team, the Strategic Place Shaping Board, the Executive and the Overview & Scrutiny Committee. However, data on the council's emissions, the latest annual Greenhouse Gas Report covering 2021/22 released in January 2023, has not been reported to the Executive or Overview & Scrutiny Committee, either as a standalone item or as part of routine performance monitoring. Management have reported that this was delayed due to the decoupling from the shared County Council Carbon Team. This report is expected in the next quarter. The strengthening of governance arrangements will help to ensure that there is regular and systematic oversight of overall progress towards the Council's climate targets.

Reporting and Monitoring – The emissions KPI that was being reported monthly (fleet fuel consumption) represented less than 40% of the Council's total emissions (as reported by the Greenhouse Gas Report) and has now been discontinued, so for 2023-24 there is only one KPI specifically relating to climate which is the % of EV within the fleet, which is to be measured annually. This means that there is no regular monitoring of progress towards the Council's climate ambitions. The yearly greenhouse gas report does however provide a fuller picture of the Council's emissions and progress towards its climate ambitions. It is also noted that the current greenhouse gas reporting shows the direction of travel rather than any comparison between actual and target emissions. Without effective and appropriate monitoring and reporting on the Council's climate ambitions, there is a risk that performance issues will not be identified and rectified promptly, and that achievement of its climate ambitions will be negatively impacted.

Service Planning and Performance Monitoring – The Council's Annual Delivery Plan includes a priority and a delivery theme on climate action but does not include any specific actions. Service Plans for each service area were requested, and most of those provided did include some actions to contribute to the climate agenda however

the audit noted that this is an area which could be developed further to provide more detail on how each service can contribute to the achievement of the Council's climate objectives. It is noted that there is currently no process for the Climate Action Manager to be involved in review of service plans to ensure that relevant climate issues have been identified and appropriately considered. A transformation process, overseen by the Transformation & Digital Futures Programme Delivery Board, has just commenced, which includes climate action as one of its guiding principles. A plan to deliver Carbon Literacy Training to relevant staff is currently being developed.

Procurement – The council has not yet identified the emissions embedded in its supply chain or articulated a plan to reduce them. It could not be evidenced that services are taking action to reduce carbon from procurement, apart from some references to reducing paper and printing. If emissions from procurement are not effectively managed there could be a lost opportunity to contribute to the council's climate ambitions. The draft climate action plan currently being developed includes actions to address this however these are listed as “aspirational” rather than “planned”. Management have reported that going forward the new procurement strategy makes reference to including data on supply chain emissions in all new procurement activity.

Capital Planning – It is positive to note that a number of major projects have been carried out to reduce emissions, including decarbonisation projects in Leisure Centres and other buildings, which have addressed some of the Council's highest emissions. Further improvements could be achieved by producing an up-to-date strategy / documented plan which sets out all the Council buildings, how much carbon they currently produce and the plan to reduce this over the remaining years to 2030. There is a current documented strategy to reduce emissions from the Council's vehicle fleet. Management have reported that a new asset strategy is being developed which will provide an opportunity to consider improvements to or disposal of surplus or poor performing assets over the next five years.

Revenues and Benefits IT Application Review 23/24

Overall conclusion on the system of internal control being maintained	G
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions
Logical Security	G	0	0
Access Rights	A	1	1
System Administration	A	0	4
Audit Trails	G	0	0
Data Backups	G	0	1

System Support	G	0	0
		0	6

Opinion: Green	
Total: 6	Priority 1 = 0 Priority 2 = 6
Current Status:	
Implemented	2
Due not yet actioned	1
Partially complete	0
Not yet Due	3

The Capita One IT Revenue and Benefits' system moved from an on-premises system to a cloud-based solution in 2021. System administration is performed by a core systems support team and controls are in place to manage the key risks. The areas where controls need to be improved is the management of user accounts and access rights. Details of the control improvements identified are provided below.

Logical Security:

The Revenue and Benefits' system is only accessible from the corporate network and is not available from any other external location. Users are required to authenticate to the network and the same credentials are used to authenticate to the system, using the principles of single sign-on. A review of the network password policy confirmed it is configured in accordance with good practice. Each user has a unique account on the system, ensuring there is clear accountability for all access.

Access Rights:

User access rights within the system are defined using groups and a user can be a member of more than one group and be given additional permissions depending on their role. There has been no formal review of access rights since the system was implemented in 2021, which presents a risk that some users may have a higher level of access than required for their role. This can lead to unauthorised changes being made.

System Administration:

System administration is performed by a designated system support team, which has five members of staff and are split across revenues and benefits, ensuring there is no key person dependency. We have identified risks relating to the management of user accounts, which could lead to new users not being appropriately authorised, granted incorrect access rights and leaver accounts not being disabled on a timely basis. A copy of the password for a system administrator account is also not held securely and could be compromised for unauthorised access.

Audit Trails:

The system has an audit trail facility which logs all user activity, including system administrator actions such as changes to user access rights. The audit event logs are available from when the system was implemented in 2021.

Data Backups:

As the system is cloud hosted, the supplier is responsible for taking data backups. This responsibility is included in the contract, but aspects of backup operations are not sufficiently defined and should be confirmed with the supplier, including that copies are safeguarded from ransomware attacks.

System Support:

There is a formal contract with the supplier that is valid until March 2026 and includes software maintenance. Users report any system issues/errors to the systems support team and if they can't resolve the problem, they log a support call with the supplier. There were 27 open support calls at the time of the audit and whilst some date back to 2022, it was confirmed that they have been recently updated with progress and are kept under review at a quarterly meeting with the supplier.

Business Continuity 2023/24

Overall conclusion on the system of internal control being maintained	A
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RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions
Corporate Policy	A	0	1
Management Framework	A	0	2
Business Impact Analysis	A	0	1
Business Continuity Plans	A	1	1
Incident Response	A	0	1
Testing	A	1	0
		2	6

Appendix 1 provides a definition of the grading for each of the conclusions given.

Opinion: Amber	
Total: 8	Priority 1 = 2 Priority 2 = 6
Current Status:	
Implemented	1
Due not yet actioned	0
Partially complete	0
Not yet Due	7

There is a management structure in place for overseeing business continuity that includes access to specialist skills and advice. We found that service areas/teams have documented continuity plans, although there are some exceptions and none of the plans have been finalised and approved. The corporate business continuity strategy is out-of-date, and testing of plans has not been performed, which is a key risk to the organisation.

Corporate Policy:

There is a documented Business Continuity Strategy from 2018. We are also informed a Business Continuity Statement of Intent and Business Continuity Framework were adopted in 2019, however, they were not available for review at the time of the audit. These documents should be reviewed, rationalised as appropriate and formally approved. It is important that retained documents set out clear management support and direction for business continuity.

There is an Incident Management Framework which was approved in 2022 and is referenced below under Incident Response.

Management Framework:

The Head of Regulatory Services and Community Safety has recently been appointed as the lead operational officer for business continuity management and is supported by the Emergency Planning team at Oxfordshire County Council (OCC). We found that the specific responsibilities of the lead officer are not documented and there was only a draft service level agreement for the OCC service. Since issue of the draft report, the service level agreement has now been finalised.

A Business Continuity Steering Group (BCSG) is used to manage business continuity across the council and has representatives from different service areas/teams. BCSG meetings are getting back on track after some key personnel changes. Whilst BCSG ensures there is engagement with services areas, there is no formal awareness programme to ensure all staff in service areas/teams are aware of their local business continuity plans, which could lead to delays in them being implemented.

Business Impact Analysis:

A Business Impact Analysis (BIA) is used to identify all critical services and activities and underpins the business continuity planning process. The BIA template includes key information required for business continuity, such as the identification of critical services/activities, the impact of their loss over an increasing timeline, Maximum Acceptable Outage (MAO) and the Recovery Time Objective (RTO). A review of the status of BIA's found that one has not been completed for Democratic and Elections and the majority have yet to be finalised and approved.

Business Continuity Plans:

We sample tested a number of service areas/teams and confirmed they have a documented business continuity plan, with the exception of Democratic & Elections. None of the plans have been formally approved and some are not based on the latest template and hence do not include all relevant details. This presents a risk to the council that service areas are not able to maintain their critical services following a major incident.

Critical suppliers and partners are identified in BIAs, but no assurances are sought that they have business continuity plans in place. Secondary supply sources are also not identified for key services/products, and this presents a risk of a supply chain failure impacting key council services/activities.

Incident Response:

There is a documented Incident Management Framework (IMF) for responding to major incidents. A review of the IMF found that it covers many of the areas we would expect to find, although there are some gaps and details which need to be further defined. The IMF has not been exercised in the last 12 months to gain assurance that it is effective for managing a major incident.

Testing:

There has been no testing of business continuity plans. Plans were invoked during the covid-19 pandemic, however there is no testing strategy or plan to support the routine testing of plans. The lack of testing plans presents a key risk to the council.