

ITEM

INFORMATION TECHNOLOGY (IT) AUDIT STRATEGY

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1.0 INTRODUCTION

1.1 In March 2005, the external auditor reported on Internal Audit's compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. This highlighted the need for a documented IT Audit Strategy and for the Council to consider how best it can gain the required audit assurance that is needed for computer based risks. As S.151 Officer, the Head of Finance and Business Development agreed to consider the IT Audit Strategy and make a recommendation on this issue.

2.0 IT AUDIT STRATEGY

2.1 The IT Audit Strategy is based on Computer Audit Guidelines published by CIPFA, taking into account the Council's control environment already audited by internal audit. The detailed Strategy is shown at Appendix A.

2.2 Based on a review of the testing required, it is estimated that a specialized computer auditor would be required for 16 days in order to give full assurance on computer based risks. This could be spread over a 3 year cycle and the position could then be reviewed:

2006/07	10 days [or 2005/06 if this could be arranged]
2007/08	3 days
2008/09	3 days

2.3 A salaries underspend of £4,600 was brought forward to 2005/06, as an ear-marked reserve, to fund some specialized computer audit. Quotes would need to be obtained.

2.4 As at 30/10/05, there was a further underspend on salaries of £6,140 due to vacancies. Approval would need to be sought to carry any underspend forward to 2006/07 to fund additional computer audit.

2.5 Any increase in the level of IT audit, would also increase the demand on the internal IT team's time – in terms of supplying information to the computer auditor. Time needed would depend upon the complexity of the audit but would, for example, include confirming operating procedures, accompanying the auditor to physically inspect the servers' environment and providing network operating documentation.

3.0 RECOMMENDATION

3.1 The Head of Finance and Business Development has considered the IT Audit Strategy and recommends that the Council covers the risk in 2 ways:-

- The Strategy identifies how much can be covered in-house. The Audit and Fraud Prevention Manager and the Senior Auditor are attending an Advanced Computer Audit Course in January 2006;
- The Strategy also identifies those days which need expert assistance, which will need to be bought-in. This has been discussed with the Chief Finance Officer at Allerdale B.C. who are currently employing a specialist computer auditor, with a view to buying in some days.

3.2 It is recommended that Members of the Audit Sub Group note the IT Audit Strategy and the Head of Finance and Business Development's recommendation as to how the Council can gain the required audit assurance for computer based risks.

List of Appendices: [Appendix A – IT Audit Strategy](#)

Background papers: Audit report: Compliance with the CIPFA Code of Practice for Internal Audit in Local Government

Officers Consulted: Corporate Team, Business Development Manager, ICT Team Leader (System Support), ICT Team Leader (Technical Support), IEG Project Manager

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