Summaries of Finalised Internal Audits for 2022/23

Assurance level	Significance	Directorate	Audit title
Limited Assurance	Extensive	Corporate	Management and Control of the Council's Net Zero Carbon Pledges
Reasonable	Extensive	Resources	Mobile Device Management
Reasonable	Extensive	Resources	Staff Recruitment and Pre-employment checks

Limited / Reasonable Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Management and Control of the Council's Net Zero Carbon Pledges	Oct. 2022	This audit sought to provide assurance that the systems for managing, monitoring, and implementing the Council's Net Zero Action Plan and the Net Zero Carbon Partnership Action Plan are sound and secure. The Council declared a Climate Emergency in 2019 and committed to becoming a Net Zero Carbon Council by 2025 and a Net Zero Carbon Borough by 2045 or sooner. We understand from Officers that the Council cannot deliver net zero emissions to the Council estate or across the borough on its own, and many measures will rely on national-level decisions and coordinated action with relevant partner stakeholders, as well as engagement and behaviour change by the public and local businesses. Significant additional resource in the form of designated staff, funding streams and financing to deliver the Council's ambitions and take crucial action will be required. During the audit, we identified the following areas of good practice: • There is a Lead Cabinet Member whose portfolio is the environment and the climate emergency. • To steer, manage and achieve the Net Zero Carbon Borough target by 2045, the Council has established the Tower Hamlets Climate Change Partnership Group which reports into the Partnership Executive Group. The Group's terms of reference was agreed in January 2022 and it works across the borough, engaging with partners and residents to reduce greenhouse gas emissions (carbon emissions) to deliver on the borough Net Zero Carbon commitment.	Extensive	**Limited**

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		• In December 2019, the Council adopted a Transport Strategy for 2019-2041. The strategy acknowledges the climate emergency declared by the Council and that the air in the borough is toxic and damaging to health. The aim of the strategy is to transform the way people travel in the borough over the next 20 years through a series of proposals aimed at reducing reliance on cars in favour of sustainable transport. • The Council's procurement policy makes a reference to the Council's commitment to securing the delivery of its services in a way that minimises the adverse impact on the environment and which supports its target of becoming a net zero carbon authority by mid-2025. • At the annual staff conference held on 13 July 2022, the Director of Public Realm and the Sustainability Manager presented an update on the Council's Net Zero Carbon Action Plan and had invited 3 speakers from organisations located in Tower Hamlets whose remit included sustainability for a question-and-answer session. The following key issues and risks were highlighted: **Governance** • An officer level Strategic Working Group, which evolved from the previous Air Quality Strategic Group following the Council's emergency climate declaration, is tasked with overseeing the implementation of the Council's Net Zero Carbon plan. The Terms of Reference indicate that it is a sub-group reporting to the Health and Wellbeing Board. In our view this governance arrangement does not reflect the high corporate importance and		

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		profile of the Strategic Working Group and should be reviewed in line with the current Mayor's strategic priority for this area.		
		• Review of 8 relevant reports to Cabinet seeking key decisions covering a variety of council services showed that none of the reports specifically considered climate change implications of the proposed decision, although environmental factors are in some cases briefly commented on.		
		• Review of the Council's policies and strategies related to the climate change challenge showed that the Local Plan published in 2020 and the Waste Strategy adopted in 2019 have not yet been updated to reflect the Council's Net Zero Carbon commitments.		
		• **Net Zero Carbon Plan (Borough 2045) –** The report to Cabinet in December 2021 on the Partnership Action Plan indicated that a Borough Climate Change Strategy and supporting Borough Net Zero Carbon Action Plan still needs to be scoped and developed some three years after the Climate Change Emergency was declared. The purpose of the Climate Change Strategy and Borough Net Zero Carbon Action Plan will be to develop an evidence-based target (if sooner than 2045) for the borough to become net zero carbon. This will include an approach to achieve the 2045 target and identify outcomes for a fair and just transition towards net zero.		
		• **Net Zero Carbon Plan (Council 2025):** The Cabinet report of March 2020 on the climate emergency declaration lists a number of key actions in the priority areas of power, buildings, transport, waste, forestry and land use, procurement, and organisational readiness. The report further states that it includes actions for		

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		costed delivery plans to be produced. However, these costed delivery plans have still not been produced, which will have a negative impact on the effective implementation of the action plan by the target date. We further noted that the Council Net Zero Action Plan is not updated fully and consistently, e.g., actions have not been reassigned following the action owner's departure. **Monitoring and Reporting** - Since the Council Net Zero Carbon Action Plan was first presented to Cabinet in March 2020, there appears to have been no reports on the Council's progress in achieving the net zero carbon by 2025 to the CLT, the Lead Member or the Cabinet. The Climate change agenda requires strong leadership and governance with an effective oversight and monitoring. The officer group tasked with overseeing the implementation of the Council Net Zero Carbon Plan meets quarterly, however the notes of the meeting lack important details such as names and roles of attendees, officers are referred to by initials only and actions are not followed up in subsequent meetings. We also noted that the Council's performance in achieving the 2025 net zero carbon target was not reported to the CLT and Cabinet through the Corporate Quarterly Performance monitoring framework. **Risk Management** - Risks related to the climate change have not yet been recognised as a corporate risk and there is no entry on the corporate risk register. If climate related risks and opportunities have not been		

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		fully assessed and managed appropriately, the Council's objectives and desired outcomes may not be achieved. **Staff awareness** • Very little has been done since the Council declared a climate emergency in March 2019 to raise staff awareness of the declaration and the Council's Net Zero Carbon commitments. There is no information on the intranet or learning material on the learning hub. We think staff buy in is important in order to achieve the Council's Net Zero Carbon pledges, particularly the ambitious one of becoming a net zero carbon council by 2025. **Equality Impact Assessment** • A full analysis of the impact of climate change plans and strategies on people and groups with protected characteristics has not yet been carried out. We were advised that this piece of work would form part of the Tower Hamlets Partnership Action Plan. *All findings and recommendations were agreed with the Chair of Air Quality and Net Zero Carbon Strategic Working Group (Director of Public Realm), Director of Housing and Regeneration and Sustainability Manager. The final report was issued to the Corporate Director of Place and the Chief Executive.*		
Laptop Security Management	Oct. 2022	Mobile technology, which ranges from smart phones to laptops and tablet devices, encourages a flexible approach to providing services and supports the ability to improve ways of working and the provision of services to the public. However, it requires appropriate security controls to be deployed to prevent services from being compromised. This audit reviewed the system and procedures for the management	Extensive	**Reasonable**

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		of Laptop security. Currently, there are around 4,500 laptops in use at the Council. Over the last 12- 18 months a range of new technologies for laptop management have been implemented including ZScaler and Microsoft Endpoint manager tools.		

During the audit we identified the following areas of good practice:

Policies and Procedures

- The Council has in place a Staff Guidebook which was published in September 2021. The guidebook includes a section on Council issued IT equipment which covers mobile phones and laptops, specifically managing the safety of such devices.

- Additionally, the Council also has in place an Internet Acceptable Use Policy and Email Policy which were last updated in December 2021. Although both policies don't cover physical security of Council issued laptops, we found these to adequately cover the safety of such devices when using the internet and downloading e-mail attachments.

System Hardening

- Corporate device policies are enforced through Microsoft Endpoint Manager (MEM) which is monitored by the Field Engineering Team on a regular basis. We were provided with a report from Endpoint Manager dated 4 July 2022, which listed a total of 4,395 enrolled devices. Of these, 4,277 were compliant, 110 were reported as non-compliant due to no network/user activity after 90 days and 8 were noted as not evaluated as they have not been imaged and issued to staff yet.

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		• All Council staff are issued with HP ProBook devices. We were provided with photos taken from the Basic Input Output System (BIOS) of a Council issued HP ProBook laptop. We were able to confirm that BIOS settings were configured in line with Council security requirements and industry standards, for example through the use of a BIOS password and disabling of USB ports. • We were provided with a screenshot of the BitLocker encryption compliance dashboard from Microsoft Endpoint Manager which noted a total of 10,649 devices secured with BitLocker (with 0 errors noted, however 42 were noted as "not applicable"). We were further advised that because Endpoint Manager counts use per user rather than system, a higher device count is reported compared to those physically present. Overall, we were satisfied with the data and explanations provided by management. **Disposal of IT Assets** • We were provided with the Council's IT Inventory and Assets Disposal Procedure which was written in January 2022 and is currently in draft format, pending approval from the Director of IT. We reviewed the draft policy and found it to include a statement with regard to the maintenance of the IT inventories and disposals, roles and responsibilities of key staff and compliance. • Our testing confirmed there to be an SLA in place between the Council and Waste Care dated 1 November 2019 for the destruction and recycling of data containing assets which outlined the collection and disposal procedure, although we were informed that no disposal of laptops has been undertaken in the last 12		

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		months due to the IT service provision being moved in-house in this period.		

Lost/Stolen Laptop Devices Testing

- Where a laptop has been lost or stolen, the user must report this to IT via the Ivanti Help Desk system. In total, 4 devices have been reported as lost or stolen in Ivanti, of which 1 related to a lost charger as opposed to the device itself. We reviewed the 3 lost/stolen devices with the IT Asset & Licensing Coordinator during a walkthrough of Ivanti, where we were able to confirm through notes on Ivanti that the devices in question were disabled from accessing the Council's network. In one of the three cases, a device was returned to the Council and subsequently reactivated.

The following Key Issues and risks were highlighted to Management:

Staff Training

- All Council staff, including new starters are required to complete mandatory corporate training modules. For the purposes of this audit, we focused solely on the module 'Cyber Security: Stay Safe Online', which covers the laptop security requirements. As of 04 August 2022, the Council reported 53% compliance rate.

Asset Management (Ivanti and Endpoint)

- The Council uses Ivanti (asset management system) and Microsoft Endpoint Manager (device and user management) to manage its laptop estate, the responsibility for which has been assigned to the Field Engineering Team.

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		• Ivanti is the asset management system, whereas Microsoft Endpoint Manager is the system used to manage operating system parameters on Council systems including user accounts as well as enforcing corporate device policies. Ivanti is used as the asset management system as it uses standing data (such as device name and assigned user), whereas MEM contains dynamic data (such as device name, ID, serial number, last login, MAC address, compliance with enforced policies, OS build info and AD username). I.e., after 90 days of no activity, devices do not register on MEM until there is activity again. Currently, there is no automatic interfaces between both systems, resulting in Ivanti having to be updated manually. • We performed data analytics on the lists of devices from Ivanti and MS Endpoint Manager and found that 963 devices from Ivanti did not reconcile to MS Endpoint Manager and 335 devices from MS Endpoint Manager did not reconcile to Ivanti. **Lost/Stolen Laptop Devices Staff Procedure** • Whilst the Council has an internal procedure document which sets out the process for how lost/stolen laptop notifications are dealt with by the Field Engineering Team, we noted no reference to reporting lost or stolen laptops in the Staff Handbook. **Standard Operating Procedures (SOPs)** • Through discussions held with management, it was established that control and monitoring of IT assets such as laptops became centralised within the last 12 months, whereas prior to this it was managed within individual departments. As a result, the IT Team, including its sub-teams such as the Field Engineering Team, do		

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		not yet have any standard operating procedures in place from a business continuity perspective to cover the use of key systems such as Ivanti and Endpoint Manager. **Management Reporting** • From discussions with key officers, we noted that asset management related matters, e.g., laptops and disposals, are monitored through meetings between IT and Heads of Service. However, agendas and minutes are not produced for these meetings. However, we were informed that the Risk and Governance Manager will draft a briefing paper to the Director of IT and SIRO seeking approval of assets to be written off once their value has been determined, improving governance in this area. *All findings and recommendations were agreed with the Director of IT and final report was issued to the Corporate Director of Resources.*		
Staff Recruitment and Pre-employment checks	Oct. 2022	This audit reviewed the systems for recruiting and vetting new staff to provide assurance that the arrangements are sound and secure and achieve Council objectives. A new recruitment system, Alvius, went live in December 2020. Around 980 roles have been created on the system. Alvius is the Council's key recruitment management system, which should be used by all hiring managers. However, we were advised that some hiring managers process their recruitment outside Alvius, such as for Directors. Audit testing was, therefore, based on records on the Alvius system. The following good practices were reported:	Extensive	**Reasonable**

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		• Authorisation to recruit had been obtained from the budget holder and relevant Finance Business Partner in each case in our sample of 20 recruitments. • Policies and procedures dated 2018 concerning Disclosure and Barring Checks are available to staff on the intranet. The following Issues and Risks were highlighted for Management to address: • **Policies and procedures:** There are various policies and procedures posted on the intranet relating to the recruitment process, most of which duplicate guidance/advice or provide conflicting guidance/advice. A recently updated Recruitment and Selection Policy and Procedure has yet to be made available to staff. • **Shortlisting and interviews:** Audit testing showed that information such as shortlisting grids, panel members, and interview assessment forms had been recorded on Alvius in only a few cases. There is, therefore, limited evidence on Alvius that shortlisting, and interviewing was conducted in accordance with Council values and objectives. However, these documents were located outside of Alvius, so there is some assurance around this control. • **Pre-employment checks:** Testing of sample of 20 recruitments showed that references, Disclosure and Barring and Right to Work checks (where applicable), had been uploaded/recorded on Alvius, Resourcelink or the Recruitment and Resourcing Team's shared folder in most cases. In 5 of the 9 cases where references weren't on file were internal candidates. The Recruitment Resourcing Team		

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		Leader advised that an HR adviser wanted to give hiring managers the option to seek either verbal or written references for internal candidates. • **Management information:** We were advised that the new recruitment management system went live in December 2020 with only basic functionality due to time constraints relating to the previous recruitment management system, IGrasp. We understand that management reports can now be run but there are no routine management reports identifying data such as average length of time taken to recruit, number of attempts to recruit, posts not filled in after shortlisting/interview process, feedback from applicants on the application process etc, to support management in decision making around recruitment and retention of staff. • **Alvius post implementation evaluation:** We were advised that a number of functions available on the system remain outstanding and to be delivered, with some forming part of the original tender, and other elements which were additional functionality the provider committed to developing at no further cost. *All findings and recommendations were agreed with the Head of Human Resources and Business Support Relationship Manager. Final report was issued to all the Corporate Directors.*		