



Audit and Standards Committee Report

Report of: Mike Weston, Assistant Director ICT Service Delivery

Date: 24th January, 2020

Subject: ICT Software and Hardware Asset Management

Author of Report: Mike Weston, Assistant Director ICT Service Delivery

Summary: To provide the Committee with an update on the implementation of the recommendations arising from the Software Asset Management and Hardware Asset Management Audit reports finalised in March, 2019

Recommendations: To note the current positions and for a further report to be provided to the Audit and Standards Committee by June 2020.

Background Papers: Reports by Internal Audit on Software Asset Management and Hardware Asset Management (March, 2019).

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Member
Councillor Terry Fox, Cabinet Member for Finance
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

UPDATE ON ICT SOFTWARE AND HARDWARE ASSET MANAGEMENT AUDITS

1.0 INTRODUCTION

- 1.1 Internal Audit published two reports in March, 2019 relating to Software and Hardware Asset Management that gave no assurance to Software Asset Management and limited assurance to Hardware Asset Management services provided under the Capita contract.
- 1.2 BCIS ICT Service Delivery (the Capita client team) agreed a number of recommendations to address the assurance opinions in both of these reports, but has only been able to make limited progress in implementing these recommendations due to the significant work required to safely exit the Capita contract, and the complexity associated with implementing the recommendations within the constraints of that Capita contract where the changes needed were largely required to be done by resources under the control of Capita.

2.0 BACKGROUND

- 2.1 The Council had engaged Capita to provide a fully managed ICT Service since 2009 that included the provision of both Software and Hardware Asset Management
- 2.2 Cabinet approved delegation to negotiate termination of this managed service contract to the Executive Director of Resources, who executed a decision on 14th April, 2019:
 - to issue notice to exercise the break clause to Capita to exit all services (ICT, Revenues and Benefits and FBT) at the contract break point on 4th January, 2020; and
 - to retain the option to negotiate further service delivery by Capita (if necessary) beyond 4th January, 2020 under the contract.
- 2.3 This followed a long and protracted negotiation that sought to terminate the ICT elements of the contract before the break clause in the contract. As part of this initial attempt to end parts of the ICT contract. Capita were required to provide information on the ICT Service and its management. This raised concerns on the quality of information on Software and Hardware assets held by Capita and the overall management by Capita of these aspects of the ICT Service delivery under the contract.
- 2.4 This resulted in the Director of BCIS requesting Internal Audit to review the processes and procedures employed by Capita to meet their contractual obligations to deliver effective Software and Hardware Asset Management.

3.0 MAIN BODY OF THE REPORT

Including Legal, Financial and all other relevant implications (if any)

- 3.1 Internal Audit agreed terms of reference for two separate audits of Software and Hardware Asset Management with the Director of BCIS in following concerns regarding the quality of information provided to the Council during negotiations to seek to terminate the ICT elements of the contract.
- 3.2 Numerous requests were made to Capita to provide information to support the Audits, but they failed to provide sufficient detail to give Internal Audit sufficient detail to give anything but no or limited assurance.
- 3.3 BCIS and Internal Audit agreed the final report assurances and recommendations in March, 2019, but due to the focus on delivering a safe exit from the Capita contract and not having control of the resources responsible for delivery of the recommendations, significant progress on implementation of the recommendations was only really possible post-exit.
- 3.4 Consequently limited progress has been made in implementing the recommendation detailed in the reports. The intention was to pick these recommendations up once exit from the Capita contract had taken place and initial work to stabilise the transferring ICT Service had happened.
- 3.5 The contract with Capita has only recently terminated (4th January, 2020) but the resources involved in software and hardware asset management have now moved over to the Council under the Assistant Director of ICT Service Delivery in BCIS who will now ensure the agreed recommendations are fully implemented.
- 3.6 In readiness for the Capita handover a number of actions have been taken to ensure that ICT Service Delivery can address the outstanding recommendations.
- 3.7 Policies in relation to software and hardware asset management have been drafted and are under review before being presented to ICT Strategy Board for approval. It anticipated these will be presented to the February ICT Strategy Board
- 3.9 A new Service Management tool, Service Now, has been implemented across IT to provided standard IT Infrastructure Library (ITIL is a global ICT Service Management best practice framework) methodology functionality. This will provide configuration management database functionality across ICT and will become the repository for all software and hardware asset information.
- 3.10 During the transition of services from Capita to the Council, Capita have novated contracts and licences relating to Sheffield ICT back to the

Council and provided baseline data which is being used to on board new suppliers. This baseline data is being utilised to validate volumes and entitlements to populate Service Now.

4.0 RECOMMENDATIONS

- 4.1 To note the current positions and for a further update report to be provided to the Audit and Standards Committee by June 2020.

This page is intentionally left blank