

ARGYLL AND BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	COMMUNITY SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	SEEMiS
AUDIT DATE	October 2017

2017/2018



1. BACKGROUND

This report has been prepared as part of the 2017/18 risk based Internal Audit Plan. The audit was conducted in accordance with relevant auditing standards with the conclusions detailed in this report based on discussions with key personnel and the information available at the time the fieldwork was performed.

SEEMiS is an Education Management System which is used by all 32 Scottish local authorities including Argyll & Bute Council (the Council). It is a module based management information system which is hosted by SEEMiS Group LLP and is used to record information predominantly concerning pupils and staff. It consists of multiple modules including:

- Click and Go - the integrated school management system
- Tracking, Monitoring and Reporting – used to track pupil attainment and effort, homework and behaviour
- Pastoral Notes
- EMA Management – manages all aspects of education maintenance allowance payments
- Clothing grants and free school meals
- Staff Absence and Appointment

Responsibility for maintaining the system is shared between the Council and SEEMiS LLP. The Council is responsible for day to day user administration, data input and user access control whereas SEEMiS LLP is largely responsible for system security, system developments, issue resolution, backup and performance monitoring.

2. AUDIT SCOPE, CONTROL OBJECTIVES AND RISKS

The scope of the audit was to review:

- member's and service agreements in place
- system functionality in regard to:

- access controls
- system audit trails
- electronic data transfer to other systems
- user support and training.

The table below sets out the control objectives and associated risks identified during the planning phase of the audit.

Control Objectives		
O1	Authority	Roles and delegated responsibilities are documented and are operating well in practice.
O2	Occurrence	The system objectives, procedures and processes are documented and are readily available to authorised persons.
O3	Completeness	The system's objectives are compatible with, and regularly reviewed against, the stated objectives and requirements.
O4	Measurement	The system is working well in practice and monitoring and evaluations are regularly undertaken to assess the system's performance and operations.
O5	Timeliness	Access controls are reviewed periodically.
O6	Regularity	Documentation is complete, accurate, and not excessive and complies with the data retention policy. It is stored securely and made available only to appropriate members of staff.
Risks		
Audit Risk	There is no formal agreement in place with SEEMiS LLP.	
Audit Risk	Logical access controls are inadequate.	
Audit Risk	SEEMiS does not provide sufficient audit trails.	
Audit Risk	There is insufficient user support for SEEMiS.	
Audit Risk	There is insufficient training to ensure SEEMiS is used effectively.	

3. SUMMARY CONCLUSION

Our assessment against each of the identified control objectives is set out in the table below.

Control Objective	Assessment	Summary Conclusion
O1	Substantial	Agreements are in place with SEEMIS and have been authorised by Council officers with clear roles and responsibilities defined.
O2	Substantial	Generally, supporting documentation was available to evidence effective controls over access to SEEMiS and data quality. Guidelines are available on the SEEMIS website and guidance notes are available in the SEEMIS modules.
O3	Substantial	Issues pertaining to SEEMiS objectives in relation to operational requirements are reviewed on a quarterly basis by the Operations Management Group.
O4	Reasonable	Controls within the system were generally found to be adequate however system weaknesses were identified in relation to: <ul style="list-style-type: none"> • Availability of audit trails within modules • Recording of staff training on SEEMiS prior to June 2017 - Refer to action plan point 3.
O5	Reasonable	Access controls are subject to periodic review however the following weaknesses were identified: <ul style="list-style-type: none"> • password complexity • failure to review users profiles currently set up in system Refer to action plan point 1 and 2.
O6	Substantial	Information/data within the SEEMiS system is held securely with access restricted to appropriate personnel.

4. AUDIT OPINION

The level of assurance given for this report is Reasonable.

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with. A sound system of control is in place designed to achieve the system objectives and the controls are being consistently applied.
Substantial	Internal control, governance and management of risk is sound, however, there are minor areas of weakness which put some system objectives at risk and where specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and management of risk are broadly reliable, however although not displaying a general trend there are a number of areas of concern which have been identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and management of risk is poor, significant residual risk exists and/ or significant non-compliance with basic controls leaves the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:

Grading	Definition
High	Major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified
Low	Minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way

5. DETAILED FINDINGS

The following findings were generated by the audit:

Member's Agreement and Services Agreement

There is a member's agreement in place between the Council and SEEMiS LLP. The agreement was signed by the Director of Community Services in July 2015 with an amendment signed in August 2017 by the Education Head of Service. The agreement defines governance arrangements in regard to meetings, management responsibilities and member's duties including compliance with service agreements.

In addition there is a Services Agreement between the Council and SEEMiS LLP which was signed by the Director of Community Services in December 2015. It defines arrangements for areas such as service availability, business continuity, data protection, back up, termination of service and dispute resolution.

A review of the member's agreement and Services Agreement found them both to be comprehensive with governance arrangements, roles and responsibilities clearly defined.

Included within the member's agreement is the establishment of an Operations Management Group with an established terms of reference which sets out the Group's key roles and responsibilities. The Group is currently chaired by a Council officer and minute review confirmed the Group discusses issues pertinent to its role.

Access controls

The document entitled "User Account Management Guidelines" published by SEEMiS LLP sets out the recommended SEEMiS access controls. Access controls were found to be generally in line with the recommendations although the following exceptions were noted.

- Recommended password complexity is a minimum of 8 characters including upper and lower case. The current setting allows a single character password.
- There is no evidence of a formal periodic review of user profiles to ensure access levels are commensurate with the user's current responsibilities. Head teachers are asked to perform this on an annual basis but there is no record of whether or not they have done so.

Audit trails

Discussions with management and a review of correspondence with SEEMiS LLP confirmed that the SEEMiS audit trail functionality requires improvement. For example a reply from the SEEMiS helpdesk concerning an occurrence of missing data in a pupil's records stated *"Data going 'missing' from contacts is usually the result of users merging contacts (there have been similar cases in the past). There is no auditing on the contacts information at all so we are unable to view the change history for the students."*

Education Services and SEEMiS have discussed this issue and SEEMiS have confirmed the audit trail functionality is to be strengthened in a future version of SEEMiS. There is no confirmed date for the roll out of the new version however it is not expected until at least 2020.

System user support

We concluded that there is appropriate system user support in place. This includes online guidance via the SEEMiS help page and SEEMiS modules, guidance notes from the SEEMiS administrator and provision of a SEEMiS help desk as prescribed in the Services Agreement.

Data transfer

Data is principally transferred from SEEMiS electronically to two systems. Staff and pupil data is transferred to ScotXed (which is part of the Education analytical services division of the Scottish Government) and data on pupils being presented for exams is transferred to the Scottish Qualification Authority (SQA).

Confirmation of a valid ScotXed transfer is carried out via an "Error and Warning summary report" which details any errors against a particular record. Data transferred to SQA is monitored via a post transfer report which details the amount of data successfully processed and any data rejected. It was not possible to verify whether rejected data is corrected as these reports are not retained by the school.

Training

Consultation with SEEMiS users and management confirmed that training on SEEMiS is carried out as required however recording of training given to users only commenced in June 2017 and there is no record on the council's central training database of SEEMiS training.

Observations

We have also highlighted to management the following observations which have been identified during the audit. Although not included within the audit scope the matters were brought to our attention and either indicate a potential risk exposure and /or could be considered good practice and therefore noted for information and completeness:

- There is currently duplication of data input relating to payroll information for supply staff or staff who have additional hours. Information on hours worked is input into SEEMIS and the Council's payroll system, however it was confirmed that consideration is being given to electronic feeders between these two systems in order to eliminate duplication.
- A review of pupil absence data highlighted that the absence indicator "to be confirmed" had not been cleared within the two week deadline of the pupil's absence at one of the schools visited. This is a school policy and procedure failing rather than a system issue.

6. CONCLUSION

This audit has provided a reasonable level of assurance as internal control, governance and the management of risk are broadly reliable however we did identify elements of residual risk or weaknesses which may put some of the system objectives at risk. There were three findings identified as part of the audit and these, together with agreed management actions, are set out in the action plan included at appendix 1. These will be reported to the Audit & Scrutiny Committee and progress implementing the actions will be monitored by Internal Audit and reported to management and the Audit & Scrutiny Committee.

Thanks are due to staff and management for their co-operation and assistance during the audit and the preparation of the report and action plan.

APPENDIX 1 ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Access Controls		High/ Medium		
The current password complexity setting in SEEMiS is not consistent with the recommended complexity as established in the 'User Account Management Guidelines'	Failure to have robust access controls may lead to unauthorised access and inappropriate data processing.	Medium	Password complexity has now been implemented	Completed
2. User Access				
There is no evidence of periodic review of user rights by head teachers to ensure user access rights are commensurate with the user's current responsibilities.	User access rights not being periodically reviewed may lead to access to system by users not being commensurate with the user's current responsibilities.	Medium	Schools will be required to keep a checklist of all actions completed as detailed in the Back to School guides issued at the start of each school year by AMIO	Administrative and Management Information Officer 31st August 2018
3. Training				
SEEMiS training records are only available from June 2017.	Training records not being up to date may lead to training not	Medium	Training log continues to be completed	Completed

	being delivered in the most efficient or effective manner.			
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