

SX3 Housing Modules Audit Report

Issued November 2007

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NOTTINGHAM CITY COUNCIL

CITY AUDIT SERVICES



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1 Introduction and Background

- 1.1 A review of the SX3 Housing Modules was undertaken as part of the Internal Audit Plan for 2007/8. SX3 Housing is the part of the SX3 suite of systems that facilitates the management of social housing. It is a well proven solution and a market leader which is provided by Northgate Information Solutions. The system is hosted by Nottingham City Council's ICT Department.
- 1.2 Nottingham City Council and Nottingham City Homes have developed Nottingham HomeLink with Northgate. This system uses Northgate's Choice Based Lettings system and allows applicants to bid for advertised properties on line, in person or by telephone. It is designed to improve efficiency and transparency. Nottingham HomeLink is also a partnership between Nottingham City Council, Nottingham City Homes and 11 housing associations which has been formed to operate the HomeLink system. In order to administer the scheme 8 of the registered social landlords have limited access to the SX3 system. The remaining 3 partners are due to join by the end of the year.

2 Audit Approach

- 2.1 The scope of the audit included:-
 - access controls;
 - interfaces; and
 - Data Protection.
- 2.2 The SLA between Nottingham City Council ICT Department and Nottingham City Homes for the provision of the SX3 service was largely excluded from the review as it was under development at the time of the audit.
- 2.3 The review was restricted to the aspects of security which relate to the work of NCH. A broad-based review of SX3 security, as managed by corporate IT, was carried out in January 2006 and this will be followed up as a separate exercise.

3 Objective

- 3.1 The objective of the review was to provide assurance to the Head of Finance and the Audit Committee that there are proper controls in respect of data security, data processing integrity and user access.

4 Main Conclusions

- 4.1 At the time of the audit a service level agreement between Nottingham City Council ICT Department and NCH was still in the course of development. We believe that it is important to get an SLA in place as soon as possible as this will form the baseline for the system of control over the provision of the ICT service.
- 4.2 There is scope for significant improvement over access control to the SX3 Housing Modules. Our findings indicate that the procedures to set up new users are lacking from a security point of view; the action groups do not provide an adequate separation of duties; users are granted higher levels of access than necessary; and leavers are not removed from the system promptly. We have made recommendations to address these issues.
- 4.3 Interface reconciliation processes appear to be generally sound.
- 4.4 Procedures in place to ensure compliance with the Data Protection Act are generally sound but at present some personal data may be retained for longer than is necessary and a data sharing agreement should be put in place for HomeLink.

5 Findings in Detail

User Access

- 5.1 We reviewed the action groups and found 5 had both debit and credit access rights. We noted that 245 users had been given access to the CTJR Arrears Adv action group which has a high level of access. This evidence indicates that adequate segregation of duties is not built into the action groups and that large numbers of staff have high levels of access.

Recommendation

R1 The SX3 access rights should be reviewed to ensure adequate segregation of duties and that users are granted rights in line with their job roles.

- 5.2 Users who have update access are locked out after 90 days of inactivity. Users who have view only access are locked out after 120 days of inactivity.
- 5.3 We were told that a list of users was checked on a quarterly basis, however, we noted 37 cases where the staff had left in previous periods but where their accounts were still shown as being active. This evidence indicates that the NCH quarterly review of users is not leading to the leaver accounts being disabled as intended.

Recommendation

R2 The NCC Service Manager should be provided with a list of leavers each month from NCH HR Admin and the leavers shown should be removed from the system promptly. This should be included in "client responsibilities" in the SLA between NCH and Nottingham City Council.

5.4 We reviewed generic (functional rather than user-based) accounts and the new user set up process. 21 generic accounts were identified. 11 of these were no longer used but had not been locked at the time of the audit. This was corrected as the audit testing progressed. Generic accounts were not always supported by the appropriate paperwork.

Recommendation

R3 The process to set up new users should be standardised so that access is granted based on the user's job role and to ensure that an appropriate segregation of duties is achieved. Forms should be filed away to facilitate a proper audit trail.

Interfaces

5.5 9 main interfaces were identified but 2 are split into activities. An interface log is maintained which shows the status of the interface file. Interfaces are reconciled on a regular basis. Access databases are used to assist in the reconciliation of outstanding invoices and OneWorld postings. Testing revealed no errors but the reconciliation process involving the Access databases is not documented.

Recommendation

R4 Procedure documentation should be prepared detailing the Access database based reconciliations process.

Data Protection

5.6 NCH is registered under the Data Protection Act to hold and process data for five specific purposes including property management. A Data Protection Policy is in place and procedures and guidance are available on the Intranet. Subject access procedures are in place and are outlined on the Intranet. Procedures are in place to ensure that access requests are processed within the laid down deadline of 40 days. A flat rate fee of £10 per request is charged. All income is passed to Finance and is accounted for under the Governance Income code.

5.7 Information about subject access rights is published on the NCH website. An authority to access personal information is required as part of the "Housing application form for Nottingham". This also outlines the subject's right to access information under the Data Protection Act.

5.8 There is no specific policy on data retention. Applicants details are kept on the system and have been since Northgate Allocations went live in July 2002. There is a risk that this might breach the data protection principle that states that personal data must not be kept longer than necessary.

Recommendation

R5 A data retention policy should be put in place to ensure that personal data is not kept for longer than is necessary.

- 5.9 Applicants personal data is accessed by the RSLs in order to operate the HomeLink system, however, the partnership agreement covering HomeLink does not cover data sharing. A data sharing agreement is required by the Data Protection Policy.

Recommendation

R6 A data sharing agreement covering the operation of HomeLink should be put in place and signed up to by all the partners.

6 Action Plan

Ref	Recommendation	Priority	Management Response	Responsibility and Target Date
R1	The SX3 access rights should be reviewed to ensure adequate segregation of duties and that users are granted rights in line with their job roles.	High	Agreed	Head of Finance NCH March 2008
R2	The NCC Service Manager should be provided with a list of leavers each month from NCH HR Admin and the leavers should be removed from the system promptly. This should be included in "client responsibilities" in the SLA between NCH and Nottingham City Council.	high	Agreed	Head of Finance NCH March 2008
R3	The process to set up new users should be standardised so that access is granted based on the user's job role and to ensure that an appropriate segregation of duties is achieved. Forms should be filed away to facilitate a proper audit trail.	High	Agreed	Service Manager ASHH March 2008
R4	Procedure documentation should be prepared detailing the Access database reconciliations process.	medium	Agreed	Service Manager ASHH March 2008
R5	A data retention policy should be put in place to ensure that personal data is not kept longer than is necessary.	medium	Agreed. A records management review is due to be carried out.	Governance Team Leaver NCH June 2008

Ref	Recommendation	Priority	Management Response	Responsibility and Target Date
R6	A data sharing agreement covering the operation of HomeLink should be put in place and signed up to by all the partners.	High	Agreed	Governance Team Leader NCH January 2008

Signed..... Date.....

(Service Manager or above)

Glossary of Terms

1 Categorisation of Recommendations

The recommendations within this report have been categorised by City Audit Services as:

High Priority	A fundamental weakness which presents material risk to the audited body and requires urgent attention by management.
Medium Priority	A significant weakness whose impact or frequency presents an unacceptable risk to the audited body that should be addressed by management.
Low Priority	The audited body is not exposed to any significant risk, but the recommendation merits attention.

In all cases Internal Audit will follow up implementation of the recommendations by the agreed date.