

Committee(s)	Dated:
Audit and Risk Management	28 th November 2017
Subject: Deep Dive: CR 19 IT Service Provision Risk	Public
Report of: Chamberlain	For Discussion
Report author: Sean Green – IT Director	

Summary

Corporate Risk on IT Service Provision (CR19 – See Appendix 1) focuses on addressing the serious risk of IT Service disruption within the City of London Corporation (CoL) and City of London Police (CoLP) due to failure of essential networking and telephony infrastructure services. This risk is currently Red with a score of 16. Most of the work to mitigate this risk will be completed between December 2017 and March 2018 as result of the Network Transformation programme that is underway with both CoL and CoLP. The risk mitigation will be sustained through better reporting, monitoring and 6 monthly audits for IT communication rooms.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The whole CoLP IT Estate and parts of the CoL require further investment in the IT infrastructure to provide a secure and resilient IT service to the CoL and to mitigate critical failure of the CoLP IT Service.
2. This risk currently has a risk score of 16 making it a Red risk. The effect of the CR19 risk is loss of communications or operational effectiveness and a possible failure of critical CoL and CoLP applications and activities. The impact of this risk is financial loss and reputational damage.
3. During 2016 the CoL experienced several outages due to failing infrastructure. These failures necessitated a review and an investment plan to replace aged and poorly performing infrastructure in both the CoL and CoLP. This work was signed off by all required Officer and Member boards. Work is now underway.

Current Position

4. The Finance Committee agreed a Transformation plan in 2016/17 with an investment pot of £8.6m to invest in new Networking circuits and equipment for both CoL and CoLP.
5. The primary focus of this work has involved:
 - a. Remediation of 118 IT communications rooms across the CoL and CoLP estate (replacing power outlets, networking cabling and installing equipment cabinets) – see before and after pictures in Appendix 2 attached.
 - b. Investment in a new Wide Area Network (WAN) with BT. A BT internet circuit has been installed for the Guildhall site. Work continues delivering an additional circuit for the data centre at Powergate.
 - c. Investment in new Networking switches. The equipment has been ordered and the contract awarded to design, build and support the new Local Area Network (LAN)
 - d. Work is ongoing with Freedom the company designing, building and supporting our new Local Area Network (LAN). A Project Initiation Document (PID), including a high-level plan and major milestones, has been drafted and work on the LAN low level design is underway.
 - e. Governance groups to manage this work are in place with CoL and CoLP and there are regular stakeholder communications.
 - f. For CoLP
 - i. Work is ongoing on the WAN design.
 - ii. CoLP Communication Plan developed. It will update users on progress and pre-warn of planned disruptions.
 - g. All the work detailed above should be completed by March 2018.
6. The risk should move to Amber by the end of the year and Green by March 2018 (note this date reflects procurement delays that were outside the control of the Programme team).

Options

7. Endorsement and support for the management and delivery of CR19 management plan has been obtained directly from chief officers as well as strategically via papers to Summit Group, IT Sub and Finance Committees.

Proposals

8. Continue to implement the Network Transformation programme and progress the business cases for upgrading and replacing Telephony services for CoL and CoLP.
9. Implement improved monitoring with a minimum 6-month audits of all communications rooms to ensure the Transformation investment is being sustained.

Corporate & Strategic Implications

10. CoL and CoLP operates across multiple channels in multiple disciplines, the need to have a stable, resilient and secure IT infrastructure is a core requirement for all the work that is carried out by both organisations where an IT system is required.

Implications

11. Failure to demonstrate appropriate controls in this risk area will expose CoL and CoLP to unacceptable levels of risk and could hinder both organisations business as usual and strategic objectives.

Conclusion

12. There is an extensive programme of work required to mitigate the risks identified within CR19. This deep dive report articulates the work in progress and clearly identifies where we will be directing future effort to manage this risk to an acceptable level.
13. The breadth and scope of the necessary controls are cross-organisational and should not be entirely seen as a technical issue to be solved by the IT department. For example, the facilities team in City Surveyors or a remote team need to have access to an IT communications room or cabinet but this should be only carried out with the agreement of the Deputy IT Director and Agilisys to ensure the communications rooms and equipment do not get into the poor state that has been found during the remediation work. A Memorandum of Understanding was agreed with the City Surveyor earlier this year to mitigate this aspect of the risk.
14. Performance monitoring and new performance reports and indicators agreed with Agilisys will help ensure the sustainability of transformation investment and longer -term mitigation of this risk.

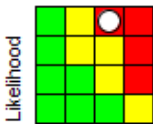
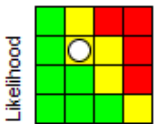

- Appendix 1 – CR19 - IT Service Provision Risk Description
- Appendix 2 – Before and After Remediation Photographs

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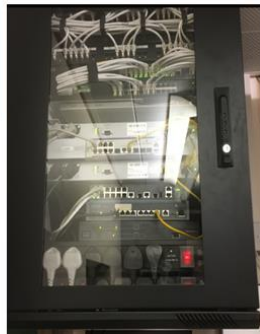
Appendix 1 – CR19 Risk Description

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR19 IT Service Provision 14-Jul-2015 Sean Green	Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment. Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service. Effect: Loss of communications or operational effectiveness (may also lead to low staff morale). Possible failure of critical Corporation and Policing activities. Reputational damage.	 Likelihood	16 Impact	The primary focus of the team is on stabilisation, a more robust approach to managing change has been adopted, reducing the risk of service interruption. Team level approach to risk management is now aligned fully to the top level approach. IT Division is assessing how additional funds approved by Committee should be distributed to undertake more risk mitigation activity. The risk is expected to reduce to Amber by December 2017 followed by steady progress to Green in the following months. 25 Oct 2017	 Likelihood	6 Impact	31-Dec-2017	

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR19c	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	Delivery of the new solution will take place throughout 2017. The LAN hardware has been procured. IT have awarded the contract for the LAN design, build and support. The WAN is slightly implementation is now underway.	Sean Green	25-Oct-2017	31-Dec-2017
CR19d	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure	Remediation will continue throughout 2017.	Sean Green	25-Oct-2017	31-Dec-2017
CR19e	This is the first phase of the revised project to fully replace ageing unsupportable networking hardware from the City and City Police's infrastructure.	Implementation phase is in progress.	Sean Green	25-Oct-2017	31-Mar-2018
CR19f	The full delivery of a new network for the Corporation and city Police.	The WAN work has started. Remediation of communications rooms underway. LAN hardware has been procured. In the process of recruiting a LAN services partner.	Sean Green	25-Oct-2017	31-Mar-2018

Appendix 2 – Before and After Remediation Photographs

Shoe Lane Library



Cemetery and Crematorium

