

# New Customer Relationship Management System

Final Audit Report

2025/26

## Our Purpose

To strengthen the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

### Chief Internal Auditor

Deborah Harris

### Lead Auditor

Jot Bougan

### Report Status

Draft Report Issued – 19 September 2025

Final Report Issued – 16 January 2026

### Draft Report Distribution

Sam Clark - Service Director – Information & Technology

Audrey Clowes - Digital Business Manager

Jonathan Barker – Change Delivery Manager

Corporate Leadership Team

### Final Report Distribution

Sam Clark - Service Director – Information & Technology

Audrey Clowes - Digital Business Manager

Jonathan Barker – Change Delivery Manager

## Table of Contents

<b>1</b>	<b>Executive Summary .....</b>	<b>1</b>
1.1	Scope and Background of Audit.....	1
1.2	Summary of Audit Findings .....	1
1.3	Summary of Control Assurance Provided .....	3
<b>2</b>	<b>Positive Assurance .....</b>	<b>4</b>
2.1	Project Structure .....	4
2.2	Project Tasks and Timescales .....	4
2.3	Data Migration .....	4
2.4	System Testing .....	4
2.5	User Access and Security .....	4
<b>3</b>	<b>Control Weaknesses &amp; Recommendations .....</b>	<b>5</b>
3.1	Project Structure .....	5
3.2	Project Documentation .....	7
3.3	Project Tasks and Timescales .....	9
3.4	System Testing .....	9
3.5	User Access and Security .....	10
<b>4</b>	<b>Minor Issues.....</b>	<b>12</b>
4.1	Project Documentation .....	12

# 1 Executive Summary

## 1.1 Scope and Background of Audit

- 1.1.1 A new Customer Relationship Management (CRM) system is being implemented, based on Microsoft Dynamics 365 (D365). D365 will initially replace the service request and CRM functionality on the current Jadu system and the Civica APP system. A proof of concept that D365 can be used for service requests and case management was successfully completed in 2024 and the implementation project started in October 2024. The D365 environment was built during the proof of concept phase and the implementation project is focussed on the design of forms and workflows for service requests and case management.
- 1.1.2 The audit was limited to reviewing the management controls over the implementation of the new system and the planned security controls over the system. The scope did not include a review of any customer relationship processes or procedures.
- 1.1.3 Internal Audit time was allocated within the 2025/26 Internal Audit Annual Plan to review the arrangements in place for the new CRM System with Assurance being given over the following areas:
- Project Structure;
  - Project Documentation;
  - Project Tasks and Timescales;
  - Data Migration;
  - System Testing; and
  - User Access and Security.

## 1.2 Summary of Audit Findings

Control Objectives Examined	No of Controls Evaluated	No of Adequate Controls	No of Partial Controls	No of Weak Controls
An appropriate project management structure has been established, with clearly defined roles and responsibilities.	9	5	1	3
Key project documentation has been created and is monitored and maintained.	7	5	0	2
Key project tasks and timescales have been agreed and documented.	9	8	1	0
Plans are in place to identify any existing data which will be migrated or accessed by the new system.	1	1	0	0

The system will be tested prior to going live.	8	7	0	1
Users will be appropriately authenticated on the new system and their access rights have been agreed.	3	2	1	0
<b>TOTALS</b>	<b>37</b>	<b>28</b>	<b>3</b>	<b>6</b>

1.2.1 The following issues were considered to be the key control weaknesses:

Rec Ref	Risk Rating	Summary of Weakness	Agreed Action Date
3683	Medium Priority	It was found that there is no Project Initiation Document (PID).	24/11/2025
3684	Medium Priority	It was found that project governance roles and responsibilities are not documented.	03/12/2025
3685	Medium Priority	It was found that Steering Group and Project Board meetings are not minuted and have limited agendas	03/12/2025
3686	Low Priority	It was found that the project communications plan has not been approved.	03/12/2025
3687	Medium Priority	It was found that project risk and issues logs are not effectively maintained.	03/12/2025
3688	Medium Priority	It was found that the Steering Group are not provided with all relevant information on the status of the project.	21/10/2025
3689	Low Priority	It was found that project milestones are set at a high-level and are not a useful indicator that the project is on schedule.	03/12/2025
3690	Medium Priority	It was found that a formal test plan is not documented.	21/10/2025
3691	Low Priority	It was found that plans for setting up user access rights are still being developed.	31/03/2026

This report focuses on the weaknesses in the Organisation's systems of control that were highlighted by this audit and recommends what Audit considers to be appropriate control improvements. This report contains the follow amount of recommendations:

High	Medium	Low	Total
0	6	3	9

### 1.3 Summary of Control Assurance Provided

1.3.1 **Adequate** - Internal Audit are able to offer adequate assurance as most of the areas reviewed were found to be adequately controlled. Generally, risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.

## 2 Positive Assurance

We attempted to establish whether the Organisation's system of control for the following areas contained all the key controls expected of a sound and robust process. Through a combination of control evaluation and testing we confirmed that the following adequate controls were in operation:

### 2.1 Project Structure

- The project has a nominated project sponsor and project manager.
- The project is overseen by a Steering Group and a Project Board which meet on a regular basis. Service area leads attend meetings as required.

### 2.2 Project Tasks and Timescales

- There is a documented forms migration plan, which lists all forms and timelines for their development, testing and implementation. The development of each form is allocated to a lead analyst.
- The forms migration plan is maintained by the Project Manager and is up-to-date.
- Each new form has a 'work card' which provides a breakdown of the tasks involved in developing the form.
- The project budget is being monitored and no issues are currently forecast.

### 2.3 Data Migration

- Data is not being migrated from Jadu or Civica APP into D365. A copy of existing data will be made available via an archive area on SharePoint and details of this are yet to be discussed and agreed.

### 2.4 System Testing

- D365 has a testing environment where all testing will be performed.
- Some preliminary testing has been completed and it followed the process we would expect to see i.e. details of tests are logged, any issues/errors highlighted are submitted to the developer for remediation and re-testing is completed once fixes are applied.
- Service areas will be involved in all testing.

### 2.5 User Access and Security

- Users will be authenticated to D635 as part of their standard network login process.

### 3 Control Weaknesses & Recommendations

#### 3.1 Project Structure

- 3.1.1 It is expected that a Project Initiation Document (PID) has been documented and approved.

There is a documented Project Brief but not a PID. A review of the Project Brief found it is not dated and there is no document control section showing details of author, version or approval. The Project Brief covers a number of areas that are normally found in a PID, with the exception of the following:

- Summary business case
- Project assumptions, constraints and dependencies
- Quality Plan
- Project assurance
- Communications
- Cost estimates
- Change control

A PID is more comprehensive than a Project Brief, which is only a summary of the project's main aspects.

There is a risk that key aspects of the project are not clearly defined, which could lead to poor project control, objectives not being met or late delivery of outputs.

Recommendation 3683		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that there is no Project Initiation Document (PID).		<b>Agreed Actions:</b> Produce a PID and get it approved through Steering Group	
<b>Suggested Action:</b> It is recommended that a PID is documented and approved.		<b>Implementation Date:</b> 24 <sup>th</sup> December 2025	

- 3.1.2 It is expected that there is a clearly defined project governance structure, with defined roles and responsibilities.

The project structure includes a D365 Steering Group, Project Board and weekly implementation meetings with the delivery partner, Stallions Solutions. There is a documented terms of reference for the Steering Group and Project Board, which include purpose, objectives, membership, decision making and meeting arrangements. However, the terms of reference do not include the responsibilities of individual members of each group and have not been formally approved. There is a nominated Project Sponsor and Project Manager but their specific responsibilities are also not documented.

There is a risk that staff who fulfil key roles in the project are not aware of all their responsibilities, which could lead to some tasks not being owned or completed.

Recommendation 3684		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that project governance roles and responsibilities are not documented.		<b>Agreed Actions:</b> Responsibilities have been added to the Terms of Reference Document. This will be approved by the Steering Group.	
<b>Suggested Action:</b> It is recommended that the terms of reference for the Steering Group and Project Board are approved and that responsibilities of the Project Sponsor, Project Manager and other key roles on the Steering Group and Board are documented.		<b>Implementation Date:</b> 3 <sup>rd</sup> December 2025	

### 3.1.3 It is expected that project meetings are held on a regular basis.

The Steering Group meet every two weeks and the Project Board weekly. Neither meeting is minuted, only actions and decisions are recorded in a combined log. The formal agenda for the two meetings is limited to reviewing the action log and going through a slide deck progress report prepared by the Project Manager.

The lack of a full agenda and minutes presents a risk that there is insufficient evidence that the two groups are receiving and reviewing all relevant information relating to the project i.e. risk/issue log, budget report, project plan etc. Attendance at relevant meetings also cannot be confirmed.

Recommendation 3685		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that Steering Group and Project Board meetings are not minuted and have limited agendas.		<b>Agreed Actions:</b> Produce a Standard Agenda and record the meetings using Teams. Recordings will be saved on the Project SharePoint site	
<b>Suggested Action:</b> It is recommended that the Steering Group and Project Board have agenda items for risk and issues, project plan and budget reporting (as appropriate). Details of attendance at each meeting should also be logged.		<b>Implementation Date:</b> 3 <sup>rd</sup> December 2025	

### 3.1.4 It is expected that there is a communication plan to keep stakeholders informed of the project.

A project communications plan is a document that outlines how, when, and to whom project information will be communicated throughout the project lifecycle. It ensures that stakeholders receive the right information at the right time. However, only a draft communications plan has been documented.

Without an agreed and final communications plan, there is a risk that stakeholders are not kept abreast of the changes being made, why they are being made, when they will be introduced and the impact they will have.

Recommendation 3686		Summary Response	
<b>Risk Rating:</b>	Low Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that the project communications plan has not been approved.		<b>Agreed Actions:</b> Draft Communications Plan Produced. To be approved at the next Steering Group meeting	
<b>Suggested Action:</b> It is recommended that the project communications plan is finalised and approved.		<b>Implementation Date:</b> 3 <sup>rd</sup> December 2025	

## 3.2 Project Documentation

### 3.2.1 It is expected that a project risk log and issues log are documented and maintained.

A project risk log and issues log are maintained by the project manager. A review of the risk log found it does not include the date the risk was raised or an overall risk score that categorises each risk as high, medium or low. A review of the issues log also found that issues are not dated to show when they were logged or last reviewed, are not prioritised and do not have any actions or owners against them.

There is a risk that critical project risks cannot be distinguished from other risks and that issues facing the project are not effectively managed or addressed, which could lead to them having an adverse impact on project deliverables.

Recommendation 3687		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that project risk and issues logs are not effectively maintained.		<b>Agreed Actions:</b> Risk Log updated as per the suggested action below to be reviewed monthly at the Steering Group meeting	
<b>Suggested Action:</b> It is recommended that the risk log include the date the risk is raised and an overall risk score for each risk. The issues log should include the date they are logged, date of last review, priority, actions and action owners.		<b>Implementation Date:</b> 3 <sup>rd</sup> December 2025	

3.2.2 It is expected that there is suitable reporting on project progress and status to the Steering Group.

A slide deck is used to provide a monthly update to the Steering Group. The slide deck includes details of activity in the reporting period and what is planned in the next period. As a reporting tool for the Steering Group, the slide deck does not include the following information:

- An overall RAG status (Red, Amber, Green) for the project. This should be derived from indicators for time (schedule), cost (budget) and quality.
- Key milestones (completed, upcoming or any slippage).
- Top risks and issues.
- Budget status (actual spend vs budget).
- Decisions required (if applicable).
- Change requests (any approved/rejected changes since the last report).

There is a risk that current reporting to the Steering Group is insufficient for them to assess the overall status of the project in terms of it being delivered on time or within budget.

Recommendation 3688		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that the Steering Group are not provided with all relevant information on the status of the project.		<b>Agreed Actions:</b> Highlight Report now in place and reviewed at every Steering Group	
<b>Suggested Action:</b> It is recommended that a Highlight Report covering the areas listed is produced for the Steering Group.		<b>Implementation Date:</b> 21 <sup>st</sup> October 2025	

### 3.3 Project Tasks and Timescales

#### 3.3.1 It is expected that key project milestones are identified and monitored.

Project milestones are identified but they are defined at a high-level. For example, the first milestone is the D365 beta launch in January 2026.

There is a risk that current milestones do not provide a useful indicator or measure that the project is on schedule.

Recommendation 3689		Summary Response	
<b>Risk Rating:</b>	Low Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that project milestones are set at a high-level and are not a useful indicator that the project is on schedule.		<b>Agreed Actions:</b> Produce a more granular set of Project Milestones	
<b>Suggested Action:</b> It is recommended that project milestones are set at a more granular level.		<b>Implementation Date:</b> 3 <sup>rd</sup> December 2025	

### 3.4 System Testing

#### 3.4.1 It is expected that there is a formal test plan detailing how the new system will be tested.

There is no documented test plan detailing the approach that will be adopted when testing the new CRM system. A test plan should cover the following areas:

- Scope and objectives
- Roles and responsibilities
- Environment setup
- Areas to be tested
- Test design and specification (scenarios, test steps, expected results, actual results, pass/fail status)

- Test deliverables
- Error reporting and tracking
- Risks and mitigation
- Approvals/sign-offs

There is a risk that testing standards, requirements and deliverables are not defined and could lead to the new system and processes not being fully tested.

Recommendation 3690		Summary Response	
<b>Risk Rating:</b>	Medium Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that a formal test plan is not documented.		<b>Agreed Actions:</b> Test plans will be produced as we develop each system and form transition e.g. as per Missed Bin test plan shared during the audit	
<b>Suggested Action:</b> It is recommended that a test plan is documented and approved by the Steering Group.		<b>Implementation Date:</b> 21 <sup>st</sup> October 2025	

### 3.5 User Access and Security

#### 3.5.1 It is expected that there are appropriate plans for agreeing user access rights on D365 CRM.

The project is only just starting to look at security roles within CRM and how they will be setup to define user rights within the system. A permissions document is being developed and it should be used to fully document all user access rights. All user rights should also be subject to formal approval by the relevant service area lead.

This finding has been included to ensure the project team is aware of the importance of formally documenting and signing off access rights as part of the implementation of the CRM system. This step is often overlooked, yet it is critical for ensuring that access controls are properly managed and auditable.

There is a risk that user access rights are not documented and hence cannot be effectively managed once the system goes live. There is also a risk that users are allocated excessive rights comparative to their role.

Recommendation 3691		Summary Response	
<b>Risk Rating:</b>	Low Priority	<b>Responsible Officer:</b>	Jonathan Barker - Change Delivery Manager
<b>Summary of Weakness:</b> It was found that plans for setting up user access rights are still being developed.		<b>Agreed Actions:</b> User access rights to be documented in line with the Beta Launch of the portal in January 2026 and full launch in March 2026	
<b>Suggested Action:</b> It is recommended that all user access rights are fully documented and subject to formal Business Manager approval at a service level.		<b>Implementation Date:</b> 31 March 2026	

## 4 Minor Issues

During the course of this audit, Internal Audit have identified control issues which are considered to pose only a minor risk to the Organisation, As such, we have not raised formal recommendations for management to respond to and we do not intend to formally follow up any of these issues. Management is at liberty to take whatever action it deems necessary to mitigate the following minor risks:

### 4.1 Project Documentation

- Project documentation is stored in a dedicated D365 area on SharePoint. The project manager keeps recordings of project meetings in their Outlook “To Do” list, which they should move into SharePoint.

### 4.2 Data Migration

- Data is not being migrated from Jadu or Civica APP into D365. There are plans to provide users with a link to existing data via an archive area in SharePoint. Scoping meetings will be held to determine what data is made available and how it will be accessed via the archive area. When setting up the archive area, suitable testing should be performed and documented to ensure the copied data is a complete and accurate record of the source.

**Disclaimer**

The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. SCC neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.