



## Value for money study of electronic signatures

**Committee**      Audit and Standards

**Date of meeting**    26 November 2021

**Date of report**    5 October 2021

**Report by Acting Chief Executive**

### 1. Object of report

To advise the committee on the findings of a value for money study of electronic signatures. This engagement was included in the annual Internal Audit plan 2021/2022.

### 2. Background

An electronic signature is defined as *'data in electronic form which is attached to or logically associated with other data in electronic form and which is used by the signatory to sign or otherwise signify agreement or consent.'*

Electronic signatures can take a number of different forms, all of which require digital software. The three main types of electronic signature are:

- Simple: using a stylus to sign a pad/tablet when a parcel is delivered;
- Advanced: where a signature is uniquely linked to the signatory;
- Qualified: uses authentication software.

The use of electronic signatures is enacted by Regulation (EU) No 910/2014 ("eIDAS"), along with UK legislation. The effect of eIDAS is that a qualified electronic signature has the same legal effect as a handwritten signature and electronic signatures cannot be denied legal effect and admissibility solely on the grounds that they are in electronic form.

**Note:** for clarity, electronic signatures can only be applied to electronic documents. If you print out a document, sign it in wet ink, then scan it in, that is not an electronic signature. That is a signed traditional document of which an electronic copy has been made. By contrast, if the document is not printed out, but some form of mark is applied electronically (e.g. a scanned version of a signature), that is a type of simple electronic signature.

The objective of this engagement was to undertake a value for money study on use of electronic signatures.

This engagement tested elements of the internal controls and mitigation against SPT22: Governance arrangements as identified in the Corporate Risk register.

### 3. Outline of findings

SPT does not have a specific policy for the use of electronic signatures.

Engagement testing found that all three types of electronic signature are in use.

Digital products have been purchased to enable advanced (Adobe) and qualified (DocuSign) signatories. The systems administrator for Adobe products is a Service support analyst (Digital). A systems administrator has not been formally assigned to the DocuSign product.

From a value for money perspective; the number of users of the DocuSign product is low and the current application is limited. Volume transactions (envelopes) are purchased and requires both sender and recipient (of document) to utilise this product. In addition, each document/envelope is stored in a cloud-based DocuSign eSignature account as long as an account is active.

There are areas for improvement and these areas have been addressed by two recommendations. Digital management have agreed to implement these recommendations, which are currently being actioned.

### 4. Conclusions

The Audit and Assurance team has undertaken a value for money study of electronic signatures. Two recommendations have been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement. Reasonable assurance can be taken from the internal controls in place.

### 5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

### 6. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>

**Name** Neil Wylie

**Name** Valerie Davidson

**Title** Director of Finance

**Title** Acting Chief Executive

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**Reasonable assurance**

**Agreed action plan: Value for money study of electronic signatures**

No.	Recommendation	Priority	Action Proposed	Lead Officer(s)	Due date
1	<u>Policy</u> Data protection officer should seek to clarify the policy on the use of electronic signatures.  The policy should offer guidance on application and administration arrangements.	Medium	The current policy and application of the use of electronic signatures will be reviewed.	Data Protection Officer	December 2021
2	<u>Product administrators</u> Digital product administrators should receive training on the following matters: <ul style="list-style-type: none"><li>• user administration;</li><li>• performance monitoring responsibilities;</li><li>• contract management arrangements.</li></ul>	Medium	Training will be provided to digital product administrators on cyber security and systems standards.	Digital Manager	December 2021

**High:** A fundamental control that should be addressed as soon as possible;

**Medium:** An important control that should be addressed within three months;

**Low:** An issue which is not fundamental but should be addressed within six months to improve the overall control environment.