

## REPORT TO THE FINANCE, EMPLOYMENT & SERVICES COMMITTEE



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<b>Subject</b>	<b>IT Security</b>

### PURPOSE:

1. To provide Members with details of a recommendation from the Town Council's IT provider.
2. To make the Committee aware of the likely escalation of ransomware and financially motivated cyberattacks.

### BACKGROUND:

3. In light of the severe economic sanctions that the US and its allies have imposed on Russia in response to its invasion of the Ukraine, there is a growing risk that Russian government and non-government cyber actors will try to perpetrate cyberattacks on entities across sectors and regions as an illicit means of raising money.
4. The most likely targets are banks, cryptocurrency platforms and corporate intellectual property assets including Government facilities.
5. A recent survey conducted by Moody's Investors Service found that basic cybersecurity management is a relative strength for the financial services and defence industries, however in contrast, the level of cybersecurity management at regional and local governments and other types of public entities, lags in comparison. (See Appendix 1)
6. Attacks may include ransomware attacks, which have become more prevalent in recent years and which cybersecurity experts and authorities most commonly attribute to Russia-based actors. Ransomware attacks that disrupt business operations can weaken entities' credit quality, cause major financial damage, or have significant reputational impact.
7. Entities have been encouraged to strengthen their resilience by implementing best practices for cyber risk management. Although this will not stop the attacks, it will decrease the likelihood and will allow organisations to recover more quickly.

### ADDITIONAL INFORMATION:

8. Colne Town Council has suffered a number of breaches to its email accounts over the last couple of weeks.

9. It has been strongly recommended by the IT help desk, that all users upgrade to Microsoft Office 365 Business Premium. The reason for this is to implement Conditional Access to all users, meaning that instead of the current basic MFA setup, each user will have to authenticate each time that they are logging in from an unrecognised IP address, i.e. a coffee shop, home, another office, etc. Whilst this maybe difficult for some of the Councillors initially, it will help to stop unauthorised access to the Council's systems.
10. The Town Council currently pays for 26 licenses (2 x Premium, 4 x Standard, and the rest are Microsoft Business Basic).
11. The advanced threat protection only comes with the Business Premium License.

#### **FINANCIAL CONSIDERATIONS:**

12. CTC has already committed to the 12 month term for Microsoft Office NCE Licenses, as of 20/02/22, and as such are receiving the first year 5% Microsoft Partner Discount. This will carry over if the Council decides to upgrade current licenses.
13. The Town Council are currently paying £97.29 per month for existing licenses. If the Town Council was to upgrade all licenses to Microsoft Business Premium as per the IT provider's recommendation, the monthly charge would increase to £373.10. This is an increase of £275.81 per month and £3,309.72 per annum.
14. There would also be a one off setup fee of £1,400 for the Conditional Access.

#### **RECOMMENDATION:**

15. For the Committee to consider whether the increased premium is commensurate with the benefit received.
16. To decide if Colne Town Council should upgrade existing licenses to strengthen its resilience to the increased threat of cyberattacks.

#### **REASONS FOR RECOMMENDATION**

17. Government facilities are at increased risk of being hacked, due to the economic sanctions imposed on Russia.
18. The IT industry is changing and developing due to an overall increase in Cyber actor activity and the highly sophisticated methods now being used. It is likely that advanced threat protection will be required as standard for all users in the future.

## **SUMMARY OF KEY POINTS:**

19. Broad sanctions against Russia are raising the risks of globally financially motivated cyberattacks.
20. Colne Town Council has seen a noticeable raise in hacking attempts and has suffered a number of system breaches in the last few weeks.

## **POLICY IMPLICATIONS:**

21. It is essential that public funds and data are kept securely and safely.

## **DETAILS OF CONSULTATION:**

22. Holker IT
23. Moody's Investors Service

## **SUPPORTING PAPERS:**

- Appendix 1 – Moody's Investors Service – Issuers Survey Results on Cyber Risk.
- Appendix 2 – Microsoft 365 Business Premium

FURTHER INFORMATION, PLEASE CONTACT: Gina Langley