Executive Summary

1. As part of our 2004/05 audit we have carried out an overview of the Council's arrangements for business continuity planning.

2. The main areas covered by our audit were:

    *   the operation of a business continuity planning framework;

    *   the approach to business continuity planning and development; and

    *   the implementation, testing and maintenance of business continuity plans.

Conclusion

3. We found that the Council recognises the importance of addressing business continuity planning. The Strategic Risk Management and Governance Group was established as a Sub-Group of the Strategic Management Team with a representative at Head of Service/third tier level from each department together with representatives from Corporate, Health & Safety Services, Insurance, Purchasing, Legal Services, Internal Audit, Strategic Finance and Information Security (IT and Financial Services) and the Council's Insurers. The group initiated the business continuity planning process. Initially, the group are focusing on arrangements to ensure effective Council services can be provided in case of a pandemic influenza epidemic. The group is considering widening the scope of this work to include addressing other operational risks faced by the Council.

4. The group's remit includes updating the Council's risk register and overseeing the formation of Loss Control Groups. Loss Control Groups were established within each department and are charged with the responsibility for continuing to develop responses to operational risk issues claims. They will report quarterly to the Strategic Risk Management and Governance Group on progress as a means of sharing best practice. These groups will review the risk registers, identify key risk categories such as financial, human, operational and legal and will cascade information to staff within their respective departments.

Main audit findings

5. The Strategic Risk Management and Governance Group are supervising the development of a business continuity plan. The group is aware of the need to expand the scope of the current exercise which is focusing on the risks associated with a pandemic influenza epidemic, to cover other operational risks and to minimise the impact should these risks occur.

6. The main findings from audit were:

    *   scope of the current business continuity exercise should be expanded to include other risks;

    *   the Council should ensure that sufficient resources are assigned to the project to complete the tasks identified in the project plan to the agreed timetable; and

- during the course of a business continuity planning exercise the Council may identify issues affecting several departments; these issues should be addressed across the Council rather than individual departments developing their own plans in isolation.

Management action

7. Detailed recommendations on those areas where controls could be improved are noted in the action plan that follows. The action plan also describes under the 'risk exposure' column the possible consequences of our audit finding. The factual accuracy of the report and the timescales for implementing our recommendations has been agreed with officers.

8. This report to management sets out our findings from the review carried out. The weaknesses outlined are only those which have come to our attention during the course of our normal audit work and are not necessarily, therefore, all of the weaknesses which may exist.

9. Although we include a number of specific recommendations in this report to strengthen internal control, it is the responsibility of management to determine the extent of the internal control system appropriate to the Council. We would stress, however, that an effective internal control system is an essential part of the efficient management of any organisation.

10. The assistance and co-operation we received during the course of our audit is gratefully acknowledged.

Action Plan

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date
1	The Council set-up a Strategic Risk Management and Governance Group, which is responsible for managing risk. This group produced a risk register, oversaw the formation of the Loss Control Groups and supervised the development of business continuity plans for a pandemic influenza epidemic.	Current business continuity plans do not cover many of the main risks facing the Council. Without proper business continuity plans in place the Council will find it difficult to deliver the level of services that its citizens expect.	The scope of the Strategic Risk Management and Governance Group activities for business continuity will be expanded to include the provision for addressing other operational risks. *Priority : High*	**Action:** The BCP for a pandemic flu was completed by 30/08/05 and approved by the SMT. The RMG will expand the BCP report to include all appropriate risks by 31/1/06. The BCP action plan will be subject to task by role play by 31/06/06. **Responsibility:** Governance and Risk Manager **Date:** January 2006

No.	Audit Finding	Risk Exposure	Recommendation	Action Responsibility and Date
2	The business continuity planning exercise requires input from many areas of the Council to produce the business continuity plan. For the plan to succeed it will be necessary for all departments within the Council to make available staff with sufficient knowledge of the respective business processes to help generate the business continuity plan.	Without sufficient resources, the objectives of the business continuity group are unlikely to be met.	The Council will ensure that sufficient resources are assigned to the project to complete the tasks identified in the project plan. *Priority : High*	**Action:** The SMT will be asked on 30/08/05 to note the ongoing service requirements required to fulfil the initial completion of the plan and thereafter the ongoing commitments to training and testing and renewing the plans. **Responsibility:** Governance and Risk Manager **Date:** On-going
3	During the course of the business continuity planning exercise the Council may identify issues affecting several departments; these issues should be addressed across the Council rather than individual departments developing their own plans in isolation.	Ineffective planning and failing to address wider issues facing the Council can lead to duplication of effort and wasted resources.	Departments will work together to address common operational risks and share experiences. *Priority : High*	**Action:** The action plan for the implementation of the BCP has been developed on a collegiate approach which will ensure a corporate approach to resolve such issues. **Responsibility:** Governance and Risk Manager **Date:** On-going