



## **Internal Audit Report**

Corporate Services

## **Review of Business Continuity**

February 2010

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APPENDIX 1 – DETAILED FINDINGS

APPENDIX 2 - ACTION PLAN

## **1. BACKGROUND**

- 1.1 This report has been prepared as a result of the Internal Audit review of Corporate Services – Business Continuity Planning as part of the 2009/2010 Internal Audit programme.
- 1.2 Internal Audit carried out a review of Business Continuity Planning (BCP) in May 2008. The purpose of this current review is to report on the updated position with BCP and the implementation of the agreed action plan contained in the May 2008 report. The recommendations in the action plan were;
- Staff involvement must be maintained from all departments to ensure corporate approach;
  - A continuous review of the BCM will have to be carried out and exercises carried out to ensure that it is still suitable.
- 1.3 A BCP scenario exercise called ‘Ocean Drive’ was conducted by Glen Abbot, BCP consultants, for the Council in March 2009. The exercise involved members of the Council’s Business Continuity and Emergency Response teams. Members of the Strategic Management Team were also involved in the exercise.
- 1.4 Direct audit days were set aside within the 2009 - 2010 Internal Audit programme for an audit of Business Continuity. Internal Audit time was therefore expended to follow up on management progress regarding implementation of the 2 agreed recommendations detailed above and to review the progress being made with BCP together with the results of the ‘Ocean Drive’ exercise.
- 1.5 As a result of our audit work, findings were generated. These findings were subsequently discussed with management and a report produced.

## **2. AUDIT SCOPE AND OBJECTIVES**

- 2.1 The objective of this review is to assess the progress made by management in implementing the 2 agreed actions outlined in the Internal Audit report of May 2008 and the rollout of BCP throughout the Council.
1. Staff involvement must be maintained from all departments to ensure corporate approach;
  2. A continuous review of the BCM will have to be carried out and exercises carried out to ensure that it is still suitable.
- 2.2 A review of the Glen Abbot report on the ‘Ocean Drive’ exercise will be carried out.

### **3. AUDIT APPROACH**

- 3.1 The following approach was used to satisfy the objectives of the audit:
- 3.2 Business Continuity activity is being co-ordinated by the Governance & Risk Manager, a member of Corporate Services staff. Internal Audit will review what progress has been made in the implementation and monitoring of Business Continuity, including the involvement of the appropriate staff since the previous Internal Audit report of May 2008. This will be done through:
- Meeting with the Governance & Risk Manager to assess what progress has been made ;
  - A review of Strategic Management Team (SMT) papers;
  - A review of the Risk Management Group (RMG) papers; and
  - A review of the report on the 'Ocean Drive' exercise by Glen Abbot.
- 3.3 A draft report was compiled after issues identified from the review were discussed with management. The final report includes an Action Plan, which lists the actions agreed with management.

### **4. SUMMARY OF MAIN FINDINGS**

- 4.1 The Council does not have a Business Continuity Management (BCM) Policy. An initial attempt was made at producing a Business Continuity Framework although this was not completed for adoption by the Council.
- 4.2 A draft Business Continuity plan has been produced (dated 1 October 2008). This plan will ensure that the Council responds operationally to any incident and provided reassurance that the timetable for the completion of the policy document does not create an immediate risk to the Council.
- 4.3 The report on the 'Ocean Drive' exercise by Glen Abbot, which has been submitted to SMT and the Audit Committee highlighted areas for improvement and contained an action plan.
- 4.4 Although there is a Business Continuity folder within Public Folders some of the documents contained within may require review and possible updating. The existence of this folder should be communicated to staff throughout the Council in order to make them aware of the Council's position on BCP.
- 4.5 There does not appear to be a corporate budget for BCP and departments will have to fund any expenditure that may be incurred from their existing budgets. Democratic Services and Governance recharge each department in respect of Risk Management and Business Continuity.

## **5. ACTION PLAN**

- 5.1 The action plan attached at Appendix 2 has been compiled with the co-operation and agreement of the Head of Democratic Services & Governance.
- 5.2 Internal Audit considers that, in an effort to improve the quality of information, monitoring and control, the recommendations should be implemented in accordance with the agreed action plan. Management have set achievable implementation dates and will be required to provide reasons to the Audit Committee for failure to implement within the agreed timescale. Where management decides not to implement recommendations it must evaluate and accept the risks associated with that decision.

## **6. OVERALL CONCLUSION AND ASSESSMENT AGAINST OBJECTIVES**

- 6.1 The Governance and Risk Manager has a good working knowledge of the processes involved. However, during the course of the audit, some areas were identified as requiring improvement and therefore, various recommendations have been made, these have been discussed with management and an action plan agreed. (Any issues not accepted by management are done so with their knowledge and acceptance of risk and control weakness.)

## **7. ACKNOWLEDGEMENTS**

- 7.1 Thanks are due to the Governance & Risk Manager for his co-operation and assistance during the Audit and the preparation of the report and action plan.
- 7.2 Argyll & Bute Council's internal audit section has prepared this report. Our work was limited to the scope in section 2 of this report. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.
- 7.3 This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

**APPENDIX 2**

**ACTION PLAN**

<b>ACTION PLAN NO</b>	<b>PARAGRAPH</b>	<b>GRADE</b>	<b>WEAKNESSES IDENTIFIED</b>	<b>AGREED ACTION</b>	<b>RESPONSIBLE OFFICER</b>	<b>DATE OF IMPLEMENTATION</b>
1	Paragraph 4.1	High	The Council has not produced a Business Continuity Management Policy.	A Business Continuity Management Policy should be produced and submitted to SMT for approval. The Governance & Risk Manager is aware of the need to have a formal policy approved.	Governance and Risk Manager	April 2010
2	Paragraph 4.2	High	The draft Business Continuity Incident Management Plan has still to be submitted to SMT.	The Business Continuity Plan will be reviewed by the Risk Management Group at its meeting in February 2010. A report will be submitted to SMT in March 2010.	Governance and Risk Manager	March 2010
3	Paragraph 4.3	High	The report from Glen Abbot on the 'Ocean Drive' exercise highlighted areas that required to be addressed.	Recommendations in the action plan will be met through an internal training programme which be developed by December 2009 and implemented by April 2010.	Governance and Risk Manager	April 2010

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
4	Paragraph 4.4	Medium	The fact that the Council has BCP plans is not widely known by employees.	<p>The Governance &amp; Risk Manager has reviewed the information contained within Public Folders and has replaced it with the most up to date information.</p> <p>He has also instructed a review of the Departmental Recovery Plans (DCPs) and has asked the Risk Management Group to take forward the process of arranging meetings with the staff who will be involved in the invocation of the DRPs to ensure that they are aware of their responsibilities in relation to that process.</p> <p>It is hoped that these meetings will be completed by June 2010.</p>	Governance and Risk Manager	June 2010