



Internal Audit Report

Community Services

Review of Business Continuity Planning

June 2011

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1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of Business Continuity Planning within Community Services as part of the 2010/11 Internal Audit programme. The review will concentrate on Education, Children & Families and Adult Care.

A review of Corporate Services, Business Continuity Planning was carried out by Internal Audit in February 2010. The review resulted in a number of recommendations being made. This report takes account of a number of the recommendations made and the subsequent responses and actions taken.

2 AUDIT SCOPE AND OBJECTIVES

The focus of the review is principally to:

- establish what the present arrangements are within the 3 services;
- determine what progress has been made in embedding Business Continuity below Head of Service level;
- establish what tests have been carried out and whether there is any risk evaluation process plan in place to ensure that Business Continuity plans are in place for the most to least at risk operations within Community Services;
- ensure the department's risk is mitigated by having Business Continuity plans in place, and
- ensure customers of Community Services can rely on the department having systems in place to cover unexpected incidents so that service delivery can be maintained.

The audit focused on the following activities

- Residential Care Service for Older People
- Residential Care for Children and Young People
- Education Hostels
- Operation Services – Adult Care
- Operation Services – Children and Families
- Day Support Services

3 RISK ASSESSMENT

As part of the audit process and in conjunction with our Systems Based Auditing, ICQ approach, the risk register was reviewed to identify any areas that needed to be included within the audit. The areas identified are;

SR04 - Adverse media coverage due to ineffective and inaccurate communications by the Council

SR19 - Failure to progress Business Continuity Programme

4 CORPORATE GOVERNANCE

The adoption of a programme of business continuity management is part of a range of good Corporate Governance and Risk Management measures and a necessary and important management process. Business continuity management helps to manage the risks to the smooth running of the Council's operations by ensuring that it can continue to deliver critical services in the event of a disruption to normal working.

5 MAIN FINDINGS

- In 2008 the Council employed Glen Abbot Ltd, Business Continuity Planning Consultants, to assist them in the development of Business Continuity within the Council.
- The Council has a Business Continuity Policy and Business Continuity Plan which were approved by the Strategic Management Team on 29 November 2010.
- The critical activities within Community Services have been identified. The Council's Business Continuity Plan states that there should be a Departmental Recovery Plan (DRP) for each of these activities. DRPs have not been created for all the critical activities identified.
- The Council's Business Continuity Policy states that DRPs are reviewed on a 6 monthly basis, In addition alterations may be required when procedural changes to service operations occur or when new threats arise. This does not happen in practice. Some DRPs have not been reviewed since they were created and no documented testing has been carried out on any of the DRPs
- Where alterations/updates have been made to DRPs the Governance Manager should be routinely informed of these changes to enable him to update the plans on public folders. This does not happen in practice and as a result the DRPs held in the public folders do not record the most up to date information.
- The Business Continuity Policy states that each Department will have a nominated business continuity representative to report to the Corporate Risk Management Group. In the past the representative for Community Services (Social Work) was the Training, Health and Safety Manager however this officer has been transferred to Chief Executives, Improvement and Strategic HR. It is unclear if this officer still has a responsibility for business continuity.

6 RECOMMENDATIONS

Eight recommendations were identified as a result of the audit, 7 as High priority and 1 as Medium priority. The recommendations are shown in the action plan attached at Appendix 2 and have been compiled with the co-operation and agreement of the appropriate Heads of Service and 3rd tier managers.

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.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as fundamental, material or minor. The definitions of each classification are set out below:-

High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

7 AUDIT OPINION

Despite the Council having a Business Continuity Plan which states that there are Departmental Recovery Plans (DRPs) for each critical activity and that these plans are tested and reviewed on a regular basis this is not the case. DRPs have not been created for all the critical activities identified within Community Services.

The absence of DRPs for each of the critical activities identified may prevent the Council from delivering its critical services in the event of a disruption to normal working.

It is apparent that having instructed Glen Abbot Ltd to assist with the Business Continuity Planning process a concentrated effort was made to create the Council's Business Continuity Policy and Plan and efforts were made to create DRPs for some critical activities. It is however the auditor's view that, with the exception of Homes for the Elderly, the process has lost momentum and little progress has been made in relation to DRPs since 2008. The current absence of a nominated business continuity representative within the Service may also have hampered further progress being made.

This report refers to the situation within Community Services however, while the auditor has not looked specifically at other departments and services, there is no indication that the situation is any different across the Council.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to the following people for their co-operation and assistance during the Audit and the preparation of the report and action plan:

Social Work Service Managers
Social Work Managers (Operations and Resources)
Residential Care Home Managers
Hostel Managers
Head Teachers
Quality Standards Manager
Governance Manager
Assistant Health and Safety Manager
Day Care Centre Manager.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

This report is private and confidential for the Council's information only and is solely for the use in the provision of an internal audit service to the council. In any circumstances where anyone other than the Council accesses this report it is on the strict understanding that the council will accept no liability for any act or omission by any party in consequence of their consideration of this report or any part thereof. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.

APPENDIX 2

ACTION PLAN

No	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
1	Departmental Recovery Plans have not been created for all the critical activities identified for the Service	High	Departmental Recovery Plans must be put in place for all critical activities identified for the Service. These plans should all be held in Public Folders in a structured manner to enable a plan for a specific activity to be easily located.	Executive Directors	30 December 2011
2	The Council's Business Continuity Plan and Business Continuity Policy do not provide a sample DRPs or guidance on how it should be completed. The DRPs which are already in place were completed under the guidance of Glenn Abbot Ltd	High	Appropriate training and/or guidance on the completion of DRPs must be planned and provided for officers at Departmental Head of Service level. A structured approach to the completion of these documents should be put in place to ensure consistency across the Service and prevent repetition of work	Governance and Risk Manager	29 July 2011
3	The Council's Governance Manager currently has the role of coordinating but is rarely contacted regarding updates that have been enacted by departmental services/units	High	The roles and responsibilities for Business Continuity within the Council require to be clarified and the Business Continuity Policy updated to reflect the current position	Governance and Risk Manager	29 July 2011

No	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
	The business continuity representative for Social Work was previously the Training, Health and Safety Manager however following the centralisation of Health and Safety it is unclear if this officer is still the business continuity representative.				
4	The Business Continuity Policy state that DRPs are reviewed on a 6 monthly basis. The Governance Manager advised that the majority of DRPs had not been reviewed. A possible reason is that the number of DRPs that need to be reviewed is considerable and a 6 monthly review may not be possible or justified.	High	The DRPs should be reviewed in line with the Council's Business Continuity Policy. The policy may need to be altered to ensure that the timescales are appropriate and manageable	Executive Directors	30 December 2011
5	The DRPs located in Public Folders must be updated to ensure that the most up to date information is held. Having the most up to date information on Public Folders ensures that in the event of the plan having to be invoked it can be readily accessed.	Medium	The DRPs located in Public Folders must be updated to ensure that the most up to date information is held. Having the most up to date information on Public Folders ensures that in the event of the plan having to be invoked it can be readily	Executive Directors	30 December 2011

No	FINDINGS	PRIORITY	RECOMMENDATION	RESPONSIBLE OFFICER	IMPLEMENTATION DATE
6	Each DRP should be tested to ensure that they operate effectively in the event that they have to be invoked. The Governance Manager advised that initial testing of plans would be a 'desktop' exercise facilitated by him and the service representative on the Risk Management Group. He advised that to date no testing had taken place.	High	The DRPs must be tested to ensure that they will operate effectively in the event that they have to be invoked	Executive Directors	30 December 2011
7	Key staff are not always aware of their responsibilities in relation to Business Continuity	High	Key staff must always be made aware of their responsibility in relation to Business Continuity	Executive Directors	30 December 2011
8	A number of DRPs reviewed had not been completed in full and key information such as relocation sites have not been identified.	High	Where a DRP is available checks must be carried out to ensure that all relevant sections have been completed.	Executive Directors and Heads of Service DMT	30 December 2011
9	External Providers are not required to provide BCPs as part of the approval process.	Medium	The Council should consider whether there is a requirement to routinely obtain BCPs from external providers as part of the approval process	Governance and Risk Manager	29 July 2011