

# ARGYLL & BUTE COUNCIL

## Internal Audit Section

### INTERNAL AUDIT REPORT

<b>CUSTOMER DEPARTMENT</b>	<b>CUSTOMER SERVICES</b>
<b>AUDIT DESCRIPTION</b>	<b>SYSTEMS BASED AUDIT</b>
<b>AUDIT TITLE</b>	<b>BUSINESS CONTINUITY (Educational Establishments)</b>
<b>AUDIT DATE</b>	<b>JANUARY 2014</b>

**2013/2014**



## **1. AUDIT SCOPE AND OBJECTIVES**

Business continuity is a management process that provides a framework to ensure continuity of service to its customers and provides a basis for planning to ensure the organisation's ability to continue operations following a disruptive event.

The scope of the Audit has been restricted to Community Service, Education. The purpose of this audit is to provide assurance on whether Argyll & Bute Council has arrangements in place for Business Continuity and that the Plans are reviewed on a regular basis to ensure that they are up to date and effective.

## **2. RISK**

Business Continuity is identified within the Strategic Risk Register (Risk Ref: Infrastructure - Civil Contingencies and Business Continuity), with a current risk status considered to be medium. The responsible officer in charge of this identified risk is the Head of Improvement & HR.

The identified risks are:

- The arrangements in place for civil contingencies and business continuity are not effective;
- The organisation does not meet legal requirements;
- The critical activities, resources and recovery priorities have not been identified;
- The Business Continuity Plans have not been tested or weaknesses identified have not been addressed;
- The system, policies, strategies, plans are not reviewed and kept up to date.

### 3. AUDIT OPINION

The level of assurance given for this report is substantial.

<b>Level of Assurance</b>	<b>Reason for the level of Assurance given</b>
<b>High</b>	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
<b>Substantial</b>	Internal Control, Governance and the Management of Risk have displayed a mixture of little/low residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Limited</b>	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
<b>Very Limited</b>	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

### 4. MAIN FINDINGS

Our audit identified a number of areas of good practice including:

- Business Continuity Plans have been established for Educational Establishments within Argyll & Bute Council. In terms of mitigation of risk critical activities, resources and recovery priorities have been considered;
- Periodic review procedures have been established for ensuring that the Business Continuity procedures, processes, plans and information are up to date and reflect any establishment changes.

We made five key findings during the audit as follows:

- Hermitage Academy have considered relocation sites for school pupils in the event of a disruptive incident but have been unable to provide any robust plans for the relocation of pupils in the event of such an incident occurring.
- A clearly defined and documented testing programme has not yet been fully established in relation to Business Continuity.
- Roles, responsibilities and accountabilities have been allocated in respect of the co-ordination of Community Service Critical Activity Recovery Plans (CARP). There could be more defined lines of responsibility in terms of the quality control and scrutiny/challenge of the CARP documents.
- Business Continuity Plans have been established for Educational Establishments within Argyll & Bute Council. Eighty five Critical Activity Recovery Plans (CARP'S) on 'Sharepoint' were reviewed during the course of the Audit. Three school CARP documents were not available on Sharepoint.
- The critical activity identified for Education is in relation to SQA Exams. SQA exams are not undertaken by Primary age pupils, however, SQA is identified as the critical activity in all Primary School CARP documents.

## **5. CONCLUSION**

This audit has provided a substantial level of assurance. There are 5 recommendations for improvement identified as part of the audit and these are set out in Appendix 1 and 2. There is one high rating recommendation and two medium rating recommendations set out in Appendix 1 which will be reported to the Audit Committee. There are 2 low recommendations set out in Appendix 2 which will not be reported to the Audit Committee. Appendices 1 and 2 set out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

**APPENDIX 1      ACTION PLAN**

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>1. Business Continuity</b>		<b>High/ Medium or Low</b>		
Hermitage Academy has a current school role of 1,335. Hermitage Academy have considered relocation sites for school pupils in the event of a disruptive incident but have been unable to provide any robust plans for the relocation of pupils in the event of such an incident occurring.	Failure to consider Business Continuity in terms of relocation in the event of a disruptive incident at a school would result in the potential risk of students not receiving education, this would be a particular risk to those who are due to sit SQA exams and may result in them being unable to do so. There would be a further risk of reputational loss to the Council in such an event.	High	A review will be undertaken of the Critical Activity Plan for Hermitage with clear relocation site/sites being identified.	Development Officer (Community Services)/ Governance and Risk Manager  30 June 2014
<b>2. Testing of Plans</b>				
A clearly defined and documented testing programme has not yet been established in relation to Business Continuity. A table top exercise in Business Continuity has taken place with operational staff from various Services in Oban. Twenty staff from various Services took part in this exercise. The focus of the workshop was to allow discussion on how a decision by one service may impact on another service and how they may	Where Business Continuity Plans have not been tested there will be an increased risk that weaknesses have not been identified and therefore not addressed.	Medium	A table top exercise will be organised for Head Teachers.	Development Officer (Community Services)/ Governance and Risk Manager  30 September 2014

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
have to work together to deal with issues that may arise. There are plans to hold similar events in other areas of Argyll & Bute.				
<b>3. Roles and Responsibilities – Quality Control</b>				
Roles, responsibilities and accountabilities have been allocated in respect of the co-ordination of Community Service CARP Plans. There could be more defined lines of responsibility in terms of the quality control and scrutiny/challenge of the CARP documents. Internal Audit identified 10 CARP documents (85 reviewed) that had considered suitable relocation sites but that had not identified clearly their prioritisation of the relocation sites. Closer scrutiny of the CARP documents would identify any weaknesses in relation to plans.	Failure to have robust quality control procedures and checks in place may result in a higher level of risk that the arrangements in place for civil contingencies and business continuity are not effective or robust.	Medium	A key contact to be identified within Community Services to provide challenge and scrutiny of Critical Activity Plan documents.	Development Officer (Community Services)/  Governance and Risk Manager  30 September 2014

## **Contact Details**

Name        Moira Weatherstone

Address     Kilmory, Lochgilphead, Argyll, PA31 8RT

Telephone   01546 604394

Email        moira.weatherstone@argyll-bute.gov.uk

**[www.argyll-bute.gov.uk](http://www.argyll-bute.gov.uk)**

***Argyll & Bute – Realising our potential together***