

THE WEST LOTHIAN COUNCIL INTERNAL AUDIT UNIT

Council Wide

Business Continuity Planning



CUSTOMER SERVICE EXCELLENCE

3 November 2008

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1.0 EXECUTIVE SUMMARY

- 1.1 A high level review of council wide Business Continuity Planning arrangements has been undertaken. Overall it is concluded that the level of control is **poor**.
- 1.2 The remit, scope and objectives of this audit are set out in section two of this report.
- 1.3 Business continuity planning ensures that in the event where a council service can no longer be provided in the usual manner, there is a plan in place to provide an alternative means of service delivery within a predetermined timescale. A complete and up to date Business Continuity Plan (BCP) is critical to ensuring that the council's services continue to operate in the event of an emergency or disaster. Business continuity planning has been identified and recorded in the corporate risk register (ref WLCW0010) as being a key risk to the council.
- 1.4 Business continuity guidance is available via the Risk and Insurance intranet site. This includes guides, checklists, templates and an example of a completed BCP. Prior to the start of the audit the Risk and Insurance Officer advised that plans were in place to check a sample of BCPs using new business continuity management software. Tests have shown that the software is not yet sufficiently developed for use by the council. However, testing of a BCP at a council head office is planned for the first quarter of 2009.
- 1.5 Nine services were contacted and asked to provide copies of their BCPs (Appendix B). From the review of the BCPs provided the following critical weaknesses were found:
- the majority of the BCPs reviewed were out of date and required material amendments. The main areas being:
 - out of date Business Continuity Team (BCT) organisation charts;
 - incomplete BCT members and staff personal contact details;
 - incomplete primary and secondary locations;
 - some BCP's examined were not comprehensively or consistently completed, and it was not clear to us whether they would be effective even if fully up to date;
 - the return rate of updated BCPs to the Risk and Insurance Officer each year was found to be poor. At the time of audit only two BCPs had been returned;
 - despite many of the BCPs being in place for a number of years only one service had tested a BCP;
 - the issue of holding copies of the BCP off site has not been formally addressed and practice varied significantly throughout the council;
 - a number of BCT members were not involved in the preparation of the BCP for their service and consequently were not clear about their business continuity roles and responsibilities.
- 1.6 We would recommend that all BCPs are reviewed for effectiveness on an annual basis by each service and formally endorsed as "fit for purpose" by the relevant service management team.
- 1.7 We recognise that there are practical difficulties in fully testing all BCPs however it is recommended that all BCPs for services ranked WLC1 (critical to safety of human life / health) are tested, on a phased basis if necessary. Testing of other BCPs could then follow on from this on a planned basis.

- 1.8 The action plan in section three of this report details the findings and recommendations made, categorises their risk, and includes management comment. The implementation of the recommendations made within this report will help improve control.



Kenneth Ribbons
Internal Audit Manager
3 November 2008

Stuart Saunders

2.0 REMIT, SCOPE AND OBJECTIVES

- 2.1 In accordance with the annual audit plan for 2008/09 an audit has been undertaken of Business Continuity Planning throughout the council.
- 2.2 The objective of the audit was to conduct a high level review of the arrangements for ensuring that effective and up to date business continuity plans are maintained for all business critical council services.
- 2.3 The audit was restricted to a high level review of a sample of Business Continuity Plans (BCPs). The sample focused on main council office buildings and consequently did not include a review of plans in place for schools and care homes. The plans reviewed are detailed in Appendix B. Audit testing was restricted to a sample basis, therefore, the weaknesses identified in the report are not necessarily all those which exist.
- 2.4 It should be noted that the IT Services BCP was not received until after the fieldwork was carried out.
- 2.5 The draft report was discussed for factual accuracy with Chris Haywood (Risk & Insurance Officer), on 30 July 2008.
- 2.6 Responsibility for implementing the recommendations in this report rests with Jim Dickson (Director of Development and Environmental Services) in relation to corporate recommendations and heads of service in relation to service specific recommendations. They therefore assume any risk arising from not acting on any of these recommendations.
- 2.7 The assistance and cooperation of all council staff contacted during the conduct of the audit is acknowledged and appreciated.

3.0 FINDINGS AND RECOMMENDATIONS

The audit findings and recommendations are detailed below, including management comment regarding the weaknesses identified. Appendix A defines the risk levels allocated to the audit recommendations made.

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
1	<p>A council Business Continuity Management (BCM) policy is not in place.</p> <p>We also noted that the Strategic Business Continuity Plan, that identifies BCM responsibilities for senior management, requires substantial revision.</p>	<p>A BCM policy should be in place that:</p> <ul style="list-style-type: none"> complies with British Standard BS 25999; explains the objective and the need for effective BCM; clearly defines responsibilities for BCM throughout the council; states the relevant committee responsible for reviewing and monitoring the effectiveness of the BCM. 	Significant	Jim Dickson (Director of D & E Services)	Yes	In hand. To be prepared by the Risk & Insurance Unit for approval by CMT, PRPDP and March Council Executive	31/03/09
2	<p>From the BCPs reviewed during the course of the audit it was found that the majority of the plans were out of date and required material amendments.</p> <p>The main examples of amendments required were:</p> <ul style="list-style-type: none"> out of date BCT organisation charts (mainly due to BCT members who have left); incomplete staff personal contact details; incomplete primary and secondary locations. 	<p>The BCM policy and accompanying procedures should make specific reference for the need for all services to review their BCPs annually and update them accordingly for any required changes.</p> <p>Progress in regards to this recommendation should be monitored via the risk register and the Risk Management Steering Group.</p>	Critical	Jim Dickson (Director of D & E Services)	Yes	<p>Policy, strategy and responsibilities will address review requirements.</p> <p>The Risk & Insurance Unit will advise services to use the risk register and the automated reminder system to ensure that plans for critical services are kept up to date.</p> <p>The Risk & Insurance Unit will present reports on the status of business continuity plans for critical services to CMT quarterly.</p>	<p>31/03/09</p> <p>31/12/08</p> <p>31/03/09</p>

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
3	<p>As already stated, a number of the BCPs are out of date and require amending. In addition, in some cases it was not clear to us whether the BCP examined would be effective even if it were fully up to date.</p> <p>For example, our review did not always identify a clear linkage between the IT plan section, the critical services and functions, and the resource requirements appendices.</p>	<p>All BCPs should be reviewed for effectiveness on an annual basis by each service and formally endorsed as “fit for purpose” by the relevant service management team.</p> <p>There should be a clear linkage between these areas of each BCP. This should be considered as part of the BCP review process.</p>	Critical	Heads of Service	Yes		31/03/09
4	<p>The ‘contacts’ appendix in each BCP lists a number of internal and external contacts however it is not clear from the BCPs as to how or when communication with these stakeholders should be undertaken.</p> <p>As noted previously (see recommendation 2), many of the contact lists appeared out of date despite the BCPs sampled being recorded as reviewed in 2008.</p>	<p>The internal and external contact list within each BCP should include up to date details of key stakeholders (media, suppliers, other council services etc.).</p> <p>Instructions within the BCP should clearly set out when and how each key stakeholder should be contacted during the business continuity process.</p>	Significant	Heads of Service	Yes		31/03/09

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
5	<p>As part of the annual review process the Risk and Insurance Manager contacts all Heads of Service requesting BCPs to be reviewed, updated and then returned. Once received the list of critical systems, services and functions is then updated.</p> <p>Discussions with the Risk and Insurance Manager confirmed that the return rate of updated BCPs is poor. At the time of audit only two BCPs had been returned.</p>	BCPs should be returned to the Risk and Insurance Officer. This is required in order to maintain an up to date list of critical systems, services and functions, and to ensure that the Corporate BCP can be maintained up to date.	Critical	Heads of Service	Yes		31/03/09
6	We briefly reviewed the IT Plans that are contained within each service's BCP and it was also noted that a high number of the IT systems were ranked as being of top priority (i.e. WLC1 - critical to safety of human life).	<p>All services should review their IT plans within their BCP in order to ensure that the details are up to date and have been assigned the correct priority ranking (e.g. WLC1, WLC2 or WLC3).</p> <p>Services need to ensure that the need for IT is assessed separately from the need for the service as the timescales may differ. Manual systems may be possible for a period.</p>	Significant	Heads of Service	Yes		31/03/09

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
7	<p>All of the BCPs reviewed have been in place for a number of years however our enquiries confirmed that the vast majority of BCPs throughout the council have not been tested.</p> <p>Only Operational Services had undertaken any form of BCP testing. Operational Services tested an element of their Whitehill House BCP and concluded that this was successful in highlighting numerous areas for improvement to the plan.</p>	<p>The testing of BCPs is fundamental to ensuring that they are robust, practical and fit for purpose. Testing BCPs would also ensure that the relevant business continuity team members know how to fully implement their BCP when required.</p> <p>It is recommended that a timetable for the testing of BCPs be prepared and implemented throughout the council.</p> <p>Services and systems ranked as being critical to the safety of human life (WLC1) should be tested first as a matter of priority.</p>	Critical	Jim Dickson (Director of D & E Services)	Yes	<p>Training and testing for a head office scenario is planned for the current financial year.</p> <p>An ongoing programme of scenario testing will be put in place for other critical services as part of the BCP strategy.</p> <p>Heads of service will be required to carry out internal desk top tests to ensure that call out and contact procedures and the like are effective as part of the BCP strategy.</p>	<p>31/03/09</p> <p>31/03/09</p>
8a	<p>Enquiries were made with each service to determine whether or not offsite copies of their BCP were held. It was found that practice varied widely across the council as BCPs were held on memory sticks, in cars, at home, in another office or on-site (i.e. no provision).</p>	<p>A council wide protocol for holding offsite copies of BCPs should be agreed and implemented consistently throughout the council.</p>	Critical	Jim Dickson (Director of D & E Services)	Yes	<p>This will be part of the BCP Policy and Strategy</p>	31/03/09

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
8b	It should also be noted that on one occasion we encountered difficulties in locating the BCP as the lead officer was on holiday and the other Business Continuity Team members did not know where to find it.	The location of BCPs must be clearly communicated to all BCT members in order to ensure that relevant BCP's are accessible at all times.	Critical	Heads of Service	Yes		31/03/09
9	Business Continuity Team (BCT) members are the key personnel within each BCP. Our enquiries confirmed that a number of BCT members were not involved in the preparation of the BCP for their service and consequently were not clear of their business continuity roles and responsibilities.	The preparation of BCPs should include all key members of the Business Continuity Team (e.g. coordinators). As part of this process it should be ensured that the business continuity roles and responsibilities are clearly understood and can be carried out when required. BCT members should also be involved in the annual review as staff members change.	Critical	Heads of Service	Yes		31/03/09
10	It was noted during our review that personal contact details for BCT members were not always recorded in BCPs. Discussion with services confirmed that some staff refused to give personal contact details as they had concerns over the security of these details, especially regarding access to BCPs held on servers and memory sticks.	A council wide protocol for the inclusion of personal contact details in BCPs should be agreed and implemented consistently throughout the council.	Significant	Jim Dickson (Director of D & E Services)	Yes	This will be part of the BCP Policy and Strategy	31/03/09

Ref	Findings	Recommendation	Risk Level	Responsible Officer	Agreed	Client Response	Action Date
11	In seven out of the eight BCPs reviewed there were no personal contact details for secretarial support.	Each BCP should contain personal contact details for persons allocated these tasks.	Routine	Heads of Service	Yes		31/03/09
12	There are two different templates available for business continuity. One for schools and one for all other council services. Brief review of the schools template appeared to show a more user friendly format e.g. step by step guides, tick boxes and checklists.	Consideration should be given to amending the BCP template in order to make the plans more user friendly. This could be done by using similar tick boxes and checklists as used in the template for schools.	Significant	Chris Haywood	Yes	Initial response from services to a different plan layout has been negative as services unwilling to undertake additional work transfer information to another document. Alternatives, including IT options under review and attitudes may change after the test.	01/03/10

CONCLUSION MATRIX

As part of the audit a conclusion is arrived at for each control objective. The conclusion flows from the level of importance attached to the recommendations for each control objective. Definitions of the conclusions are as follows: -

EFFECTIVE	Major strengths. Only minor recommendations. A good example of effective internal control.
GOOD	Important strengths with some areas for improvement.
REQUIRES IMPROVEMENT	Control environment could be improved.
POOR	Some important weaknesses. Changes must be made.
UNSOUND	Major weaknesses. Fundamental improvements are required.

AUDIT RECOMMENDATIONS – RISK LEVELS

Each audit recommendation has a level of risk attached to it. Definitions of these risk levels are as follows: -

ROUTINE RISK	A minor weakness in control has been identified. Such weaknesses do not severely compromise control but a system can be improved by the implementation of the audit recommendation.
SIGNIFICANT RISK	An important weakness in control has been identified which could result in a system failing to operate effectively.
CRITICAL RISK	A serious weakness in control has been identified which leaves the system at risk of misuse or abuse. The weakness and implementation of the audit recommendation should be addressed immediately.

BUSINESS CONTINUITY PLANS REVIEWED AS PART OF AUDIT

APPENDIX B

Service Area	Business Continuity Plans Reviewed	Date Finalised*	Approved By**	Last Updated*	Offsite Copy
Chief Executive Office	West Lothian House	Unclear (Marked as 1 st Version)	Blank	May 2007	Memory Stick
Development & Regulatory Services	County Buildings, Whitehill Ind. Estate	Unclear (Marked as 3 rd Draft)	No Document History Box	May 2008	No
Finance Services	West Lothian House	Unclear (Marked as Final Draft)	Blank	March 2004	No
Housing & Building Services	West Lothian House	March 2004	Head of Service	April 2008	Memory Stick
HR Shared Services	Lammermuir House	Unclear (Marked as Draft)	HR Shared Services Manager	July 2007	Memory Stick
IT Services	West Lothian House	July 2007	IT Operations Manager	July 2008	Unknown
Legal Services	West Lothian House	July 2005	Chief Solicitor	April 2008	Hard Copy at Home
Operational Services	Deans Unit Deans Fleet & Waste Depot	Unclear (Marked as Update)	Blank	March 2008	Hard Copy in Car
Social Policy	Strathbrock Partnership, Lomond House, Lammermuir House	Unclear (Marked as Draft)	Blank	July 2008	Memory Stick

* Dates taken from the Document History control box of each BCP.

** Approval taken from the Document History control box of each BCP.