

Corporate Audit and Risk Management

Internal audit report

Lincolnshire County Council

Business Continuity Management

Auditor	Kate Ellis
Date	June 2011

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Introduction and Scope

We have completed an audit of Business Continuity Management. This is part of the agreed plan of work for 2010/11.

The purpose of the audit was to provide an opinion on the effectiveness of the arrangements in place to ensure continuity of critical services in the event of an incident.

The review focused on the Directorates and how individual services manage business continuity. Testing was carried out in respect of Children's Services, in particular the Family Assessment & Support Team (FAST) and Adult Services, Performance, Quality and Information. We also reviewed the support provided by the corporate team.

Management Summary

Assurance Opinion

Limited Assurance

Business Continuity Plans are held for service areas with critical functions.

Our review identified that improvements are needed in a number of key areas:

The Business Continuity Plans are not fully developed for all areas in Children's Services. There are concerns that officers are not fully aware of and committed to their roles and responsibilities for business continuity management, instead relying on a significant input from the Business Continuity Manager.

There may be key suppliers, service providers or partners who do not have adequate business continuity arrangements in place. In our view, their resilience has not been sufficiently assessed and evidenced.

Business Continuity Plans for critical functions need to be fully developed and validated by regular exercise, review and updating to ensure that they are fit for purpose.

Arrangements for ensuring resilience of key suppliers need strengthening. The resilience of key suppliers, service providers or partners for critical functions needs to be sufficiently assessed and evidenced. Directorates need to ensure that their key suppliers and partners have adequate business continuity management arrangements in place by requesting and assessing appropriate evidence.

Officers in the sample areas were not specifically aware of the process for business continuity management. Tools and guidance available were not previously sufficient to fully complete the process and Business Continuity Plan without guidance and assistance from the Business Continuity Manager. The

Manager's Toolkit and e-learning course have since been made available and are currently being promoted across the Directorates.

The Business Continuity Plans have not been exercised in accordance with the work programme. A decision was taken by the Head of Service not to carry out exercises during workforce change. Business continuity arrangements have been tested during Exercise Watermark and by recent incidents (ICT outage and severe weather) and lessons have been learned.

In our view, after the workforce change, the Business Continuity Plans will need to be reviewed and a programme of testing set up to validate the arrangements and ensure that they meet current business requirements. The Management Board should hold Directorates to account to ensure that services are resilient.

The areas where we believe improvements could be made include:

- ensuring Business Continuity Plans for service areas with critical functions are fully developed as soon as possible
- gaining resilience assurance from key suppliers and partners, assessing and evidencing their business continuity management arrangements
- exercising Plans at least annually to validate arrangements and ensure that they meet business requirements
- promoting business continuity management on an ongoing basis, providing sufficient training and guidance to enable Directorates to implement adequate arrangements
- reviewing the Business Continuity Management Strategy and reminding Directorates of their roles and responsibilities
- ensuring that lessons learned following exercise or incident are considered and Business Continuity Plans updated accordingly
- regular quarterly review of Business Continuity Plans by the responsible officer.

We found areas of good practice including:

- Clearly defined roles and responsibilities
- Review and revision of the Business Continuity Management Policy Statement
- A defined process for implementing Business Continuity Management
- Publication and promotion of the Manager's Toolkit
- Availability of the e-learning course
- Provision of supply chain resilience guidance
- Review of the Performance, Quality and Information Plan and inclusion of lessons learned.

Actions and Priorities

The findings were discussed with the Strategic Risk Manager, Business Continuity Manager and Business Continuity Officer. The following high and medium priority actions were agreed:

- The Strategic Risk Manager will approach the appropriate officer in Children's Services regarding engagement and commitment to fully developing Business Continuity Plans.
- Following workforce change, business continuity management will be re-promoted to re-engage with Directorates and to re-emphasise roles and responsibilities. Business Continuity Plans will be reviewed and exercising of multiple plans will be pursued, where practical.
- Supply chain resilience guidance will be actively promoted to commissioning and procurement teams. The model Supplier/Service Provider Business Continuity Assurance Statement will be reviewed to include evidence that the resilience of key suppliers, service providers and partners has been sufficiently assessed. Annual review of Business Continuity Plans will include ensuring resilience assurance has been gained.
- Timely reminders will be sent through internal communications to promote the tools and e-learning training available; the appropriate links will be provided.
- The Business Continuity Management Strategy will be reviewed and included on GEORGE.
- Annual review of Business Continuity Plans will re-iterate the need to consider lessons learned.
- The Business Continuity Plan template and existing Business Continuity Plans will be amended to clarify that, as a minimum, contact details should be reviewed quarterly.

Management Response

I accept the outcomes of this audit and believe that it provides a clear indication of the current challenges faced with embedding Business Continuity Management within the Council.

The audit has provided a useful snapshot of the Council's corporate and service arrangements for Business Continuity Management including highlighting the additional work that will be required to ensure Children's Services Business Continuity plans are fully developed for their critical services. I will be seeking support from Children's Services senior management to ensure the necessary resources are available to complete this.

The availability of various Business Continuity Management templates, toolkits, e-learning and guidance will provide the necessary tools to improve the overall resilience of all the Council services and not just the critical ones.

Once the organisational restructuring is complete we will be re-engaging with the new senior management structure to re-emphasise roles and responsibilities, complete an annual review of their most critical Business Continuity arrangements and exercise their Business Continuity plans.

Through this re-engagement we will also take the opportunity to promote the comprehensive suite of guidance and tools available to all services for them to develop their Business Continuity arrangements further.

Findings, Recommendations and Agreed Actions

Risk	Failure to ensure continuity of service
Current Risk Level	High
Target Risk Level	Low

	Findings	Recommendations	Agreed Actions	Priority	Responsibility & Timescale
1.1	Parts of the Business Continuity Plan for FAST were not completed i.e. Action Owner and Department Equipment/Resource Requirements. There were also items in red, indicating that these were still to be checked or confirmed.	Business Continuity Plans for Service Areas with critical functions should be fully developed as soon as possible.	<p>The Strategic Risk Manager will approach the appropriate officer in Children's Services (Sue Westcott) regarding engagement and commitment to full development of Business Continuity Plans.</p> <p>Following workforce change, business continuity management will be re-promoted to re-engage with Directorates and re-emphasise roles and responsibilities. Business Continuity Plans will be reviewed and exercising of multiple plans will be pursued, where practical. See also 1.3 and 1.4.</p>	High	<p>Sarah Tennant – Strategic Risk Manager July 2011</p> <p>Business Continuity Corporate team April 2012</p>
1.2	Where an Assurance Statement has been received from a key supplier, service provider or partner, evidence has not necessarily been requested and	The resilience of key suppliers, service providers and partners for critical functions should be assessed and evidenced.	Supply chain resilience guidance will be actively promoted to commissioning and procurement teams.	High	Derek McKim - Business Continuity Manager March 2012

	<p>assessed to verify that the business continuity arrangements are adequate.</p> <p>The FAST Business Continuity Plan indicates that business continuity arrangements are not known or are not in place for some of the key dependencies. There are no alternative suppliers identified for any of the functions.</p>	<p>Directorates should ensure that they gain resilience assurance from key suppliers and partners in accordance with the guidance available.</p>	<p>The model assurance statement will be reviewed to include evidence that the responsible officer has satisfied themselves of the resilience of key suppliers, service providers and partners.</p> <p>Annual review of Business Continuity Plans will include ensuring resilience assurance has been gained from key suppliers, service providers and partners.</p>		<p>Derek McKim - Business Continuity Manager September 2011</p> <p>Derek McKim - Business Continuity Manager Ongoing</p>
1.3	<p>Officers in the sample areas were not specifically aware of the process for business continuity management. The tools and guidance previously available were not sufficient to fully complete the process and Business Continuity Plan without guidance and assistance from the Business Continuity Manager.</p> <p>The Manager's Toolkit and e-learning course have since been made available and are currently being promoted across the Directorates.</p>	<p>Now that the Manager's Toolkit and associated guidance and templates are available, along with the e-learning course, there should be an ongoing programme of business continuity management promotion and training in place.</p> <p>Promotion, training and guidance documents should be sufficient to ensure that implementation of business continuity arrangements is not subject to assistance from the Business Continuity Manager.</p>	<p>As per 1.1, following workforce change, business continuity management will be re-promoted to re-engage with Directorates.</p> <p>Timely reminders will be sent through internal communications to promote the tools and e-learning training available.</p>	Medium	<p>Business Continuity Corporate team April 2012</p> <p>Louise Binning – Business Continuity Officer Ongoing</p>

1.4	<p>The Business Continuity Management Strategy in place is dated September 2007 and has not been reviewed. We acknowledge that the Business Continuity Management Policy Statement has been reviewed.</p> <p>The Strategy sets out the roles and responsibilities for business continuity management. There has been little promotion of the Strategy and it is not available on GEORGE.</p> <p>Our review raised concerns that there may be a lack of awareness of roles and responsibilities in relation to business continuity management in Children's Services.</p>	<p>In accordance with the Strategy itself, the Strategy should be reviewed annually to take account of progress made and new developments during the year.</p> <p>The updated Strategy should be approved at the appropriate level.</p> <p>Directorates should be made aware of the revised Strategy and reminded of their roles and responsibilities in respect of business continuity management.</p> <p>We recommend that the Strategy is included on GEORGE to ensure it is available to all parties.</p>	<p>The Business Continuity Management Strategy will be reviewed and the review will be evidenced (version control).</p> <p>No significant changes are currently foreseen but should there be any significant changes these would be submitted for ratification at the appropriate level.</p> <p>As per 1.1, following workforce change, business continuity management will be re-promoted to re-engage with Directorates and re-emphasise roles and responsibilities.</p> <p>The Strategy will be included on GEORGE.</p>	Medium	<p>Derek McKim - Business Continuity Manager July 2011</p> <p>Business Continuity Corporate team April 2012</p> <p>Louise Binning – Business Continuity Officer July 2011</p>
1.5	<p>The FAST Business Continuity Plan had not been referred to during the recent IT outage. There were no lessons learned or updates to the Business Continuity Plan following the IT outage or severe weather</p>	<p>Lessons learned following the recent incidents should be considered by Directorates and Business Continuity Plans should be reviewed and updated accordingly.</p>	<p>As per 1.1, the Strategic Risk Manager will approach the appropriate officer in Children's Services (Sue Wescott) regarding engagement and commitment to full development of</p>	Medium	<p>Sarah Tennant – Strategic Risk Manager July 2011</p>

	<p>incidents.</p> <p>Lessons learned and good practices are communicated by the Business Continuity Manager at annual review, rather than directly across Directorates following an incident or exercise.</p>	<p>It is recommended that lessons learned and good practices are communicated directly across Directorates.</p>	<p>Business Continuity Plans.</p> <p>Annual review of Business Continuity Plans will re-iterate the need to consider lessons learned.</p> <p>Timely internal communications will provide links to guidance and promote e-learning training.</p>		<p>Derek McKim - Business Continuity Manager Ongoing</p> <p>Louise Binning – Business Continuity Officer Ongoing</p>
1.6	<p>A quarterly review of the FAST Business Continuity Plan had not been carried out.</p>	<p>Directorates should ensure that the quarterly review of the Business Continuity Plan is carried out and the results recorded in the front of the Plan.</p>	<p>As per 1.1, the Strategic Risk Manager will approach the appropriate officer in Children’s Services (Sue Wescott) regarding engagement and commitment to full development of Business Continuity Plans.</p> <p>The Business Continuity Plan template and existing Business Continuity Plans will be amended to clarify that, as a minimum, contact details should be reviewed quarterly.</p>	Medium	<p>Sarah Tennant – Strategic Risk Manager July 2011</p> <p>Derek McKim - Business Continuity Manager July 2011 / annual review</p>
1.7	<p>A Business Impact Assessment and a Business Continuity Management Risk Assessment were not completed for Adult</p>	<p>When implementing business continuity management arrangements, Directorates should ensure that a Business Impact</p>	<p>Timely internal communications will provide links to guidance and promote e-learning training.</p>	Low	<p>Louise Binning – Business Continuity Officer</p>

	Services, Performance, Quality & Information.	<p>Assessment and a Risk Assessment are completed in accordance with the business continuity management process.</p> <p>Where a Business Continuity Plan is in place, it is acknowledged that this incorporates the information which would be identified by completing the Business Impact Assessment and Risk Assessment. It is recommended that these documents are completed during the annual review of arrangements.</p>	The Business Continuity Manager will meet with the service area; a Business Impact Assessment and a Risk Assessment will be completed.		<p>Ongoing</p> <p>Derek McKim - Business Continuity Manager September 2011</p>
1.8	Our review highlighted inconsistencies in the storage of and access to copies of the Business Continuity Plans.	Directorates should be reminded of the requirements to hold Business Continuity Plans securely; ensure they are easily accessible in the event of an incident; and hold a back up copy in an alternative location or on an alternative secure device.	<p>The Business Continuity Plan template will be amended to show that the document should be stored in accordance with the information governance framework.</p> <p>Timely internal communications will provide links to guidance and promote e-learning training.</p>	Medium	<p>Derek McKim - Business Continuity Manager September 2011</p> <p>Louise Binning – Business Continuity Officer Ongoing</p>
1.9	In respect of the severe weather incident, a debrief was prepared by the Emergency Planning Unit which includes Outcomes/Actions.	Any actions required by the Council following the severe weather should be identified and included in an action plan, with responsible officers and timescales. Implementation	The debrief was commissioned by Lincolnshire Resilience Forum and whilst it is agreed that an action plan should be	Medium	No action

	There is no formal action plan in place and we were unable to clarify if the actions have been addressed.	should be monitored by the appropriate officer.	in place, this is deemed to be outside the scope of the corporate team and this review.		
1.10	The criticality of some service areas has increased due to a criticality 5 function moving to the service area during restructuring. These changes are usually noted at annual review.	Business Continuity Plans should be updated following restructuring. Any changes to responsibility for critical functions should be taken into account in the business continuity arrangements and notified to the Business Continuity Manager.	Business Continuity Plans will be reviewed and updated during annual reviews and following the workforce change.	Medium	Derek McKim - Business Continuity Manager Ongoing
1.11	It is not clear whether business continuity management forms part of the competency framework and is included in the required competencies for relevant roles.	It is recommended that business continuity management forms part of the competency framework (e.g. with Risk Management) to ensure all officers with business continuity management responsibilities have the required competencies.	The Business Continuity Manager will approach HR regarding inclusion of business continuity management competencies in the competency framework.	Medium	Derek McKim - Business Continuity Manager September 2011