The Highland Council	Agenda Item
	19
Community Services Committee **6 November 2014**	Report No
	COM 45/14

Internal Audit Report – Business Continuity Planning Arrangements

Report by Director of Community Services

Summary

This report updates the Committee on the status of the Audit Report Action Plan in relation to the "Business Continuity Planning Arrangements (Follow Up)" Audit Report presented to the Audit and Scrutiny Committee on 24 September 2014.

1.   Introduction

1.1.   Internal Audit's reports on the Council's business continuity planning arrangements have been presented to Committees for scrutiny as follows:

Audit and Scrutiny Committee	28 March 2013: first report
TECS Committee	16 May 2013: first report
Audit and Scrutiny Committee	24 September 2014: follow-up report

1.2.   The audit reviewed the Council's business continuity planning arrangements at Corporate and Service level, and also reviewed the Council's IT business continuity planning policy and procedures and facilities.

1.3.   The overall audit opinion for the first report was that **Limited Assurance** can be given, in that "weaknesses in the system of controls are such to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk."

1.4.   As a result of the audit opinion, a **follow-up audit** was included in the 2013/14 audit plan and that has been reported to the Audit and Scrutiny Committee on 24 September 2014.

1.5.   The audit covered two Services; namely the Corporate Development Service and Community Services. This report provides an update in relation to the responsibilities of the latter.

2.   Follow-up Audit Opinion and Recommendations

2.1.   The Audit Report Summary and Action Plan is provided in **Appendices A** and **B** respectively. Responsible Officers and target completion dates are identified in the latter. The dates were current at the date of the follow-up audit report which was issued on 9 September 2014.

2.2.   2 high and 2 medium grade recommendations remain for the Emergency Planning and Business Continuity Manager to manage to conclusion with input required from all Council Services.

2.3.   The remaining recommendations relate to ICT delivery and are under the remit of the Resources Committee.

3.   Management Action Progress

3.1.   The status of the actions that are not marked complete in the Action Plan are as follows:

3.1.1 (2)   Completed

3.1.1 (3)   Revised corporate BCP is ready for approval by the Executive Leadership Team and has been issued to them for consideration at their Weekly Business Meeting

3.1.2 (1)   Template BCPs have been issued to each Service for completion.

3.1.2 (2)   It is considered that the Council's Property Database provides the information required. Meeting to be arranged with the Director of Development and Infrastructure to confirm that sufficient detail is available. It is anticipated that the outcome of that meeting will allow completion of this action.

3.1.3   Completion depends on completion of 3.1.2 (1) by Services.

3.1.4 (1)   Substantially complete – adjustment may be required as Services complete their BCP.

3.1.4 (2)   The software is installed – therefore action complete; however before the system can be fully implemented Basic Disclosure checks, through Police Scotland, need to be completed for staff requiring to access the ECD.

3.2.   The Emergency Planning and Business Continuity Team is a small one that responds to a wide range of competing demands such as emergency incidents and events requiring detailed planning to enable appropriate response by the Council.

3.3.   Community Services Management has the support of the Executive Leadership Team in completing the remaining actions by the end of April 2015.

4.   Implications

4.1.   This report has no impact on Equality, Gaelic, Climate Change/Carbon Clever or Rural considerations nor are there any Resource, Legal or Risk implications.

Recommendation

The Committee is invited to note that:

i.   some actions have already been completed; and

ii.   the remaining actions against Community Services will be complete by the end of April 2015.

Designation: Director of Community Services

Date: 24 September 2014

Author: Richard Evans, Head of Roads and Transport

AUDIT REPORT SUMMARY

Report Title

Business Continuity Planning Arrangements (follow-up)

Report No.	**Type of Audit**		**Issue Date**
HH01/001.bf	Systems	4.2. Draft Report	02/07/12
		Final Report	09/09/12

1. Introduction

1.1 An Internal Audit report (reference HH11/002) on the business continuity planning arrangements was issued on 21/02/13. The audit reviewed the Council's business continuity planning arrangements at corporate and Service level, and also reviewed the Council's IT business continuity planning policy and procedures and facilities. The report had an opinion of "Limited Assurance" and contained five high and four medium recommendations. The agreed actions in response to these were due to be completed by 31/01/14, with a review of the corporate Business Continuity Plan due to be carried out by 31/07/14.

1.2 As a result of the audit opinion, a follow-up audit was included in the 2013/14 audit plan.

2. Review Objectives

The objectives of the review were to ensure that the management agreed actions had been implemented which will ensure that:

2.1 The Council has an established and approved business continuity management policy and procedures, which are regularly reviewed and meet the requirements of the Civil Contingencies Act.

2.2 Roles, responsibilities and accountabilities have been formally allocated, recorded and communicated, and appropriate training provided.

2.3 A change management process is in place to identify and take into account the implications of any changes that occur, including training needs for new staff.

2.4 A clearly defined and documented testing programme and post-exercise review process have been established.

2.5 Policies and procedures have been established to ensure relevant information, data, documentation and IT facilities are held securely and readily accessible by authorised officers.

3. Main Findings

The main findings of the review, referenced to the above review objectives, are as follows:

3.1 This objective was partly achieved as the two agreed actions to create and approve a general corporate Business Continuity Plan (BCP) and to establish Service-specific BCPs have been started but not completed. A corporate BCP has been written, however the Plan includes information relating to the Service-specific BCPs and it had not been updated to reflect the new Service structure. This action was due to be implemented by 31/08/13 with a review of the corporate BCP by 31/07/14. The first stage of creating Service-specific BCPs has been completed except for the former Education Culture & Sport (EC&S) Service. There are also two further stages to be completed before Service-specific BCPs will be in place; these stages

include the Weekly Business Meeting challenging risks identified, and then the Services writing their Service-specific BCPs. This action was due to be implemented by 31/01/13 with a review of the Service-specific BCPs by 31/07/14.

3.2   This objective was not achieved as the agreed action to carry out BCP awareness training (due 31/12/13) cannot commence until the Service-specific BCPs have been completed.

3.3   This objective was achieved as both of the actions, to complete and update the Emergency Communication Directory had been completed at the time of the original audit. The update of the Directory was to be carried out on an ongoing basis and it will need to be updated once the Service-specific BCPs have been completed. The software to distribute the Directory has not been installed due to computer security control issues, but this is being addressed by distributing the list by email.

3.4   This objective was partially achieved as while there had been progress made on the action it had not been completed. The agreed recommendation to fully implement the corrective actions in the Inverness College flooding 2010 report by 31/07/13 was almost complete with review of a piece of software (which has been deemed to be non-critical) and the network design review outstanding.

Work has been carried out on the design review and in particular on the single point of weakness, which was due to be completed by 31/10/13. This has involved providing two network routes to access the data centre and the Internet. These two routes are through different buildings with a network connection installed between them which could be used to divert traffic should either building have network issues. The only part of this redesign which is not in place is to document the process to reprogram routing tables to provide a manual switch from one building's network to the other should an assessment of the network problem(s) determine that this is required. The routing work was put on hold due to other prioritised work for Public Services Network (PSN) infrastructure and configuration changes but is now scheduled for completion by the end of September 2014.

3.5   This objective was not achieved as only 1 of the 4 agreed actions had been fully completed. This was due to be completed by 31/01/14. The completed action was to create an appendix of Council officer's job titles to be used with the IT BCP documents. The agreed action to update the business continuity disaster recovery plan for data centres has been amended as it has been agreed that the Business Impact Analysis process, being carried out by Community Services, will identify critical business areas within Services and these will be ranked by time category.

The agreed action to determine the list of critical applications, including those provided by third parties, for the reduced capacity restraints of the back-up data centre cannot be finalised until the Service-specific BCPs have been produced and this should be included in the corporate BCP. These actions were due to be completed by 31/10/13. ICT Services has contacted the Services that completed the first stage of creating Service-level BCPs and established if any change was required to the existing list of critical applications. This has not been concluded as this stage has not been completed by the former EC&S (see (3.1) above).

The agreed recommendation to carry out annual testing of the data centre was due to be carried out by the 31/07/13. This action was completed when the first annual test took place on 18/04/13.

4.   Conclusion

4.1   The majority of the previous audit agreed actions have not been completed and this follow-up audit has the same opinion of "Limited Assurance" as the original audit. The most recent progress update to the Transport, Environmental and Community Services Committee was on 16/05/13 and this stated that all relevant Service actions were on track to be completed by their target dates except Service-specific BCPs, which would be completed at the same time as the corporate BCP. The ICT Services actions predominantly relate to the process of

producing Service-specific BCPs and will be completed as part of this process, being led by Community Services.

4.2 This follow-up has highlighted issues in action tracking by managers and the failure to communicate changes of target dates with Internal Audit. This point was reported separately to the Audit & Scrutiny Committee on 19/06/14 within the Statement on Internal Control and Annual Report 2013/14. Business Continuity Planning has been recognised as a risk within the Council and appears on the corporate Risk Register. In order to ensure that this risk is appropriately managed and the Council's arrangements comply with the requirements of the Civil Contingencies Act 2004, it is important that prompt action is taken to ensure critical public services are not put at risk.

4.3 As a result, there are 4 high and 4 medium grade recommendations in this report, which have been accepted by management. All the agreed actions will be completed by 30/04/15.

5. Audit Opinion

5.1 The opinion is based upon, and limited to, the work performed in respect of the subject under review. Internal Audit cannot provide total assurance that control weaknesses or irregularities do not exist. It is the opinion that **Limited Assurance** can be given in that weaknesses in the system of controls are such as to put the system objectives at risk, and/ or the level of non-compliance puts the system objectives at risk.

1. AUDIT REPORT ACTION PLAN

1.1. Report Title

Report No.

Community Services/ Corporate Development Service - Business Continuity Planning Arrangements (follow-up)	HH01/001.bf

The Action Plan contains **8** recommendations as follows:

Description	Priority	Number
Major issues that managers need to address as a matter of urgency.	High	4
Important issues that managers should address and will benefit the Organisation if implemented.	Medium	4
Minor issues that are not critical but managers should address.	Low	0
Total recommendations		**8**

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION RESPONSIBLE OFFICER	TARGET DATE
3.1.1	High	(1) The corporate BCP is incomplete as it contains information that relates to the Service-specific BCPs. This is to ensure these issues are not lost sight of while the Service-specific BCPs are being developed.	(1) The corporate BCP should have the additional service level information removed once the Service-specific BCPs have been completed.	Additional Service-level information to be removed to a separate document in order to not lose sight of it.	Emergency Planning and Business Continuity Manager	Complete
		(2) The corporate BCP does not reflect the Council's new Service structure.	(2) The corporate BCP should be updated to reflect the new corporate structure.	This is currently work in progress.	Emergency Planning and Business Continuity Manager	31/08/14
		(3) There is no evidence to show that the corporate BCP was approved at a Weekly Business Meeting.	(3) The revised corporate BCP should be approved by the Executive Leadership Team (ELT) and this should be minuted.	On completion of 3.1.1 (2), the revised plan to be submitted for approval at an appropriate future ELT meeting. This should also afford an opportunity for challenging the risks identified in the various business impact analyses.	Emergency Planning and Business Continuity Manager	30/09/14

1. AUDIT REPORT ACTION PLAN

APPENDIX B

1.1. Report Title

Report No.

Community Services/ Corporate Development Service - Business Continuity Planning Arrangements (follow-up)	**HH01/001.bf**

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
3.1.2	High	The process of preparing Service-specific BCPs has not been completed.	(1) The Service-specific BCPs should be completed.	Plans to be completed by individual Services.	Emergency Planning and Business Continuity Manager	31/01/15
			(2) A Service (such as Development and Infrastructure Service) should take the lead in assessing which Council properties are useable and the facilities available in each building.	Noted. Development and Infrastructure Service to be approached to undertake this role.	Emergency Planning and Business Continuity Manager	31/10/14
3.1.3	Medium	BCP training has not taken place because Service-specific BCPs have not been completed (see 3.1.2).	BCP awareness training should be made available to all relevant officers and Services once the Service-specific BCPs have been completed.	Awareness training to be undertaken at the appropriate time after completion of Service BCPs.	Emergency Planning and Business Continuity Manager	Training to commence 31/03/15
3.1.4	Medium	(1) The Emergency Communication Directory (ECD) has been updated. This will require further amendment to accord with the Service-specific BCPs.	(1) The ECD should be updated following the completion of the Service-specific BCPs.	Update is currently underway to reflect new Service structures. Additional detail will be included if Service BCPs reflect this.	Emergency Planning and Business Continuity Manager	30/09/14

1. AUDIT REPORT ACTION PLAN

APPENDIX B

1.1. Report Title

Report No.

Community Services/ Corporate Development Service - Business Continuity Planning Arrangements (follow-up)	HH01/001.bf

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
		(2) The ECD distribution software has not been implemented because of issues with computer security controls.	(2) The software should be installed to distribute the ECD.	This is in hand however individuals who will administer the software require basic disclosure checks before it can be used. This may take in excess of 4 weeks to complete after the process has commenced. In addition, all managers who will use the system will similarly require basic checks (this is also a requirement for the use of GCSX email addresses).	Emergency Planning and Business Continuity Manager	30/09/14
3.2.1	High	(1) The Council has resolved the majority of the issues of the single point of weakness. However the routing work needed to complete this has not been completed.	(1) The network solution resolving the single point of weakness should be implemented.	Document the manual Routing Procedure.	ICT Delivery Manager	30/09/14
		(2) The servers that remain in Inverness, because they (or their applications) could not be migrated to Fujitsu's data centre, do not have a back-up facility.	(2) If any of the applications running on servers in Inverness are highlighted by the BCP process to be a critical application then disaster recovery facilities for the application should be reviewed for appropriateness.	Where applications are identified as critical, and not currently part of the Disaster Recovery (DR) service, the DR service will be reviewed with Services and Fujitsu.	ICT Delivery Manager	30/04/15

1. AUDIT REPORT ACTION PLAN

APPENDIX B

1.1. Report Title

Report No.

Community Services/ Corporate Development Service - Business Continuity Planning Arrangements (follow-up)	**HH01/001.bf**

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	**TARGET DATE**
3.2.2	Medium	The business continuity disaster recovery plan for data centres (THC BCDR) has been updated; however the plan does not detail which actions are short, medium and long term solutions.	The THC BCDR should be updated to include details regarding which actions are short term, medium term and long term solutions.	The Business Impact Analysis process addresses this by identifying critical business areas within Services. These are then ranked by time categories as follows; • Must be maintained 24/7. • Can be interrupted for up to 3 days. • Can be interrupted for up to 7 days.	See 3.1.2	-
				The BCDR document has been updated.	ICT Delivery Manager	Completed
				As part of Service Reviews (see actions 3.2.3 and 3.2.4), ICT Services will provide advice and guidance to Services on the ICT aspect of their BCP arrangements, with reference to ICT Service's BCDR plan.	ICT Delivery Manager	30/04/15 or 3 months after completion of 3.1.2 if action is delayed.

1.   AUDIT REPORT ACTION PLAN

1.1.   Report Title

Report No.

Community Services/ Corporate Development Service - Business Continuity Planning Arrangements (follow-up)	HH01/001.bf

REPORT REF.	GRADE	FINDING	RECOMMENDATION	MANAGEMENT AGREED ACTION	IMPLEMENTATION	
					RESPONSIBLE OFFICER	TARGET DATE
3.2.3	High	The list of critical services, which will be run within the 10% capacity restraints of the back-up data centre, cannot be updated until the Service-specific BCPs have been completed.	(1) The list of critical services should be reviewed once the Service-specific BCPs have been completed. This should be updated annually and it should be ensured that all the selected services can run within the 10% capacity restraints.	Where applications are identified as critical, and not currently part of the Disaster Recovery service, the DR service will be reviewed with Services and Fujitsu.	ICT Delivery Manager	30/04/15
			(2) The capacity of the back-up data centre should be included in the corporate BCP Strategy, to ensure it is managed correctly.	Specific mention of this limited capacity is made in the plan.	Emergency Planning and Business Continuity Manager	Completed
3.2.4	Medium	Service-specific reviews have not taken place and therefore it has not been possible to assess if applications supplied by third parties are critical applications which require business continuity planning arrangements to be put in place.	As part of the Service reviews, those IT services supplied by third parties should be assessed, and where a service is critical a BCP agreement with the third party supplier should be included in the Service's BCP.	Where Services have identified applications as critical, and these are not currently part of the Disaster Recovery service, ICT Services will provide advice and guidance to Services on the ICT aspect of their BCP arrangements (with third party suppliers), with reference to ICT Services' BCDR plan	Service Delivery Manager	30/04/15