

**FINAL ACCOUNTS AND AUDIT COMMITTEE
30 JUNE 2008**

AUDIT COMMISSION: BUSINESS CONTINUITY PLANNING REVIEW

Purpose of the Report

1. To draw the Audit Commission's Business Continuity Planning Review to the attention of the Final Accounts and Audit Committee and to invite Members to endorse the Action Plan that has been drawn up in the context of the findings of the Review.

Background to the Review

2. The Council identified during 2007 that current business continuity plans and planning procedures required improvement. A business continuity officer was appointed within the Emergency Planning Unit in 2007 to assist in designing and implementing a new business continuity planning programme. It is in this context that this review was performed, over the period of December 2007–February 2008, as part of the 2007/08 Audit Commission Audit Plan. The Review was co-ordinated by the Senior Manager, Audit (KPMG). A copy of the Review report is circulated with this report.
3. The Senior Manager (Audit) has acknowledged that there is an IT Infrastructure Development Programme ongoing at the Council. This Review focuses on high-level business continuity management activities and only considers key IT risks relating to business continuity where these arose during the Review interviews.

Responsibilities of the Council

4. In its role as a Category 1 Responder, as defined by the Civil Contingencies Act 2004, the Council's responsibilities include "*maintaining plans for the purpose of ensuring, so far as is reasonably practicable, that if an emergency occurs the person or body is able to continue to perform his or its functions*". To meet its responsibilities under the Act, to continue the delivery of critical customer services and to achieve the Council's corporate goals in the event of a disruption of normal operations, the Council requires adequate business continuity plans.
5. The Corporate Business Continuity Plan for the County Hall complex in Trowbridge was published in September 2005. The plan outlines actions required in the event of an incident at County Hall which affects the whole complex. An alternative location for some staff has been identified if County Hall is unavailable. Individual plans have been written for the main service departments.

Main Considerations for the Council

6. The Audit Commission's recommendations to improve the proposed business continuity management activities of the County Council are summarised on page 3 of their Review report. They are set out below and **Appendix 1** to this report contains a copy of the Action Plan

Governance

- The Business Continuity Management (BCM) Policy and Project Initiation Document (PID) should be finalised as soon as possible.
- The alignment of the BCM function should be given appropriate consideration during the "One Council For Wiltshire" (1C4W) transition.
- In addition to the planned business impact analysis and development of recovery strategies, a vulnerability assessment should be performed for critical resources (human, technology, etc), to feed into the Council's risk management processes and identify risk mitigation strategies (e.g. avoidance, transference, etc).
- Business continuity performance metrics should be developed to report the progress of the planning process, outcomes of test exercises, and stakeholder feedback. This should be reported to the Corporate Leadership Team (CLT), and integrated with the corporate risk management process.
- The Council should develop a risk-based schedule for testing the business continuity plan. The outcome of tests should be reported and used as an input for continuous improvement.

Recovery Strategies

- Following the completion of the business impact analysis, recovery strategies should avoid placing reliance on the availability of single-points-of-failure for resumption of critical services.
- As part of the recovery strategy, a skills matrix should be developed to identify potential alternative resources from across the Council to assist with service delivery in the event of a disruption.

Legal

- The legal implications of sourcing alternate suppliers in the event of a disruption should be considered in the standard terms of contracts.

7. Brief comments on action being taken in respect of each of these areas are set out in the paragraphs below.

Governance

- A revised BCM policy document with a new long-term governance structure is being presented to the CLT. In future the Business Continuity (BC) Steering Group will report to the Corporate Risk Management Group (CRMG) who in turn will present issues to the CLT as necessary. A full reporting process linked to roles and responsibilities for BC is outlined in the policy document and is shown in **Appendix 2**.

- In order to ensure that the BCM function is given appropriate consideration during the 1C4W transition, progress on the project will be presented through the Joint Implementation Team. This will ensure that alignment with the transition to Wiltshire Council is secured.
- Vulnerability of critical resources will be regarded on different levels.
 - (i) At the section level, Section BC Co-ordinators will be required to conduct risk assessments for their critical resources as part of their business impact analysis to identify single points of failure and avoid reliance on them in their response strategies.
 - (ii) At the departmental and corporate level, the BC Steering Group will discuss threats and concerns and refer them to the CRMG.
- The BC Steering Group will report performance in their quarterly highlight report to the CRMG. The BC Steering Group will supervise a risk based exercise programme, which will include structured debriefs and actioning of lessons identified.

Recovery Strategies

- A BC Technical Working Group has been formed with representation from all services with a special role during invocation of a BC plan. This group develops procedures to support service restoration and provides advice on realistic expectations for recovery strategies.
- The skills matrix is being developed and a series of meetings have been scheduled over the next few weeks to progress this work. More information regarding this area of work will be available following the meetings. It has been identified that a detailed skills audit would assist with the 1C4W workstreams and the BC Steering Group intends to link in with this.

Legal

- In the case of emergencies the Council's contract regulations allow contracts to be procured with values up to the levels of the limits set for advertising through the Official Journal of the European Union (OJEU). In the case of certain, narrowly defined, emergencies the Council can procure contracts with values which exceed these limits without advertising through the OJEU.
- If the business interruption is caused by a contractor failing to perform their obligations under a contract then the usual remedies should be available including termination and retendering for delivery of the service. The decision to terminate is normally taken in conjunction with Legal Services and only when there are substantive grounds.
- Some of the Council's major contracts contain the right for the Council to step in to deliver the service or to employ an alternative contractor in the event of service failure.

- A fundamental review of all the Council's contracts is due to be programmed which will result in the production of new, standard terms and conditions. These will include requirements for contractors to have their own business continuity plans in place and also rights for the Council to step in to deliver services in the event of failure by the contractor to comply with their obligations.

Risk Assessment

8. The essential purpose of BC activity is to identify, assess and address the risk of business disruption. If the Council fails to action the recommendations set out in the Action Plan there is a risk of significant failure in service delivery in the event of an incident that disrupts the Council's business.

Environmental Impact of the Proposal

9. There are no environmental impacts arising directly from this report.

Financial Implications

10. There are no financial implications arising directly from this report. The cost of implementing the recommendations set out in the Action Plan will be included in the PID.

Reasons for the Proposals

11. To draw the Review recommendations to the attention of Members and to invite Members to endorse the Action Plan that is being taken forward by the Emergency Planning Team.

Proposals

12. That Cabinet be recommended to note the Audit Commission's Business Continuity Planning Review report and endorse the action being taken by officers to address the Review recommendations.

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The following unpublished documents have been relied upon in the preparation of this Report:

None

Appendices

- Appendix 1 - Action Plan
Appendix 2 - Business Continuity Roles and Responsibilities