

Agenda Item No: 4
Report To: Audit Committee
Date: 28 September 2017
Report Title: Business Continuity Planning Audit Report
Report Author: Rich Clarke – Head of Audit Partnership



Summary:	The report provides the Committee with a copy of the Business Continuity Planning audit report, issued in August 2017. Our conclusion is the controls offer only <i>weak</i> assurance and need further support to work consistently at an effective level.
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Key Decision: NO

Affected Wards: All

Recommendations: 1. The Committee **notes** the Business Continuity Planning report and planned actions by officers to address its findings.

Policy Overview: N/A

Finance: N/A

Risk Assessment N/A

EIA N/A

Other Matters: N/A

Exemption Clauses: N/A

Background Papers: Business Continuity Planning Audit Report (attached as Appendix A)

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Report Title: Business Continuity Planning Audit Report

Purpose of the Report

1. Our audit plan, approved by Members in March 2016, included an audit to review Business Continuity Planning arrangements. The audit that later took place decided the controls offered only *weak* assurance, meaning the service needs support to work consistently at an effective level.
2. This report presents to the Committee the Business Continuity Planning report, as published in August 2017 (attached at Appendix A). Further, it provides an outline of the progress made thus far towards completing the twelve recommendations raised.

Background

3. We undertook our review of the Council's Business Continuity Planning arrangements during June 2017. We issued our draft report in early August following discussions with officers. The objective was to provide assurance the Council has properly developed and formalised business continuity arrangements in place.
4. We noted that while the Council has had some success in managing recent business continuity events, the formal business continuity arrangements could not claim the credit. Instead the Council largely relied on the expertise and commitment of individual staff. We found in particular the corporate and service level business continuity plans are out-of-date and not connected to a policy statement.
5. We raised twelve recommendations to support improvements to the service. We rated five as high priority, meaning the Council must take remedial action at the next available opportunity. A further three recommendations we rated as medium priority, meaning the Council should take remedial action normally within six months to a year. The remaining four received low or advisory ratings.
6. Officers agreed all the recommendations raised and put in place actions to address them. We include a copy of the report, including recommendations and action plan, at Appendix A.
7. An important part of our approach is to agree implementation dates in a discussion between audit and management. Although our ratings give our view on urgency of action, we do not impose implementation dates. We recognise officers must assess each action on its specifics and so regularly vary these timescales for practical, risk, capacity or cost reasons. Here, a

completed action plan sees the Council addressing all matters within 7 months of final report, and all but one within 3 months.

8. We met officers ahead of reporting to this Committee to follow up on actions since we completed the report in August. While noting that only 18 working days have passed between report publication and Committee papers, we understand officers have already acted:
 - Circulated an email from Corporate Director (Law and Governance) to Heads of Service directing that service level business continuity plans be updated by 27 September 2017 (**R9 – High**)
 - Drafted a Business Continuity Policy with commitment to present final to Cabinet at its meeting 12 October 2017 (**R1 – High**)
 - Emergency planning and business continuity to be added to the Council Strategic Risk register following agreement by Audit Committee. This action is relevant to the recommendation to include a risk assessment within the business continuity plan (**R4 – High**)
 - Agreed in principle to use funding under Council's insurance arrangement (with Zurich) for future training initiatives (**R8 – Medium**)
 - Drawn up new templates and updated guidance on completing business continuity documents (**R6 – Low**)
 - Presented to Corporate Management Team (14 September 2017) to raise the profile of the Council's Business Continuity (and emergency planning) arrangements. This presentation, delivered by the resilience team, covered key issues from the audit including promoting Objective Connect (**R10 – Advisory**).
9. Officers have also scheduled an update to Management Team for its meeting on 7 December 2017 with quarterly updates on business continuity scheduled thereafter. By the December 2017 meeting we expect the Council to have addressed all recommendations except R8 (testing). The Management Team paper will form the basis of a further update to Members at the next Audit Committee meeting on 5 December 2017. We intend to provide that update in the covering report but we can give a more detailed update to Members if needed.
10. We will complete our own follow-ups to confirm successful action against recommendations in line with our usual approach.

Risk Assessment

11. N/A

Equalities Impact Assessment

12. N/A

Other Options Considered

13. N/A

Consultation

14. We circulated the full final report on publication to the Chair and Vice Chair. They agreed, in keeping with settled practice, to include the full report and this cover updating Members at this meeting.
15. We also circulated earlier drafts of this covering report to officers for comment, including to a management team meeting.

Implications Assessment

16. N/A

Handling

17. N/A

Conclusion

18. Our work shows the Council needs to act to improve effective working of its business continuity arrangements. So far, management has taken prompt action towards implementing the recommendations.

Portfolio Holder's Views

19. N/A

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BUSINESS CONTINUITY PLANNING

FINAL AUDIT REPORT

AUGUST 2017

Final Assurance Rating: **Weak**

Audit Code	ABC-OR03(16-17)	Service	Health, Parking and Community Safety
Senior Auditor	Mark Goodwin	Audit Sponsor	Sheila Davison
Audit Manager	Alison Blake	Director	Terry Mortimer



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Summary Report

Our opinion based on our audit work is the Council has **Weak** controls in place for Business Continuity across the Council as a whole. This means the arrangements place the Council in excess risk and need remedial action to consistently perform effectively. We provide the definitions of our assurance ratings at appendix II.

During our work we recognised the Council has recently had practical experience in dealing with business continuity events, such as the generator failure in January 2016. While the Council had some success in managing recent events, we found this is more down to goodwill and dedication of staff than application of an effective business continuity approach.

In reviewing the Council's plan, we identified it is out of date from July 2015 and not connected to any policy statement. While some of the needed updates are mechanical, the plan is also defective in describing some arrangements that no longer work, for instance in IT recovery. The result is the Council has a plan which would fail if put into place as written.

At a service level we found a more mixed picture, with some detailed and tested plans. However, there are some key services, such as housing, whose plans lack testing or important detail. We also found that, despite extensive efforts of the resilience team, general awareness of business continuity arrangements through the Council remains limited.

Areas to improve

- Implement Business Continuity Policy **R1**
 - Update overarching Business Continuity Plan **R2**
 - Update Service Area Business Continuity Plans (to align to organisational structure)
- R7**

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Next Steps

At page 17 we describe the 12 recommendations arising from our work, and responses from management. We note the service has agreed to carry out the recommendations. We will follow them up as they fall due in line with our usual approach and consider re-evaluating the assurance rating as the service acts to address the issues identified.

We have prioritised our recommendations as below:

Priority 1 (Critical)	Priority 2 (High)	Priority 3 (Med)	Priority 4 (Low)	Advisory
0	5	3	2	2

We provide the definition of our recommendation priorities at appendix II.

Findings in Context

Our most recent audit work in this area was Business Continuity Planning in February 2014. We reported then the controls offered **limited** assurance. This opinion was subsequently increased to **substantial** (November 2014) through our follow-up process which confirmed implementation of key recommendations including approval of the overarching business continuity plan by management team and testing of arrangements. We consider that the assurance offered by controls has decreased since our follow-up work. We believe the change in assurance rating can be attributed to a widening remit of the Resilience Team, which now includes managing the Safety Advisory Group (SAG) and an increased involvement in the Council's emergency planning response at the detriment to Business Continuity Planning. Furthermore, overall resources in the team have reduced following the cessation of the Resilience partnership with Swale Borough Council.

Independence

We are required by Public Sector Internal Audit Standard 1100 to act at all times with independence and objectivity. Where there are any threats, in fact or appearance, to that independence we must disclose the nature of the threat and set out how it has been managed in completing our work.

We have no matters to report in connection with this audit project.

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Acknowledgements

We would like to express our thanks to Laurel Niven – Resilience Team Leader, who assisted completion of this work. Through the Council’s management team, we would also like to thank the Business Continuity Plan owners and other staff who responded to our questionnaires to support our findings from this review.

Audit team and contact details	Report distribution list
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Detailed Findings

We completed fieldwork during June 2017 to the agreed audit objectives and using the tests set out in the final audit brief dated March 2017. We include the audit brief at appendix I.

We have amended the brief at appendix I from its original presentation to reflect later agreement with the Audit Sponsor to vary the timing for our review because of competing work priorities.

Objective 1: To review the Council's Business Continuity Plan and supporting procedures.

In pursuance of the audit objective, the following tests were undertaken.

Test 1: To review the Business Continuity Plan for the Council.

The Council's current overarching Business Continuity Plan (BCP), as approved by Management Team and published on the intranet, is dated July 2015 (v1.0). At the time of our work the Resilience Team Leader was maintaining a 'working copy' of a revised overarching BCP which reflected a number of changes, in draft, required to this document.

An early observation of the Council's overarching BCP is that it is not governed by a Policy. When considering our findings elsewhere in this report, we consider that a clear policy statement from the Council would be a significant positive intervention. A policy statement provides the opportunity to set out clearly the Council's commitment to business continuity, including its ambition and funding support. Furthermore, clarity on how the Council will meet its responsibilities under the Civil and Contingencies Act as a category 1 responder would likely result from such a policy statement. We also note within the Kent Resilience Forum authorities increasingly see having a clear policy statement on business continuity as representing best practice. **R1**

R1: Business Continuity Policy

Priority 2: High

Implement Business Continuity Policy.

We reviewed the current BCP (v1.0) alongside the 'working copy' of draft changes made by the Resilience Team Leader. Our test confirmed that administrative changes resulting from organisational change (to named officers and from restructures) had been largely identified

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in the 'working copy.' However our review identified a number of areas which require clarification and updating in the plan including: -

- Procedure for invoking the BCP.
- Arrangements for securing and accessing plans.
- Roles and responsibilities of Business Continuity Incident Management Team. We found the plan listed a number of officers on the Business Continuity Management Team who have since left the authority.
- Contingency telephone provision.
- Contingency ICT provision. The plan currently refers to an arrangement with Phoenix which has not been in place for a number of years.

The Council's overarching Business continuity Plan is out of date with key areas identified for revision. The plan has fallen out of date to the extent that, were the Council to attempt its execution as written, the plan would fail. Consequently, its effectiveness is limited as staff need to draw on knowledge and resourcefulness not detailed in the plan for the Council to mount a successful response to a business continuity incident. We have passed our working papers from this test to the Resilience Team Leader. **R2**

R2: Update overarching Business Continuity Plan

Priority 2: High

Update and approve overarching Business Continuity Plan.

Our discussions with the Resilience Team Leader established that the Council's arrangements were supported by a Business Continuity Steering Group. The Group has a defined aim of *'developing and maintaining Business Continuity Management throughout the Council and to ensure it reflects organisation objectives, priorities and culture in order that the organisation has a response to major disruptions that threaten its ability to perform critical services.'*

The group has a generally sound membership and terms of reference. However, we established that the group had met only once; in October 2013. With no other meetings planned, this group has – in effect – been disbanded.

For the Council's overarching response to Business Continuity Planning to be effective it must involve the participation of the organisation as a whole, with the Resilience Team acting as facilitator. We consider a Steering Group for this purpose to be a good means of achieving this aim. **R3**

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R3: Business Continuity Steering Group

Priority 4: Low

Re-establish Business Continuity Steering Group and review terms of reference.

Test 2: To confirm that the Council has identified the risks to delivery of its critical services.

Our discussions with the Resilience Team Leader identified that the Council's Overarching Business Continuity Plan has been written as a generic response to any business continuity incident. The current overarching BCP (V1.0) (and the draft 'working copy') does not include a risk assessment considering scenarios which may interrupt the business operations of the Council, and its differing responses.

Without identifying its key risks, the Council may not be suitably prepared for responding to a business continuity incident. It may be beneficial to develop specific plans in response to a variety of possible scenarios, such as loss of IT, loss of building (alternative site), loss of workforce (from inclement weather / pandemic) to facilitate an effective response. This could lead to greater efficiency in the Council developing more detailed plans to more likely events (such as IT outage). **R4**

R4: Risk Assessment

Priority 2: High

Include a risk assessment within the business continuity plan.

Risks have in part been identified at a service level through completion of individual Business Impact Assessments (BIA) and Risk Assessment (RA) to establish the Council's restoration priorities. The results of service areas BIA are summarised in the overarching plan at Appendix A to prioritise restoration activities. The BIA summary in the overarching BCP is dated July 2015 but we found that service areas had completed more recent BIA (from early 2016). Therefore the restoration priorities in the current overarching BCP (and the 'working copy') are not up to date. **R5**

R5: Restoration Priorities

Priority 3: Medium

Update restoration priorities in the overarching Business Continuity Plan.

The completion of Business Impact Assessments and Risk Assessments by service areas are not supported with guidance to assist in their completion, which is largely dependent on how challenging and realistic the officer (Plan owner) is in completing the templates. Our discussions confirmed that the Resilience Team Leader does provide one to one assistance where requested to draw out issues the service should be considering. While this extra

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advice is available on request (for example recently with Chilmington Management and Planning & Development) there is no regular schedule of updates.

The arrangements would benefit from a guidance note to facilitate completion of these supporting templates. **R6**

R6: Guidance Notes to BIA and RA

Priority 4: Low

Prepare and circulate supporting guidance note to BIA and RA.

Test 3: To ensure that the Council has suitable arrangements in place to continue to deliver core functions.

Our work found that the BCP sets out adequate provision for emergency arrangements in the event of an incident. The Plan's approach is primarily identifying immediate actions and longer term considerations based on certain assumptions. Some of the areas to ensure the Council's arrangement are clearer in this regard and are brought up to date have been mentioned earlier (refer to **R2**).

Through discussion with the Resilience Team Leader we established that the Council has not identified an alternative site should the Civic Centre become unavailable. We understand officer discussions have identified a number of possible options (including the Julie Rose Stadium) but nevertheless the Council's BC Plan does not formalise this key aspect to its response. Furthermore, the results from our survey with Business Continuity Plan owners at a service level identified only a limited number of examples (4 from 22) where the service area had sought an alternative site or reciprocal arrangements with another Council or partner organisation. **R7**

R7: Alternative Sites

Priority 2: High

Identify alternative sites within business continuity plans.

Test 4: To verify that adequate testing arrangements are in place for the Business Continuity Plan, and that lessons learnt are applied.

Through our discussions with the Resilience Team Leader we established that testing was last undertaken in October 2014. This was a workshop training session delivered by Zurich, based on a fire scenario at the Civic Centre, which involved a range of officers from different service areas.

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The testing was prompted by a recommendation within our previous audit of Business Continuity.

The Council's plans were used in practice following the generator failure to the Civic Centre (in January 2016). A debrief exercise and report followed this incident. However, while that report identified further actions we have seen limited evidence of the Council undertaking those actions to improve its arrangements, beyond tenant meetings with other organisations in the Civic Centre. Consequently we cannot take assurance that the generator failure provided sustainable lessons to successfully inform future events.

The BCP makes no commitment to regularly test its arrangements. Testing would ensure the arrangements remain up to date and effective.

We have seen from our previous review that the Council responded to an audit recommendation to test, but that action appears to have been a one-off. Therefore, we now recommend that the BCP makes clear a continuing commitment to testing at defined regular intervals. **R8**

R8: Commitment to Testing

Priority 3: Medium

Set out commitment to test the Business Continuity arrangements.

Conclusion: We concluded as a result of our testing that that the Council's Business Continuity Plan is out of date and may not be effective responding to an incident which may affect on-going operations to the Council.

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Objective 2: To establish whether service areas have Business Continuity Plans that are tested and reviewed.

We undertook the following tests to establish whether individual services have Business Continuity Plans in place and that those plans have been tested. Responsibility for preparing service area Business Continuity Plans rests with the individual service with the Resilience Team providing advice on request and overseeing completion. High priority areas identified by service areas feed into the overall restoration priorities of the Council set out in its overarching Business Continuity Plan.

Test 1: All services should have in place an up to date and tested Business Impact Analysis or a service based business continuity management action plan.

Our testing found that business continuity plans at a service level were out of date and no longer fit the structure of the Council. The BIA template captures suitable information to assist in restoration and identifying risks to operations.

The majority of plans are dated January 2014 (17 of 21) although supporting Business Impact Assessments (BIA) are more recently completed.

The depth of the plans varies, for example both Planning and Housing each have a single plan, while other service areas are typically broken down into team or at a unit level. The business continuity plans for Planning and Housing do not fully document all of the functions within these service areas to consider impact from a business continuity incident, their relative importance and priority for restoration and how alternative arrangements may be employed. Plan owners too are no longer clear, following the passage of time and restructure to the organisation, most notably plans for Planning and Housing. This would inhibit coordination of a response in the very early stages of managing a business continuity incident. **R9**

R9: Update Service Area Business Continuity Plans	Priority 2: High
Update Service Area Business Continuity Plans to align to organisational structure.	

The Council uses Objective Connect, a cloud based solution for service areas to electronically store their BC Plan and any other supporting documentation to support restoration of their service area. Objective Connect allows services to access their plans without reliance to a Council server providing an internet connection is available. Guidance notes for its use are available on the intranet.

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However, our survey to Plan Owners identified that 7 from 22 respondents were unaware of this this facility. **R10**

R10: Promote Objective Connect	Advisory
Promote Objective Connect to BCP Owners.	

Test 2: All BCPs at a service level should identify and prioritise key functions and systems.

A standard methodology is in place for services to compile their BCP through completion of a Business Impact Assessment to identify key functions and impact from an interruption of service. We confirmed existence of plans and correct application of the process for 5 service areas tested and found BIA were completed in early 2016. Our testing included review of 2 key contracts (Street Cleaning, Refuse and Recycling and Housing Responsive Repairs) to ensure BCP considerations had been incorporated within the contract documentation or assurance otherwise sought with the contractor. In both cases the service was able to provide this assurance although in 1 case (Housing Responsive Repairs) this was not set out as a contract term. We reported these findings to the Resilience Team.

We found some evidence that the Council's key contracts make provision for business continuity planning to ensure uninterrupted service provision but recommend that further action is coordinated by the Resilience Team to ascertain a fuller assurance position. **R11**

R11: Key Contracts	Advisory
Review business continuity provision in key contracts.	

Test 3: To verify that all Business Continuity arrangements for individual services are aligned to the corporate BC Plan

The results of individual service area BIAs are used to inform the Council's restoration priorities which appear as Appendix A in the overarching plan. We have previously identified the need to reflect the updated priorities of service areas, set out at **R5**.

Test 4: All service Business Continuity arrangements should be tested at regular intervals including after changes to management or business critical systems.

Our survey to BC plan owners resulted in 22 of 29 responses. In response to our questions around testing of plans the following results were obtained.

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When did you last test your Business Continuity Plan?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Within the last 6 months	Green	Green	Green												
Within the last 12 months	Green	Green	Green												
Over 12 months ago	Yellow														
It's never been tested	Red	Red													

(1 respondent did not answer)

(If applicable) how was your BC Plan tested (i.e. desktop exercise, discussion with staff through team meeting)?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Discussed at staff meeting	Green	Green	Green	Green	Green										
Desktop exercise	Green	Green	Green	Green	Green										
Other	Green	Green	Green	Green	Green										
N/A it's never been tested	Red	Red	Red	Red	Red	Red	Red								

(1 respondent did not answer)

Our survey results show that 7 of 22 BCP have not been tested within the last 12 months or ever. We note, however, that despite the Council not specifically requiring or monitoring testing of individual service plans 15 services have decided themselves to complete a test of some description. This suggests an appetite and willingness to complete testing that could be expanded across the Council. Testing can provide assurance upon the effectiveness of BCP arrangements. **R12**

We passed the full results from our survey to the Resilience Team Leader for information and action where respondents had raised specific issues.

R12: BC Plan Testing – Service Areas	Priority 3: Medium
Implement requirement for BC Plan testing by Service Areas.	

Conclusion: As a result of our testing we conclude that service area plans are out of date with limited current testing by service areas. This position may undermine services' and the Council's ability to respond to a business continuity incident.

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Objective 3: To establish staff awareness of Business Continuity arrangements.

We undertook the following test to determine the awareness of BC planning arrangements across the Council:

Test 1: To confirm that officers are aware of the Business Continuity arrangements in both their service and the Council as a whole.

We note that the Resilience Team deliver a slot at corporate inductions to raise awareness, which also extends to emergency planning and the other responsibilities of the team.

Through discussion with the Resilience Team Leader we established that the Council's new starter (buddy checklist) and leaver forms had been recently amended to include business continuity. This will help to ensure that new employees are made aware of their service specific arrangements and assist in keeping contact lists to service area plans current.

Internal communications has been well used to promote awareness; with recent examples Business Continuity Week (in May 2017) and guidance from ransomware cyber attacks.

We sent out a questionnaire to a range of officers to gauge awareness. We received 20 responses (from 43) and the results are detailed below: -

Q1. Are you aware of the Council's BC Plan and where would you find this?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes																				
No																				

Q2. Do you know your lead officer for Business Continuity and registered on Objective Connect?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes																				
No																				

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Q3. Are you aware of your call out notification arrangements within your service area and what are these?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes	Green	Green	Green																	
No	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red				

(1 respondent did not answer)

Q4. Do you feel confident in the event of a complete loss of access to the Civic Centre (or place of work) that your service would be able to provide a core service within 48 hours and be able to restore to a normal service within 1 week?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green								
No	Red	Red	Red	Red	Red															
Unsure	Yellow	Yellow	Yellow	Yellow																

Q5. Would you be able to work from home in the short term?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green							
No	Red	Red	Red																	
Other	Yellow	Yellow	Yellow																	

Q6. Have you received any business continuity planning training and if so what has this been?

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Yes	Green	Green																		
No	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	

While we can see that a lot of promotion has been done already, the survey results reflect an adverse position.

Conclusion: We concluded based on our test findings that awareness of the Council’s BC arrangements is poor despite the extensive efforts to date. Adoption and roll out of a formal policy, which we recommend at **R1**, will set out a focus to the Council’s arrangements and encourage wider awareness, as will mandating testing which we recommend at **R12**.

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Objective 4: Evaluation of arrangements in place to meet the requirements under the Civil Contingencies Act.

Having completed our testing against the first three objectives of the review, we assessed the findings so far against the responsibilities placed upon the Council as a Category 1 responder under the Civil Contingencies Act 2004 (the Act).

The Civil Contingencies Act and accompanying non-legislative measures deliver a single framework for civil protection in the UK. The Council's Category 1 responsibilities principally address emergency planning, which is a separate but related discipline outside the scope of this review. However, in fulfilling those responsibilities – summarised by the Cabinet Office into the six points below – the Council will need to have effective business continuity arrangements. Therefore our assessment is specifically centred on points 1, 3 and 6 (highlighted below).

- 1. Assess the risks of emergencies occurring and use this to inform contingency planning.**
2. Put in place emergency plans.
- 3. Put in place business continuity management arrangements.**
4. Put in place arrangement to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency.
5. Share information with other local responders to enhance co-ordination and efficiency.
- 6. Provide advice and assistance to businesses and voluntary organisations about business continuity management (local authorities only).**

Our testing and evaluation of arrangements established areas where the Council could improve their Business Continuity arrangements which are impacting on its responsibilities as a Category 1 responder under the Act. These issues have been largely elaborated on from our work to the previous audit objectives.

For point 6, our work established that the Council has no budget in place for this purpose. Information is available on Council's website to provide advice and assistance to business and voluntary organisations about business continuity management, which includes links to the Business Continuity Institute and a dedicated email address for external enquiries. The Council's webpage compared favourably with several Kent authorities' website pages for the same. At the time of our work, a sub group of the Kent Resilience Forum, was

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undertaking a project to utilise the Kent Prepared website as a central information site for all partners to share a link with.

Conclusion: The weaknesses identified elsewhere in this report adversely impact on the Council meeting its responsibilities as a Category 1 responder under the Civil Contingencies Act 2004. Notwithstanding, the Council's responsibility to provide advice and assistance is considered to be substantially met and the further work through the Kent Resilience Forum will assist further in this aim.

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Recommendations and Action Plan

R1: Business Continuity Policy		Priority 2: High
Implement Business Continuity Policy.		
Implementation of the recommendation will ensure clear organisational approach and commitment and guide business continuity planning at an overarching and service level. It is envisaged that the scope of a policy would set out commitment by senior management to approve, review and test the Council's arrangements.		
Management Response		
Recommendation agreed on the basis that having a policy represents best practice moving forward. Policy being drafted covering the issues suggested within the audit report and on forward plan for cabinet 12 October 2017.		
Responsible officer: Laurel Niven	Implementation date: 19 October 2017 (council)	

R2: Update overarching Business Continuity Plan		Priority 2: High
Update and approve overarching Business Continuity Plan.		
Implementation of the recommendation will ensure the Council has an up to date and effective business continuity response.		
Management Response		
Recommendation agreed. BC plan currently being updated and will be signed off by MT on the 5 October 2017. Note that appendix A can only be updated when individual service BCPs have been reviewed i.e. recommendation 9 of this audit report.		
Responsible officer: Laurel Niven	Implementation date: 5 October 2017 (BCP except appendix A) 29 October 2017 (Appendix A)	

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R4: Risk Assessment		Priority 2: High
Include a risk assessment within the business continuity plan.		
Implementation of the recommendation will ensure the most pertinent risks to the Council which may affect its ongoing business operations are identified and remedial action planned for.		
Management Response		
Recommendation agreed. Risk assessment currently being drafted for inclusion within the Overarching BCP. There will need to be a cross reference to the wider Strategic Risk Register assigning a Head of Service as risk owner. This element will be progressed in accordance with the Strategic Risk timetable.		
Responsible officer: Laurel Niven	Implementation date: 5 October 2017	

R7: Alternative Site		Priority 2: High
Identify alternative sites within business continuity plans.		
Implementation of the recommendation will ensure the Council has a back-up facility which it can provide its key services from.		
Management Response		
Recommendation agreed but review of service BCPs needs to take place before identifying alternative site(s) or other possible working arrangements. Site already identified and functional for initial BC strategic response (i.e. Aspire Depot) but larger site required for operational service delivery especially if civic centre lost for extended period. Larger site to be selected and necessary works to make functional to be undertaken. Situation to be reviewed again after results of service BCPs have taken place		
Responsible officer: Robin Jones Laurel Niven	Implementation date: TBD (single site identified and functional) 29 October (review of alternative site(s) in light of service BCPs update)	

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R9: Update Service Area Business Continuity Plans		Priority 2: High
Update Service Area Business Continuity Plans to align to organisational structure.		
Implementation of the recommendation will ensure the service areas have up to date and effective plans to respond to a business continuity incident.		
Management Response		
Recommendation agreed. Email to be issued to all HOS in order to ensure update occurs. To copy in existing BC plan holders so services to review whether changes needed in terms to areas covered &/or who their plan holder is. Email to be issued w/b 29 August 2017 by Corporate Director (Law & Governance). One-month deadline for completion of service BC plans to include necessary liaison and support by Resilience Manager.		
Responsible officer: Heads of Service	Implementation date: 29 September 2017	

R5: Restoration Priorities		Priority 3: Medium
Update restoration priorities in the overarching Business Continuity Plan.		
Implementation of the recommendation will ensure the Council's plans reflect current service area priorities and contribute towards an up to date and effective business continuity response.		
Management Response		
Recommendation agreed. Will be addressed as part of recommendation 2 & 9		
Responsible officer: Laurel Niven	Implementation date: 29 October 2017	

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R8: Commitment to Testing		Priority 3: Medium
Set out commitment to test the Business Continuity arrangements.		
Implementation of the recommendation will provide assurance to the Council's Business Continuity response or identify areas in its arrangements which require action to improve.		
Management Response		
Recommendation agreed. There is a £10k allocated budget per year to provide training around identified risks within the council. This is in conjunction with Zurich Municipal. Once the BCP has been updated testing will take place and then scheduled every year. Also exploring additional training through Kent Resilience Team		
Responsible officer: Laurel Niven	Implementation date: First testing by 31 March 2018	

R12: BC Plan Testing – Service Areas		Priority 3: Medium
Implement requirement for BC Plan testing by Service Areas.		
Implementation of the recommendation will provide assurance to the service areas Business Continuity response or identify areas where plans require action to improve.		
Management Response		
Recommendation agreed. Requirement to undertake testing to be included in the BC Policy and testing schedule developed. Compliance to be reported to MT as part of a regular BC update report		
Responsible officer: Head of Service	Implementation date: 19 October 2017	

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R3: Business Continuity Steering Group		Priority 4: Low
Re-establish Business Continuity Steering Group and review terms of reference.		
Implementation of the recommendation will ensure wider Officer input into the Council's Business Continuity arrangements to ensure they provide an up to date and effective response.		
Management Response		
Recommendation agreed. TOR to be updated and membership reviewed. First meeting to be held November 2017 following feedback from MT on the 5 October and completion of Appendix A on the 29 October.		
Responsible officer: Tracey Kerly	Implementation date: By end November 2017	

R6: Guidance Notes to BIA and RA		Priority 4: Low
Prepare and circulate supporting guidance note to BIA and RA.		
Implementation of the recommendation will facilitate completion of BIA and RA templates by service areas.		
Management Response		
Recommendation agreed. However, the guidance needs to be issued quickly and therefore this will be considered a high priority.		
Responsible officer: Laurel Niven	Implementation date: Guidance to be issued w/b 29 August 2017 with requirement for services to update their BCPs	

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R10: Promote Objective Connect	Advisory
Raise staff awareness of BC arrangements through internal communications.	
Implementation of the recommendation will encourage better use of this facility to service areas for retaining plans and relevant documentation to support implementation.	
Management Response	
Presentation to Corporate Management Team on the 14 September 2017 to raise awareness amongst senior managers. Pre-Cabinet presentation on the 9 November 2017 for all members. Communication plan to be developed which will run alongside the other actions identified within this document.	

R11: Key Contracts	Advisory
Review provision of business continuity in key contacts	
Implementation of the recommendation will ensure the Council gains assurance that service provision delivered through a key contract would not be interrupted following a business continuity incident.	
Management Response	
Liaison with Procurement and Support Manager and Legal Service to ensure BC addressed within key contracts.	

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Appendix I: Audit Brief (issued as final 30.03.17)

About the Service

Business Continuity is the planning and preparation to ensure that an organisation can continue to operate in the event of a serious incident or disaster. Under the Civil Contingencies Act 2004, the Council is classified as a Category 1 responder, and as such the Council is required to:

- Have in place suitable Business Continuity arrangements
- Provide assurance and assistance to businesses and voluntary organisations

The Head of Health Parking & Community Safety has within her remit responsibility for the Council's Business Continuity arrangements, which is delivered through the Resilience Team. The Council works in partnership with the Kent Resilience Team to support its work.

The Council's Business Continuity arrangements overlap across all areas of the Council, and a Business Continuity Plan (BCP), dated 2015, is available on the intranet. At the time of planning the audit, work was ongoing with services to update their individual plans and the restoration priorities of the Council. The outcomes from this will inform revisions to the BCP as necessary.

Structure Chart



Note: Above structure effective from 1st April 2017 to reflect change of responsibilities between Health, Parking and Community Safety Managers.

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About the Audit

This audit is an **operational review** meaning that we will focus on the objectives and risks of the service and the effectiveness of associated controls.

The proposed audit forms part of the 2016/17 annual plan, which was agreed by the Council's Audit Committee on the 15 March 2016.

The overarching objective of the audit is to ensure that the Council has appropriately developed Business Continuity arrangements, which are formalised through a policy and supporting procedures.

Our findings in this review will contribute towards the **internal controls** aspect of the Head of Audit Opinion, to be issued in June 2017.

Audit Objectives

1. To review the Council's Business Continuity Plan and supporting procedures.
2. To establish whether service areas have Business Continuity Plans that are tested and reviewed.
3. To establish staff awareness of Business Continuity arrangements.
4. To establish how the Council is meeting its responsibilities for Business Continuity under the Civil Contingencies Act 2004.

Audit Scope

1. Roles and responsibilities for Business Continuity Planning.
2. The Council's Business Continuity Plan and supporting procedures.
3. Individual Business continuity Plans for service areas.
4. Business Continuity Testing exercises.
5. Training and awareness.
6. Key service contracts.

Audit Testing

1. Desktop review of the Council's Business Continuity Plan.
2. Survey to establish Officer awareness of Business continuity arrangements.
3. Review of Business Continuity testing/actual events.
4. Evaluation of arrangements in place to meet the requirements under the Civil Contingencies Act.

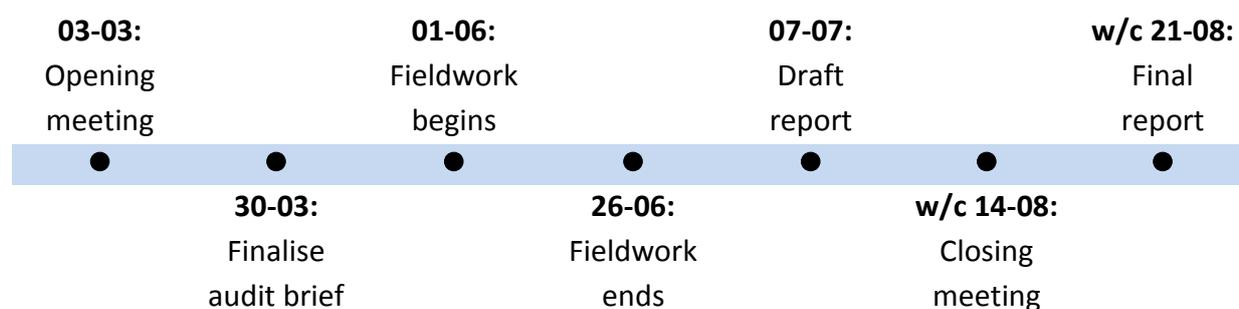
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Audit Resources

Based on the objectives, scope and testing identified we expect this review will need **12 days** of audit time, broadly divided as follows:

Audit Task	Auditors	Number of Days (Projected)
Planning	Mark Goodwin	1.5
Fieldwork	Mark Goodwin	7.5
Reporting	Mark Goodwin	2
Supervision & Review	Alison Blake / Russell Heppleston	1
Total		12

Audit Timeline



Resources required by audit

Documents required	
Overarching Business Continuity Plan	Supporting Business Impact Assessments to BCP
Supporting Risk Assessment to BCP	Minutes from Working Groups (if applicable)
Supporting paperwork to testing of plans	Training records
Systems access	
Server access to information above	

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Appendix II: Assurance & Priority level definitions

Assurance Ratings

Full Definition	Short Description
<p>Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.</p>	<p>Service/system is performing well</p>
<p>Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p>Service/system is operating effectively</p>
<p>Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Service/system requires support to consistently operate effectively</p>
<p>Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p>Service/system is not operating effectively</p>

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Recommendation Ratings

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.