



INFRASTRUCTURE, GOVERNMENT AND HEALTHCARE

Leeds City Council

Business Continuity Management Review – Final

22nd December 2008

AUDIT

Contents

1	Executive Summary	4
1.1	Introduction	
1.2	Key findings	
1.3	Areas for improvement	
2	Introduction	5
2.1	Background	
2.2	Objectives and scope of our review	
2.3	Audit approach	
2.4	Acknowledgements	
3	The Business Continuity Management Programme (BCM)	6
3.1	Introduction	
3.2	Understanding	
3.3	Assessment	
4	BCM plans and policies	7
4.1	Introduction	
4.2	Review	
4.3	Conclusion	
5	Third party support and partnerships regarding BCM	10
5.1	Introduction	
5.2	Review	
5.3	Conclusion	
6	Testing and maintenance of the BCM programme	11
6.1	Introduction	
6.2	Review	
6.3	Conclusion	

Contents

7	Awareness and Training Programme	12
7.1	Introduction	
7.2	Review	
7.3	Conclusion	
8	Internal Audit	13
8.1	Introduction	
8.2	Review	
8.3	Conclusion	
<p>Determine whether the individual business units are following the guidelines set out by the BCM programme and have a clear understanding of their roles and responsibilities within the overall programme</p>		
	Introduction to individual Business Unit review	15
9	Corporate Property Management [Consolidated Critical Service]	16
9.1	Background	
9.2	Review	
9.3	Conclusion	
10	Corporate Property Management [Single Critical Service]	17
10.1	Background	
10.2	Review	
10.3	Conclusion	
11	Adult Services [Consolidated Critical Service]	18
11.1	Background	
11.2	Review	
11.3	Conclusion	
12	Adult Services [Single Critical Service]	19
12.1	Background	
12.2	Review	
12.3	Conclusion	

Contents

13	Children Services [Consolidated Critical Service]	20
13.1	Background	
13.2	Review	
13.2	Conclusion	
14	Children Services [Single Critical Service]	21
14.1	Background	
14.2	Review	
14.3	Conclusion	
15	Link between BCM and IT Disaster Recovery Plan	22
15.1	Background	
15.2	Review	
15.3	Conclusion	
	Appendix 1 - Recommendations and Action Plan	23

The **report is addressed to the Authority and has been prepared for the sole use of the Authority**. We take no responsibility to any officer or Member acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and openly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Adrian Lythgo, who is the engagement director to the Authority, telephone 0113 231 3738, email adrian.lythgo@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 236 4000, email trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Team, Nicholson House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SU or by e mail to: complaints@audit-commission.gov.uk. Their telephone number is 0117 975 3131, textphone (minicom) 020 7630 0421.

1 Executive summary

1.1 Introduction

Business Continuity Management (BCM) is the generic term encompassing all aspects of planning, preparation and operational management necessary to provide continuance of business operations under all circumstances.

Business Continuity Planning (BCP) deals with the planning for the recovery of people and facilities required to support business processes. It may include the recovery of desktop and telecommunications, but it does not include the recovery of applications, Systems and infrastructure (addressed by the IT Disaster Recovery Plan).

We agreed with the Council that we would carry out a review of the implementation of BCM arrangements across the Council as part of the 2007/08 Audit and Inspection Plan. Our work was limited to and focused on four Business Units, chosen and agreed between the Council and ourselves. Our assessments and conclusions are based upon discussions with key personnel and a review of relevant documentation presented to us at the time of our review.

1.2 Key findings

- ✓ The Council have made good progress in the area of BCM within the last year;
- ✓ The Council have formal documented plans and policies in place that follow good practice;
- ✓ We found individual expertise and knowledge of BCM was generally of a high standard in the areas reviewed and where third party support was needed consideration had been given within their BCPs.
- ✓ Of the four individual Business Units reviewed we found three to be following the guidelines set out by the BCM programme;
- ✓ There are processes and procedures in place for testing and maintaining the BCM programme;
- ✓ In the areas reviewed key personnel responsible for BCM have been identified at all levels regarding BCM; and
- ✓ The link between BCM and IT disaster recovery has been considered.

1.3 Areas for improvement

Through discussions with key members of staff and a review of available documentation we found that overall the Council have made good progress in implementing BCM. However, we did identify a number of areas where the Council could improve on existing processes.

- Testing of the Corporate Business Continuity Plan and training of key personnel
The plan has now been finalised and distributed to relevant staff. However, it is our understanding that the above Plan has yet to be exercised and key personnel trained in the Plan.
- Internal Audit
From our review and discussion with the Risk Management Unit it is our understanding that three of six key recommendations made by IA are still outstanding. In addition, we found that no defined agreed timescales had been identified for the recommendations to be actioned.
- East Moor BCP
The BCP for East Moor is currently in draft format and is yet to be approved. The fit for purpose review has yet to be carried out by the RMU. Without a clear link between the BCP and the overall BCM programme there is a risk that important processes and procedures identified in East Moor's BCP, the Corporate BCP and Business Continuity Framework, will not be synchronised to ensure that the best action is taken if or when the East Moor BCP needs to be invoked.
- Availability of testing documentation for audit review.
During our review we were unable to obtain evidence whether the business continuity exercise carried out 6 months ago was successful.

2 Introduction

2.1 Background

Leeds City Council (the Council) has in place a BCM policy to ensure it can continue to deliver its key services to the community in the face of disruptions to their operation. In addition, the Risk Management Unit (RMU) has developed the 'Leeds BCM Framework' to help ensure that robust and consistent BCM arrangements are implemented and tested at corporate and service levels.

2.2 Objectives and scope of our review

Our objective was to gain an understanding, and provide an assessment on, the current status of the BCM programme at the Council.

Our audit objectives are detailed below:

- Gain an understanding and provide an assessment on the current status of the BCM programme at the Council;
- Review the current BCM programme and associated plans/policies to identify whether good practice has been followed;
- Gain an understanding of the processes and procedures the Council has in place when considering third party support/partnerships regarding BCM;
- Determine whether the individual business units are following the guidelines set out by the BCM programme and have a clear understanding of their roles and responsibilities within the overall programme;
- Determine whether the Council has in place adequate processes and procedures for testing and maintenance of the BCM programme;
- Identify whether an adequate awareness and training programme has been developed by the Council for BCM;
- Identify whether the Council's Internal Audit function or independent body carry out impartial reviews on BCM against defined standards and policies;
- Identify whether key personnel have been identified at all levels and continuous training is available and carried for the above personnel; and
- Consider the links between BCM and the IT Disaster Recovery plan.

2.3 Audit approach

Our approach has included:

- Reviewing key documents;
- Interviewing key staff at the Council body; and
- Providing constructive challenge and support.

To determine whether individual business units are following the guidelines set out by the BCM programme and have a clear understanding of their roles and responsibilities within the overall programme we randomly selected four critical services from the overall Critical Services List. Furthermore, it was agreed that the review would look at Consolidated Critical Services (CCS) and Single Critical Services (SCS).

The definition being;

Consolidated Services – where a number of additional operational services exist to provide a specific critical service.

Single Service – main services which are self sufficient.

2.4 Acknowledgements

We would like to take this opportunity to thank all those staff who have supported this review.

3 The Business Continuity Management Programme (BCM)

3.1 Introduction

To gain an understanding and to provide an assessment on the current status of the BCM programme at the Council we interviewed key personnel from the Risk Management Unit (RMU). In addition, we acquired and reviewed documentation in connection with the BCM programme that was available to us at the time of our review.

3.2 Understanding

The Council has in place a BCM policy which is designed to reinstate its key services to the community to an acceptable level in the face of a unexpected disruptions. In addition, the RMU has developed the 'Leeds BCM Framework' to help ensure that robust and consistent BCM arrangements are implemented and tested at corporate and service levels.

The RMU is responsible for coordinating work around BCM at the corporate level and is able to provide advice and guidance to officers face-to-face or by telephone, e-mail or the 'Risk Management and BCM Interest Area' on the Council's Intranet site. In addition the RMU is also responsible for developing the BCM Strategy setting out how the principles of the BCM Policy are implemented and what the milestones for achieving this are.

The RMU has developed a BCM Framework which encourages consistent arrangements to be implemented, followed and tested at all levels.

The BCM Framework encompasses the following three sections:

- A BCM Policy – that outlines the purpose and principles of BCM and states the Council's commitment to establishing robust BCM across the Council;
- A BCM Strategy – that sets out how, when and by whom BCM arrangements are to be implemented; and
- A BCM Toolkit – that encompasses a range of useful advice and guidance for officers to develop BCM arrangements within their own service areas.

A final draft of the Corporate Business Continuity Plan (the Plan) had been developed and had been through consultation with the Corporate Risk Management Group at the start of our review. It has now been finalised and distributed to relevant staff. However, management have informed us that the Plan has yet to be exercised and key personnel trained in the Plan.

3.3 Assessment

Through review and discussion with key members of staff the current status of the BCM programme provides a well structured and organised framework that is actively being reviewed and updated to reflect the current status of identified critical services.

Recommendation 1

The Council should consider the following:

- Now that the Corporate Business Continuity Plan (the Plan) has been developed and approved it should be formally tested and success and failures recorded and the Plan updated according to the results of the exercise;
- Thereafter the Plan should be formally tested on a periodic basis to give the Council assurance that all processes and procedures within the plan coincide with the Council's current working environment and adheres to legal and regulatory requirements. Therefore if an incident occurs the Council would have confidence that the Plan can be invoked in a timely and efficient manner; and
- Furthermore, all key personnel should initially be trained to gain an understanding of the Plan and its link to the Major Emergency Plan and thereafter formal periodic updates should be provided to those personnel if and when changes are made to the Plan.

4 BCM plans and policies

4.1 Introduction

To understand and identify whether good practice has been followed by the Council to achieve their desired goals in implementing a robust and well structured BCM programme we used the following good practice guidelines and methodology to determine that good practice was followed and to identify any gaps:

Below is a brief summary of the reason why we used the following areas of expertise:

Business Continuity Institute (BCI) Good Practice Guidelines.

“The Business Continuity Institute (BCI) was established in 1994 to enable individual members to obtain guidance and support from fellow business continuity practitioners. The BCI currently has over 4000 members in approximately 85 countries”.

The BCI defines Business Continuity Management (BCM) as: “an holistic management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience and capability for an effective response that safeguards the interests of its key stakeholders, reputation and value creating activities”.

“The wider role of the BCI and the BCI Partnership is to promote the highest standards of professional competence and commercial ethics in the provision and maintenance of business continuity planning and services. The BCI is the world’s most eminent BCM institute and our name is instantly recognised as standing for good practice and professionalism”.

We used the guidelines because have been written and compiled by BCI members with the following aim: “to provide a generic framework for successful Business Continuity Management by providing an approach, which a BC practitioner can use to inform his or her own business programme. The BCI Good Practice Guidelines are designed to provide assistance in understanding through the application of six Business Continuity Management stages”.

In addition “the guidelines aim to be applicable to all organisations, regardless of size or industry sector, and are intended for use by business continuity management practitioners, risk managers auditors and regulators”.

KPMG BCM Methodology.

The KPMG methodology was recently published by the British Bankers Association as a good practice guide for their membership and is aligned to the 10 core competencies of the Business Continuity Institute.

KPMG is a members of the lead development team for the British Standard Institute’s UK code of practice for business continuity management (BS 25-999) which ensures that the firm’s continually improving its approach and methodology whilst promoting good business continuity practice across the industries and beyond.

4 BCM plans and policies (continued)

4.2 Review

To review the current status of BCM we acquired the current plans and policies and discussed key areas with members of RMU. The Council has been conducting a significant BCM programme over the past year and have developed and implemented a BCM programme designed to allow the Council to react to unexpected incidents that may have an affect on their critical services.

The following is a brief overview of the key policies and plans we reviewed to determine whether good practice was followed:

Corporate Business Continuity Plan (the Plan)

The Plan is structured into four main sections covering the following areas:

- *General information* – Purpose of the Plan, Scope of the Plan, Link to the Major Emergency Plan and Other Related Procedures;
- *Control* – Overview of Co-ordination Arrangements, Responsibilities of Key Officers and Team, Emergency Management Team (EMT), Tactical Control Team (TCT), Directorate Incident Support Teams, Emergency Communication Team and Informing Elected Members;
- *Action* – Overview of Incident Management Process, Activation and Trigger Levels, Alert and Call-out, Actions by Key Players and Team, Chief Executive, Emergency Management Team and Tactical Control Team; and
- *Appendices* – Contacts List, Incident Log, Incident Management Checklist and Action Checklists for key players and teams.

Business Units Business Continuity Policy (BCP)

The individual BCPs are structured into five main sections covering the following areas:

- *Aim of the BCP* – discusses the broad aim, the specific principal objectives for undertaking BCM;
- *Scope of the Policy* – discusses what the policy is about, how BCM is defined within the policy, what aims to ensure, what the policy forms part of and how it has been developed to be consistent with the objectives and content of other key policies;
- *Description of the BCM Policy* – discusses the terms of the basic principles which underpin the Council's approach to BCM;
- *Statutory & Regulatory Responsibilities* – discusses The Civil Contingences Act (2004) that provides the statutory underpinning for BCM. Within this legislation, local authorities are defined as 'Category 1' or 'Core Local Responders' with the Council having certain duties to carry out.
- *Roles and Responsibilities for BCM* – discusses the roles and responsibilities of key personnel within the Council: Executive Board, Corporate Governance and Audit Committee, Corporate Risk Management Group, Corporate Leadership Team, Directors / Chief Officers, Risk Management Unit, Enabling Roles and key enabling services such as: ICT Services, Corporate Human Resource, Facilities Management and Communication Team.

4 BCM plans and policies (continued)

Business Continuity Management Framework (the Framework)

The Framework was developed by the Council's RMU department to encourage a consistent approach when Framework arrangements are implemented and tested at the corporate and service levels. The Framework comprises and discusses the following three sections:

- A BCM Policy which outlines the purpose and principles of BCM and states the Council's commitment to establishing robust BCM across the Council;
- A BCM Strategy which sets out how, when and by whom BCM arrangements are to be implemented; and
- A BCM Toolkit which encompasses a range of useful advice and guidance for officers to develop BCM arrangements within their own service areas.

4.3 Conclusion

We found that the plans and policies that the Council had developed and had in use at the time of our review were well structured and detailed. The documents show that the Council has adopted good practice guidelines set out by the Business Continuity Institute and has used this methodology and lifecycle to develop their own BCM programme.

The Council has adopted a structured approach in developing and implementing their BCM programme. Therefore it is our understanding that good practice is being followed in the creation and implementation of the Council's BCM plans and policies.

5 Third party support and partnerships regarding BCM

5.1 Introduction

Our objective in this area was to gain an understanding of the processes and procedures the Council has in place regarding third party support for their individual Business Units (BU) in the event of an incident and whether these processes and procedures have been adequately identified and documented within individual Business Unit Business Continuity Plans (BCP).

5.2 Review

Through a review of documentation and discussion with individual members of staff from the chosen Business Units we found that, in the main, the Business Units appear to be self-sufficient. Where third party support would be needed to assist in an incident we found that contact information had been included in the BCP such as name of the organisation and contact details including out of hour details and their role in the plan. Examples of independent bodies that may provide support include:

- Building Agency – Asbestos Management;
- Building Agency – Legionella Risk Monitoring Works; and
- Health & Safety Executive.

The above examples were taken from the Property Section – Social Services Department BCP.

On review of individual BCPs we found that attached to each plan was an Incident Management Process flow diagram, an Incident Management Checklist and Contact Information list outlined above including key personal contact details and their individual role in the plan.

Through discussion and review we found that the four in-scope Business Units we reviewed were able to demonstrate when and how they would use the processes and procedures available to them and had taken into consideration their third party support expertise needed to assist individual service areas in an incident.

5.3 Conclusion

We found that third party support for individual Business Units was planned where considered necessary by local management.

6 Testing and maintenance of the BCM programme

6.1 Introduction

RMU are also tasked with carrying out periodic test (walkthrough exercises) of individual Business Units BCPs.

6.2 Review

The Council has a number of documented processes and procedures that cover testing and maintenance of the BCM programme. The information given below has been taken from documents provided by the Council for the purpose of our review:

- RMU Business Continuity Planning Exercise

This is a documented process for carrying out tests on individual business units to check procedures for accuracy and that the BCP contents are fit for purpose. Key personnel from the service area need to be available to explain processes and procedures and possible outcomes of actions.

The walkthrough exercise is based on a scenario (or multiple scenarios) created in advance of the exercise and covers the whole of the BCP in detail without calling upon any resources.

The walkthrough team will consist of individuals key to the management of incidents and recovery services. Timescales for the exercises should take into consideration the size and depth of the BCP.

- Critical Services Exercise Schedule

The schedule identifies all of the critical services for the Council, Chief Officer contacts, business continuity contacts, date the BCPs were completed, date the BCPs was exercised, future test dates and RMU comments. In addition the schedule categorises the criticality of the individual services.

- Post Incident Review (PIR) Notes

This document advises key personnel on areas that need to be considered, questions asked and issues addressed through the post incident review process.

- **6.3 Conclusion**

From discussions and a review of available documentation, the processes and procedures in place at the time of our review in respect of testing and maintenance were considered to be adequate.

7 Awareness and Training Programme

7.1 Introduction

The Risk Management Unit (RMU) is responsible for co-ordinating work around BCM at the corporate level and is able to provide advice and guidance to officers face-to-face or by telephone, e-mail or the 'Risk Management and BCM Interest Area' on the Council's Intranet site. RMU facilitate training and awareness regarding BCM to key personnel who have responsibilities around business continuity management.

7.2 Review

Key personnel

From the review of the four chosen business units and discussion with key members of staff we concluded that the four business units have identified key personnel in regards to BCM.

Awareness and training programme

It is our understanding that BCM training is not mandatory at the Council for key personnel interviewed during this review who would be involved in business continuity incident. An awareness and training programme for BCM is in place at the Council and there are a number of packages available to deliver the training. The key packages are:

BCM training package – management processes which enable the organisation to identify and evaluate the potential impact of disruptions to its services from various sources and form the basis to develop appropriate strategies for responding to such incidents.

BCP training package – ongoing processes of identifying the potential threats to the delivery of the Council's services, assessing their impacts and probabilities and developing and implementing plans and strategies.

In addition to the above management have informed us that training is available on the Council's Intranet, adhoc guidance is available by phone from RMU, presentations have been given at a departmental level regarding BCM. There has also been training for elected members and an away day held for the RMU and Corporate Leadership Team where there was an update on BCM.

7.2 Conclusion

Through review and discussion with management, we identified that training regarding BCM is in place and documented with good practice being followed in a number of areas.

8 Internal Audit

8.1 Introduction

The Council has an Internal Audit (IA) function that carries out independent reviews of BCM. Within the 2007-08 year IA carried out a review of BCM. The review was of business continuity arrangements and was associated with the risk that business continuity arrangement for critical services are inadequate in the event of an internal or external major disruption or incident.

8.2 Review

A final report was issued in July 2007 with the following audit opinion given:

- moderate assurance given for the control environment (there are some weaknesses in the control environment); and
- moderate assurance given for compliance (the control environment has mainly operated as intended although errors have been detected).

Through discussion and review of the report we found that IA had made six key recommendations which were:

- Full supporting evidence should be produced and retained to support the assessment, challenge and approval processes undertaken, when assessing business continuity;
- Following the completion of future BIA the Council should ensure that a risk assessment is undertaken;
- RMU should consider the benefits of prioritising the outstanding business critical services and ensuring that the most critical services have plans developed first;
- The Corporate Business Continuity Plan should continue to be finalised and challenged at the appropriate forums and communicated to all key stakeholders;
- Each service level business continuity plan owner should maintain a change log to evidence any amendments made to the plan; and
- Consideration should be given to making continuing professional development (CPD) a mandatory requirement for all officers working in the Risk Management Unit

8 Internal Audit (continued)

8.3 Conclusion

From our review and discussion with the RMU it is our understanding that three of six key recommendations made by IA are still outstanding. In addition, we found that no defined agreed timescales had been identified for the recommendations to be actioned:

Outstanding IA recommendations:

Recommendation 1

- Full supporting evidence should be produced and retained to support the assessment, challenge and approval processes undertaken, when assessing business continuity.

Update

- In progress

Recommendation 2

Update

- In progress

- Following the completion of future BIA the Council should ensure that a risk assessment is undertaken.

Recommendation 6

- Consideration should be given to making CPD a mandatory requirement for all officers working in the Risk Management Unit.

Update

- open – management have informed us that currently there is no budget in place to accommodate mandatory CPD requirement.

Recommendation 2

The Council should ensure that all recommendations that have been made and agreed to between Internal Audit and the Business are actioned within agreed timescales.

Introduction to individual Business Unit review

Background

To determine whether individual business units are following the guidelines set out by the BCM programme and have a clear understanding of their roles and responsibilities within the overall programme, we randomly selected four critical services from the overall Critical Services List. It was agreed that from each Business Unit area chosen we would review the Consolidated Critical Service and Single Critical Service.

The definition being;

Consolidated Critical Services (CCS) – where a number of additional operational services exist to provide a specific critical service.

Single Critical Service (SCS) – main services which are self sufficient.

The following four Critical Services were chosen:

- Corporate Property management (CCS)
- Corporate Property management (SCS)
- Adult Services (CCS)
- Adult Services (SCS)
- Children Services (CCS)
- Children Services (SCS)
- ICT Services (CCS and SCS)

The following sections discuss in detail the individual services reviewed.

9 Corporate Property Management [Consolidated Critical Service]

9.1 Background

The Corporate Property Management CCS is responsible for the following:

- Day to day reactive maintenance repairs;
- Out of hours emergency repairs service;
- Asbestos and Legionella Risk; and
- Water Management.

9.2 Review

Through discussion with management we found that there is a formal documented Business Continuity Plan (BCP) in place. The plan had been approved and was recently revised. Management have informed us that the RMU were involved in the development of the BCP.

Through discussion with key members of the business unit we found that they were knowledgeable and experienced in carrying out their day to day duties and have a clear understanding of their roles and responsibilities within the overall BCM programme. Management have informed us that all key members of staff who would be called upon if an incident occurred have access to a copy of the BCP.

A Business Continuity planning exercise was carried out in April 2007. The RMU was responsible for carrying out the exercise and key members of the Business Unit were involved. The purpose of the exercise was to identify whether procedures were accurate and that the BCP content was fit for purpose.

The exercise consisted of checks on certain areas and included a scenario based exercise on specific incidents i.e. loss of people due to illness, loss of IT systems and building evacuation. Each scenario lasted approximately 20 minutes and a report produced on the outcome of the exercise giving conclusion and recommendations.

The following conclusion from the Business Continuity planning exercise was given: The Head of Property was an experienced manager with a great deal of knowledge in managing incidents. The BCP was used to good effect with particular use of contact details and the pre-agreed contingencies. Minor amendments were made on the day.

9.3 Conclusion

From a review of available documentation and discussions with management we can conclude that guidelines are being followed and that staff have an understanding of their roles and responsibilities.

