



Report of the Director of Resources

Corporate Governance & Audit Committee

Date: 21st January 2009

Subject: KPMG Audit of Business Continuity Management at the Council

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Purpose of this Report

1.1 This report summarises the key findings from KPMG's recent audit of the Council's Business Continuity Management (BCM) arrangements.

2.0 Background Information

2.1 As part of their 2007/08 Audit and Inspection Plan, it was agreed that KPMG would carry out a review of the implementation of BCM arrangements across the Council. The audit objectives were to:

- 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 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.

- 2.2 KPMG's work was limited to and focused on four Business Units that were chosen from the list of Council-agreed 'critical' services. These four business units were as follows:
1. Corporate Property Management (day-to-day reactive maintenance repairs, out-of-hours emergency repairs service; asbestos and legionella risk and water management, resilience and emergency procedures for Council buildings).
 2. Adult Services (Social Work Assessment and Care Management, Community Support, Emergency Duty Team and Approved Social Workers, residential homes).
 3. Children's Services (Social Work Assessment and Care Management, East Moor Secure Children's Centre).
 4. ICT Services (to assess the linkages between BCM and IT Disaster Recovery).

3.0 Main Issues

- 3.1 KPMG has noted 7 key findings resulting from its BCM review:
1. 'The Council have made good progress in the area of BCM within the last year;
 2. The Council have formal documented plans and policies in place that follow good practice;
 3. 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 [Business Continuity Plans];
 4. Of the four individual Business Units reviewed we found three to be following the guidelines set out by the BCM programme;
 5. There are processes and procedures in place for testing and maintaining the BCM programme;
 6. In the areas reviewed key personnel responsible for BCM have been identified at all levels regarding BCM; and
 7. The link between BCM and IT disaster recovery has been considered.' (Paragraph 1.2, p.4 of KPMG's Final Report (attached at Appendix 1)).
- 3.2 Four recommendations have been made, none of which have been deemed to pose 'significant residual risk'. These recommendations and the Council's response can be read at Appendix 1 of KPMG's report (pp. 23-6).

4.0 Implications for Council Policy and Governance

- 4.1 KPMG's report provides the Committee with independent assurance on the increasing robustness of BCM at the Council. As BCM forms a key part of the Council's risk management and internal control environment, this assurance will aid the Committee in approving the annual Corporate Governance Statement.

5.0 Legal and Resource Implications

- 5.1 There are no specific legal or resource issues associated with this report.

6.0 Conclusions

- 6.1 KPMG has noted the significant progress that has been made in developing and implementing robust and consistent BCM arrangements across the Council.

7.0 Recommendations

- 7.1 It is recommended that members note the progress made with respect to BCM across the Council.

Background Documents

1. 'Leeds City Council, Business Continuity Management Review – Final' (22nd December 2008), KPMG
2. Report to this Committee, 'Update on Business Continuity Arrangements at East Moor Secure Children's Centre' (26/11/08), Director of Resources