

Audit and Corporate Governance Committee Report

Report of Head of HR, IT & Customer Services

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To: AUDIT & CORPORATE GOVERNANCE COMMITTEE

DATE: 30 January 2012

AGENDA ITEM 4

Business continuity and risk management update

Recommendations

We invite Audit and Corporate Governance Committee to note our existing arrangements and the additional work we have undertaken since our last update reports.

Purpose of Report

1. The purpose of this report is to provide committee with an update on our business continuity and risk management arrangements.

Relationship with corporate plan

2. Having effective business continuity arrangements in place will help the councils in meeting their shared strategic objective of 'managing our business effectively'. Our risk management arrangements underpin all strategic objectives.

Background

3. The joint Business Continuity Strategy and the joint Risk Management Strategy require us to present regular reports to this committee on how we are managing our risks and to provide an update on our business continuity arrangements. Both strategies accompany this report.
4. On 30 June 2010, committee approved our recommendation to revise the reporting frequency of business continuity and risk management updates from quarterly to annually.

Business continuity

5. In compliance with the Civil Contingencies Act 2004 and accompanying regulations, we are required to 'assess the risk of an emergency occurring and to maintain plans for the purpose of ensuring that if an emergency occurs, the councils are able to perform their functions'. In other words, we need to ensure that we would be able to continue to deliver our services to residents in the event of a disruption.
6. Last year, following the fourth tier management restructure, we conducted a council wide business impact assessment (BIA). The purpose of this assessment was to differentiate between critical (urgent) and non-critical (non-urgent) organisational functions/activities, given that the council will never have sufficient resources to restore everything immediately, or it would be too costly to maintain such back-up services.
7. We involved service managers and heads of service in the BIA to ensure we had a council wide view of all our functions. Through a series of workshops we identified the critical activities of each service, the recovery resources required (people, workspaces, IT systems and equipment) and we also gathered additional data to inform each of the plans such as names of the members of the business recovery team. We also prioritised each function by assessing how quickly we would need to restore it in the event of a disruption. This assessment took into account the needs of the public and the timescale on which the service is normally delivered. For example, the assessment concluded that the council's benefits service needed to be restored within 2 days, whereas the determination of planning applications should be recovered within 5 days, given that this is a small proportion of the normal eight week period and would not cause immediate hardship to residents.
8. We transferred the results of the BIA into each service's business continuity plan so in the event of a disruption all staff are aware of their responsibilities and what action they need to take.
9. Each plan is owned by the Head of Service and each has a separate plan administrator. The plan administrator co-ordinates the quarterly review of their plan and makes amendments where necessary.

Risk management

10. We created our operational risk registers in April 2010 and initially it involved service teams looking at the services that they deliver and then identifying any barriers or risks which would stop them from delivering their services. The next stage was to analyse those risks in order to understand the consequences of them happening and what would trigger them to happen in the first place. The final task for service teams was to prioritise their risks according to the likelihood of the risk occurring and the impact if it did occur. This results in each risk receiving a score that we use to plot the risk onto a matrix and identify if we need to manage it any further.
11. The council has seven operational risk registers and seven risk champions, one for each service. The risk champion is responsible for co-ordinating the quarterly update exercise within their service area and updating their risk register as required.

Business continuity progress since last update

12. The business continuity arrangements have not changed since our last update. The business continuity plans are reviewed and updated where required every quarter. Any changes to the plans are reflected in the crisis management plan.
13. The business continuity plans are available on a general drive available to all staff and we have removed any personal details such as home contact numbers from the plans. Contact details are available separately to a small number of officers to protect confidentiality, and these can be used to contact staff to advise them to adopt alternative working arrangements in the event of a disruption.
14. We still use the remote email account to store the plans in case access to the council's network is disrupted or not possible.
15. As many suppliers and officers are now shared, we now have a joint crisis management plan with Vale of White Horse District Council. This has the added advantage that one office may still be available in the case of a business disruption. The increasing harmonisation of IT systems as part of the IT strategy means that most officers can work effectively on either site.
16. In our last report, we identified a few areas where we needed to take further action. One area related to the business continuity arrangements of key suppliers and assessed as part of the tender evaluation process for all significant procurement activities.
17. As far as possible given the working practices of suppliers, we have now put these arrangements in place and updated our procurement documentation to require sight of suppliers' business continuity plans for new contracts. While smaller suppliers very often do not have written business continuity plans, we have seen the business continuity arrangements of all larger contractors that involve critical direct services to customers (such as benefits and waste) and are satisfied that they are adequate. It should be noted that it is not possible to

guarantee business continuity in the event of some business disruptions such as the heavy snowfall that happened at the end of last year. However, despite unavoidably missing bin collections, the service returned to normal soon afterwards.

18. Another area identified was training, especially for the strategic crisis team (MT) who needed to know how to successfully implement the crisis management plan if needed. Although we didn't undertake a practical exercise, because this would have involved a considerable operational disruption, officer time and cost, we did produce a 'crisis management plan invocation process' flowchart which makes the process easier to follow if the need should arise. We will organise refresher training for the strategic crisis team.
19. We still need to develop a testing schedule which will demonstrate the effectiveness of our arrangements without causing a major disruption to services while the test is in progress. Rather than carry out a 'live' test, we will undertake 'walk-through' simulated disruptions.
20. The 'detailed business continuity arrangements' document, referred to in our last report is under review and is likely to be superseded due to the amount of information we include in the joint crisis management plan. The crisis management plan is a confidential document and would not be disclosed outside of the councils.

Risk management progress since last update

21. The risk management arrangements have not changed since our last update, with operational risk registers being reviewed and updated every quarter and are available on the intranet.
22. We are currently reviewing the effectiveness of such regular updates of the strategic risk register. As strategic risks are linked to corporate objectives, they are slow moving often with long timescales for any action taking place.
23. Since our last update, we have revised our operational risk registers to take into account the restructuring of our service teams. The risks within Commercial Services have now been included in the relevant register i.e. risks relating to waste are now included within Corporate Strategy's risk register.
24. The need for a tolerance level arises because few organisations have sufficient capacity to manage every risk, and we need to be able to decide and identify the most important risks so that we can focus our resources on managing them. Any risks which are above this tolerance are being monitored and are reviewed every quarter and we require officers to take action which is subject to an implementation deadline. We monitor the deadline and follow up with the officer concerned especially in cases where implementation dates have slipped.

Financial, legal and any other implications

25. There are no financial or legal implications arising from this report, other than to note that by having business continuity arrangements in place, the council is meeting its obligations under the Civil Contingencies Act 2004.

Conclusion

26. We still have robust and effective risk management and business continuity arrangements in place. Our business continuity plans are up to date and we now have a joint crisis management plan. We are managing our risks effectively and are aware of those risks which need further management.

Recommendation

27. We invite Audit and Corporate Governance Committee to note our existing arrangements and the additional work we have undertaken since our last update reports.

Accompanying papers: Business continuity strategy
 Risk management strategy

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