REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 4 June 2019

BY: Senior Auditor, East Lothian Council

SUBJECT: Internal Audit Report – Business Continuity Planning and Disaster Recovery

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1   PURPOSE

1.1   To inform the Audit and Risk Committee of the recently issued audit report on Business Continuity Planning and Disaster Recovery.

2   RECOMMENDATION

2.1   That the Audit and Risk Committee note the contents of the audit report.

3   BACKGROUND

3.1   A review of Business Continuity Planning and Disaster Recovery was recently undertaken as part of the Audit Plan for 2018/19.

3.2   The main objective of the audit was to ensure that effective arrangements are in place for Business Continuity Planning and Disaster Recovery within the IJB.

3.3   The main findings from our audit work are outlined in the attached report.

4   ENGAGEMENT

4.1   The findings from the review have been discussed with Management, but do not require wider engagement.

5   POLICY IMPLICATIONS

5.1   None

6   INTEGRATED IMPACT ASSESSMENT

6.1   The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7   RESOURCE IMPLICATIONS

7.1   Financial - None

7.2   Personnel - None

7.3   Other - None

8   BACKGROUND PAPERS

8.1   None

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INTERNAL AUDIT REPORT

ON

BUSINESS CONTINUITY PLANNING
AND DISASTER RECOVERY

EAST LOTHIAN IJB – INTERNAL AUDIT
BUSINESS CONTINUITY PLANNING AND DISASTER RECOVERY

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BUSINESS CONTINUITY PLANNING AND DISASTER RECOVERY

1. INTRODUCTION

1.1 As part of the Audit Plan for 2018/19, a review was undertaken of the Business Continuity Planning and Disaster Recovery arrangements operating within the East Lothian IJB.

1.2 Our main findings, recommendations and action plan from the review, form the basis of this report.

2. OBJECTIVE

2.1 The main objective of the audit was to ensure that effective arrangements are in place for Business Continuity Planning and Disaster Recovery within the IJB.

3. FINDINGS

3.1 Business Continuity Planning (BCP) is a process used to plan for emergencies and incidents that affect the normal business of an organisation. BCP is intended to achieve the minimum of disruption to the delivery of business critical systems from the effects of major failures or disasters. A Business Continuity Plan should provide a well-defined set of procedures to be followed to maintain critical activities and to achieve recovery. The failure to develop effective Business Continuity Plans could result in a disjointed approach being adopted should a BCP event occur and to increased exposure to operational, financial or reputational risks.

3.2 Disaster Recovery (DR) involves a set of policies, tools and procedures to enable the recovery or continuation of IT infrastructure or systems following a failure or disaster. DR focuses on the IT or technology systems supporting business critical activities, as opposed to BCP which looks at all aspects of keeping a business functioning. DR can be considered as a subset of BCP.

3.3 The Civil Contingencies Act 2004 and the Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations 2005 provide the primary legislative framework for resilience and civil contingencies in Scotland. Both NHS Lothian and East Lothian Council are category 1 responders under the Civil Contingencies Act 2004. Category 1 responders have a statutory duty to assess risks, maintain emergency plans relative to the identified risks, maintain Business Continuity Plans and share information and co-operate with partner agencies.

3.4 There is no requirement within the Integration Scheme for the IJB to have its own Business Continuity Planning and Disaster Recovery arrangements and it will rely on the BCP and DR processes adopted by the partner organisations to provide assurance over the resilience of the processes, systems, personnel and property which are relied on to deliver the IJB Strategic Plan. In the event of an adverse BCP or DR event arising, responsibility rests with the partner organisations to implement corrective action.

3.5 We note however that there are currently no arrangements in place for the IJB to receive assurances from the partners (NHS Lothian and East Lothian Council) on the

adequacy of the BCP and DR arrangements operating within their respective organisations, which may have an impact on the delivery of the IJB's Strategic Plan.

3.6   We further note that the IJB has a Risk Register and a Risk Management Strategy in place. The IJB Risk Management Strategy emphasises that:

- The IJB's risk management will centre on the business of the IJB. That is the preparation and delivery of the IJB's Strategic Plan. The IJB's Risk Register will not contain operational risks unless these risks may impact on the business of the IJB.
- Operational risks – that is the risks around service delivery managed by the partners and implemented through the IJB's directions – will continue to be managed by the appropriate partner (and will be included in the respective partner's risk register), however operational risks identified that are sufficiently significant to impact upon the business of the IJB can be entered on the IJB's risk register.

3.7   We note that operational risks relating to adverse BCP or DR events occurring could be sufficiently significant to impact on the IJB's ability to deliver the Strategic Plan, although no such risks are currently included in the IJB's risk register.

4.   CONCLUSIONS

4.1   There is no requirement within the Integration Scheme for the IJB to have its own Business Continuity Planning (BCP) and Disaster Recovery (DR) arrangements and it will rely on the BCP and DR processes adopted by the partner organisations. We note however, that there are currently no arrangements in place for the IJB to receive assurances from the partners (NHS Lothian and East Lothian Council) on the adequacy of the BCP and DR arrangements operating within their respective organisations, which may have an impact on the delivery of the IJB's Strategic Plan.

4.2   The audit has identified two areas with scope for improvement and detailed recommendations are contained in our attached action plan.

4.3   Internal Audit can provide **reasonable assurance** on the adequacy and effectiveness of the arrangements in place within the IJB for Business Continuity Planning and Disaster Recovery.

4.4   The weaknesses identified during the course of our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our attention during the course of our normal audit work and are not necessarily all of the weaknesses, which may exist. Although we include recommendations, it is the responsibility of Management to determine the extent of the Business Continuity Planning and Disaster Recovery arrangements appropriate to the IJB.

4.5   The content of this report has been discussed with the Chief Officer to confirm factual accuracy. The assistance and cooperation received during the course of our review is gratefully acknowledged.

5. ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
5.1	Appropriate arrangements should be put in place to ensure that the IJB receives assurances from both partners (NHS Lothian and East Lothian Council) on the adequacy of the Business Continuity Planning and Disaster Recovery arrangements operating within their respective organisations, which may impact on the business of the IJB.	Medium	Chief Officer	Report to IJB August 2019.		August 2019
5.2	Management should ensure that significant Business Continuity risks of partner organisations, which may impact on the IJB's ability to deliver the Strategic Plan, are identified and included in the IJB risk register.	Medium	Chief Officer	Add to risk register with hyperlinks to East Lothian Council and NHS Lothian BCPs.		August 2019

6. Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

7. Levels of Assurance – Definitions

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

Opinion	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.