

**Report to the Audit and Governance
Committee**



Report reference: AGC-013-2013/14
Date of meeting: 23 September 2013

**Epping Forest
District Council**

Portfolio: Finance and Technology
Subject: Report on the Internal Audit Business Continuity Plan
Responsible Officer: Brian Bassington (01992 564446).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) The Committee is requested to consider and comment upon the Business Continuity Plan for the Internal Audit Unit.

Executive Summary:

This report contains the Business Continuity Plan for the Internal Audit Unit for review by the Audit and Governance Committee, following concern expressed as to the continuation of assurance levels in the Council's systems provided to the Committee should an incident occur to the Internal Audit Unit.

Reasons for Proposed Decision:

Report as requested by the Audit and Governance Committee at the June 2013 meeting.

Other Options for Action:

No other options.

Report:

1. The Business Continuity Plan for the Internal Audit Unit has been in existence for a number of years and has been updated regularly when staff or situations have changed. The most recent update has included the upgrade of ICT equipment to laptops with VPN connection to the Council's network to enable mobile working.
2. The Plan covers the main threats to the Internal Audit Unit's business continuity which are:
 - (a) full or partial loss of staff;
 - (b) full or partial loss of accommodation;
 - (c) full or partial loss of IT facilities; and
 - (d) full or partial loss of telephone services.
3. The plan was activated during the flooding incident recently due to access to the Audit Office being severely restricted while the power supply and alarm system was unavailable.

Audit staff continued to work from both home and spare desks in the useable part of the building with minimal disruption.

Resource Implications:

No specific implications.

Legal and Governance Implications:

The Business Continuity Plan seeks to address any Legal and Governance implications.

Safer, Cleaner and Greener Implications:

No specific implications.

Consultation Undertaken:

Corporate Governance Group, Emergency Planning Officer.

Background Papers:

Corporate Business Continuity Plan.

Impact Assessments:

Risk Management

The Business Continuity Plan seeks to address the various levels of risk that an incident would place upon the continuing service the Internal Audit Unit provides.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

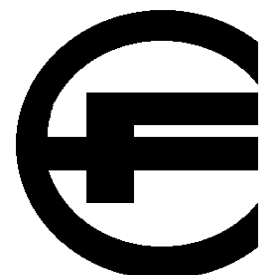
What equality implications were identified through the Equality Impact Assessment process?
There are no specific equalities impacts.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
There are no specific equalities impacts.

BUSINESS CONTINUITY PLAN

INTERNAL AUDIT UNIT

EPPING FOREST DISTRICT COUNCIL



1. Introduction

The major threats to the Internal Audit Unit's business continuity are:

Full or partial loss of staff
Full or partial loss of accommodation
Full or partial loss of IT facilities.
Full or partial loss of telephone services

2. Internal Audit is a Function Required by Legislation

2.1. The Local Government Act 1972

Section 151 requires that:

“every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.

At Epping Forest District Council the Director of Finance is deemed the “responsible officer” and one of the ways in which he exercises his responsibility for financial administration is through the work of Internal Audit.

2.2. The Local Government Finance Act 1982

The Local Government Finance Act 1982 requires External Auditors to satisfy themselves that:

“the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”.

The existence of an adequate Internal Audit function is an integral part of such “*proper arrangements*”.

As part of their work the external auditors seek to ascertain the extent to which the internal audit meets these various requirements and the extent to which they can place reliance on the work of it.

2.3. Accounts and Audit Regulations 2011

Under the regulation Internal Audit has the right of access at all times to documents and explanations as appear necessary to them.

2.4. The Local Government Finance Act 1988

Section 114 of the Local Government Finance Act 1988 places on the Director of Finance a responsibility to ensure that all expenditure is legal. Internal Audit seeks to assist the Director of Finance in meeting that responsibility.

3. Working Practices

The work of the Internal Audit Unit is such that auditors can work from any base provided with a telephone, and if necessary can work almost entirely paper based with tools as simple as a pad of paper, a pen and a calculator.

Records are either paper based in locked cupboards within the Unit's accommodation or computer based with all files held on the Council's network, and therefore subject to the ICT Service's backup procedures with copies held off site by a contractor.

Recovery of paper records would be time consuming but could be recreated from computer files and client records within the Civic Offices and other Council buildings, where not affected by the disaster.

4. Emergency Planning and Response Team

The Chief Internal Auditor is the Unit’s representative on the Emergency Planning and Response Team and provides liaison between the Unit and the team.

While it is accepted that auditors must maintain their independence from any process or procedure that they may later be asked to audit, clearly in a disaster situation which does not involve the Internal Audit Unit directly (i.e. audit staffing, accommodation, etc.) audit staff will be available for work at the direction of the Chairman of the Emergency Planning and Response Team or the Chief Executive in the initial days of the incident.

5. Inform Internal Audit Unit Staff

For home and mobile phone numbers and email addresses see appendix 1 (restricted circulation – updated at each establishment change)

Person Responsible:	Brian Bassington	Chief Internal Auditor
Deputy:	Sue Linsley	Senior Auditor

6. Full or partial loss of staff

In the event of a loss of staff both temporary and permanent recruitment procedures may have to be brought into action.

- 6.1. Arrange for counselling of surviving staff if required (contact Human Resources representative).
- 6.2. List of agencies – temporary staff (see below-others are available)
- 6.3. Job descriptions/person specifications (see sample documents held in the Audit Operations Manual – copies held off site as part of ICT file backup of the network).
- 6.4. Contact Essex Audit Group member Authorities for possible experienced audit staff on temporary loan.

7. Agencies

Reed Accountancy Personnel	020 8478 0061
Michael Page (Public Sector)	0845 600 7007
Hays Accountancy Personnel	0171 628 6655

8. Essex Audit Group – Chief Internal Auditors (or EAG contacts)

Basildon District Council	Paula Mills	01268 533333
Braintree District Council	Lesley Day	01376 552525
Brentwood Borough Council	Peter Tanton (ECC)	01245 430430
Castle Point District Council	Linda Everard	01268 792711
Chelmsford City Council	Ray Joy	01245 606606
Colchester Borough Council	Elfreda Walker	01206 282222
Harlow District Council	Julie Sharp	01279 446611
Maldon District Council	Angie Mitchell	01621 854477

Rochford District Council	Tracy Metcalf	01702 546366
Southend Borough Council	Linda Everard	01702 215000
Tendring District Council	Steve Blake	01255 425501
Thurrock Council	Gary Clifford	01375 390000
Uttlesford District Council	Sheila Bronson	01799 510510

9. Identify Additional Risks

Review the Internal Audit Unit Business Plan to identify any changes in risk levels caused by the disaster and re-rank the plan on the new risk index.

Identify any high risk area affected by the disaster where immediate advice on manual internal controls will be required, e.g. cash offices, invoice section, etc., and contact the relevant Director or Assistant Director on:

Main switchboard	01992 564000	Extension
G. CHIPP	CHIEF EXECUTIVE	4758
M. SYME	EXECUTIVE ASSISTANT	4080
D. MACNAB	DEPUTY CHIEF EXECUTIVE	4050
S.HAWKINS	EXECUTIVE ASSISTANT	4051
C. O'BOYLE	DIRECTOR OF CORPORATE SUPPORT SERVICES	4475
A. MITCHELL	ASSISTANT DIRECTOR (CSS)	4017
M. TIPPING	ASSISTANT DIRECTOR (CSS)	4280
P. MAGINNIS	ASSISTANT DIRECTOR (CSS)	4536
R PALMER	DIRECTOR OF FINANCE	4279
P. MADDOCK	ASSISTANT DIRECTOR OF FINANCE	4602
J. TWINN	ASSISTANT DIRECTOR OF FINANCE	4215
R. PAVEY	ASSISTANT DIRECTOR OF FINANCE	4211
D NEWTON	ASSISTANT DIRECTOR OF FINANCE	4580
J. GILBERT	DIRECTOR OF ENVIRONMENT & STREET SCENE	4062
Q.DURRANI	ASSISTANT DIRECTOR (E&SS)	4055
J. NOLAN	ASSISTANT DIRECTOR (E&SS)	4083
J. PRESTON	DIRECTOR OF PLANNING & ECONOMIC DEVEL.	4111
N RICHARDSON	ASSISTANT DIRECTOR (P&ED)	4110
K. POLYZOIDES	ASSISTANT DIRECTOR (P&ED)	4119
A. HALL	DIRECTOR OF HOUSING	4004
P. PLEDGER	ASSISTANT DIRECTOR OF HOUSING	4248
R. WILSON	ASSISTANT DIRECTOR OF HOUSING	4419
L. SWAN	ASSISTANT DIRECTOR OF HOUSING	4146
I. WILLETT	ASSISTANT TO THE CHIEF EXECUTIVE	4243
G.LUNNUN	ASSISTANT DIRECTOR (DEMOCRATIC SERVICES)	4244
J CHANDLER	ASSISTANT DIRECTOR (COMMUNITY & CULTURE)	4214

If any of the above cannot be contacted because of the extent of the disaster affecting their office accommodation or failure of the internal telephone system they should be contacted through their representative on the Emergency Planning and Response Team.

<p>Person Responsible: Brian Bassington Chief Internal Auditor Deputy: Sue Linsley Senior Auditor</p>
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10. Full or partial loss of accommodation

The Unit's accommodation is situated in the rear extension of the Civic Offices and therefore recovery from any loss is covered by the Corporate Business Continuity Plan.

10.1. Establish emergency office

Suitable premises are identified below.

Location of emergency office

Staff to work from home in the first instance until notified otherwise with weekly team meetings (each Friday at 2:00pm) at the Leisure Services offices , Hemnall Street, Epping, in the meeting room. If not available staff to be notified of an alternative.

Person Responsible: Brian Bassington Chief Internal Auditor
Deputy: Sue Linsley Senior Auditor

11. Full or partial loss of ICT facilities

The Unit makes full use of ICT facilities for word processing, spreadsheets, audit specific software and access to the Council's network systems. While, as previously stated, auditors can work manually both the quality of reports and working papers and the efficiency in carrying out data analysis would be reduced.

The Unit's ICT facilities are situated in the accommodation in the rear extension of the Civic Offices and therefore recovery from any loss is covered by the Corporate Business Continuity Plan.

Staff have been issued with laptop computers which while in the office are connected to the network via docking ports. Staff regularly undock these laptops so that they can work away from the office or out of office hours from home using the VPN system and Wi-Fi broadband connections where available (all audit staff currently have Wi-Fi connections at their homes).

In a disaster situation where the audit offices are undamaged access would be gained (when authorised) to collect any laptops in the audit office for allocation to staff for use at home.

If the audit offices are lost ICT Services would be contacted for replacement hardware, software and the restoration of the backup copies which are held off site by an external contractor.

If replacement hardware is not available or if the accommodation plan has been activated then the backup files will need to be in a format that can be temporarily restored onto the staff's own PC's at their homes as required, acknowledging the temporary loss of control over password access and backup procedures.

The most critical computer files are draft reports that are currently being worked upon, and these files are held on the network "Z". The ICT Service copy these files each evening as part of their backup procedures.

If any staff do not have access to their laptop, the VPN service or compatible computers at home then this is to be raised with the Chief Internal Auditor so that work can be re-allocated to solve the problem.

Manual working papers will be available as each member of the unit holds an EFDC headed pad off site and if necessary plain pads can be purchased at a local stationers.

Contact: David Newton Assistant Director (ICT) 01992 564580
(or through the ICT representative on the Emergency Planning and Response Team).

Person Responsible: Brian Bassington Chief Internal Auditor
Deputy: Sue Linsley Senior Auditor

12. Full or partial loss of telephone services

The Unit's telephone services are situated in the accommodation in the rear extension of the Civic Offices and therefore recovery from any loss is covered by the Corporate Business Continuity Plan.

If the disaster is only a loss of telephone services then contact to be made with ICT Services for recovery of the facility and contact with clients and auditees can be via the e-mail system, face to face or using staff personal mobile phones (reimbursement of work calls to be discussed at that time).

If the accommodation plan has been activated then the Internet e-mail service will be used for document transfer and external telephone systems (land line or mobile) used for voice communication.

Contact: David Newton Assistant Director (ICT) 01992 564580 (or through the ICT representative on the Emergency Planning and Response Team).
Person Responsible: Brian Bassington Chief Internal Auditor Deputy: Sue Linsley Senior Auditor

13. Timetable

Following a disaster that has rendered the Internal Audit Unit accommodation unavailable and assuming that the staff are safe the Unit's requirements are as follows:-

13.1 Loss of Accommodation

24 Hours	Staff to be contacted and directed to work from home. Extent of disaster to be assessed and audit expertise to be offered to assist in Corporate business continuity. Audit plan to be assessed to identify work to be carried out to ensure that high risk audits are covered. Instigate use of laptops or paper based working practices.
48 Hours	Alternative ICT and communications methods to be activated if necessary. If network access unavailable, request to ICT for backups to be made available.
4 Days	Staff to be working from home or alternative accommodation with weekly meetings at identified alternative accommodation.
7 Days	If salvage operation complete then assess the extent of loss of paper based records and identify critical losses. Draw up plan for reconstruction of critical records from client records (where still available).
> 7 Days	Work to continue to be home based until suitable accommodation/ICT/communications are identified by the Emergency Planning and Response Team as part of the overall plan. Critical files to be reconstructed. All computerised file backups to be restored and files created on home computers to be loaded onto network (after media has been scanned for viruses or via email).

13.2 Loss of staff

24 Hours	Surviving staff to be contacted and directed to work from home. Staff to be offered counselling.
48 Hours	Recruitment process to begin for initially temporary and then permanent staff. Nearby District Councils contacted to see if any staff would be available on a temporary basis to cover high risk audits. Specialist recruitment agencies contacted for any available temporary staff.
> 48 Hours	If total loss Following management decision outsourcing process to begin.

Person Responsible: Brian Bassington	Chief Internal Auditor
Deputy: Sue Linsley	Senior Auditor
If the loss includes the above then:	
Person Responsible: Glen Chipp	Chief Executive