REPORT FOR: GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE

Date of Meeting:	8 December 2015
Subject:	**INFORMATION REPORT – BUSINESS CONTINUITY/IT DISASTER RECOVERY AND IT DATA CENTRE AUDIT REPORT UPDATE**
Responsible Officer:	Tom Whiting – Corporate Director Resources and Commercial
Exempt:	Public (with Exempt Appendices 1,2 and 3 – these items are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) as they contain information relating to the financial or business affairs of any particular person (including the authority holding that information)).
Wards affected:	All
Enclosures:	Appendix 1 – Business Continuity/IT Disaster Recovery Audit Report (exempt) Appendix 2 – IT Data Centre Audit Report (exempt) Appendix 3 – BC/IT DR Management update (exempt)

Section 1 – Summary

This report sets out the updated position of the red/amber and red assurance audit reviews that together were reported as a 'significant governance gap' in the 2014/15 Annual Governance Statement.

FOR INFORMATION

Section 2 – Report

Introduction

2.1 As part of the 2014/15 annual Internal Audit Plan a review was undertaken on the Council's Business Continuity/IT Disaster Recovery arrangements and on the Council's IT Data Centre concentrating on landlord risks.

2.2 The combined impact of these two reviews were reflected in the Head of Internal Audit's overall audit opinion for the Council's control environment for 2014/15 as follows 'two reviews identified significant weaknesses in the Council's arrangements for Business Continuity/IT Disaster Recovery and the Council's IT Data Centre which could potentially have a major detrimental impact on the Council control environment if not improved. A detailed action plan is already in place for Business Continuity/IT Disaster Recovery and management are currently considering the IT Data Centre report'. They were also identified as a 'significant governance gap' in the Council's Annual Governance Statement 2014/15. It was noted that 'Whilst the likelihood of an IT disaster occurring is considered unlikely the impact could be significant given the control weaknesses identified.'

Business Continuity/IT Disaster Recovery

2.3 The Business Continuity/IT Disaster Recovery final report (Appendix 1) was issued in on 22/06/15 with a red/amber assurance rating: 20% of the expected controls were found to be in place and operating effectively, 48% were substantially operating, 30% were partially in place with a further 2% not operating. 23 recommendations were made to address the weaknesses identified, 19 of which were rated as high risk which resulted in the assurance rating being downgraded from amber to red/amber. A key issue identified was the need for a greater level of communication/ co-ordination between the IT client and the Emergency Planning and Business Continuity (EP&BC) teams to establish a more detailed understanding of how the BC Plans of the services and IT DR arrangements inter-relate in practice and a deeper understanding by services of how the IT DR arrangements impact on the individual Service BC Plans and how these plans operate together. It was highlighted that in relation to Framework I it is particularly important that there is a common detailed understanding of the invocation arrangements and confirmation of the testing of the DR arrangements.

2.4 All of the recommendations were agreed for implementation by management. However to fit in with the cycle of transition to the new IT contract and the first completed year of the contract as well as the period of the next review of Service Business Continuity Plans some of

the agreed actions are over an extended period i.e. longer than would normally be expected in response to a red/amber assurance report.

2.5   Following the publication of the audit report a working group consisting of the IT Security & Compliance Manager and the Business Continuity Officer, was set up to meet weekly, and work through the recommendations, updating the Progress on Actions work plan as they went along. A strategy board consisting of the Director of Customer Services & Business Transformation, Divisional Director of Strategic Commissioning, Head of Business Transformation Partnership and the Head of Civil Contingencies was also set up to meet once per month to go through the Progress on Actions work plan to provide strategic oversight, guidance, and direction, as necessary.

2.6   The Progress on Actions work plan spread sheet is attached and shows that good progress is reported as being made on the implementation of the agreed actions.

IT Data Centre – Landlord Risks

2.7   The IT Data Centre – Landlord Risks final report (Appendix 2) was finalised on 02/11/15 with a red assurance rating: Overall 7% of the expected controls were found to be in place and operating effectively, 46% were partially in place with a further 47% not operating. 8 recommendations were made to address the weaknesses identified (consists of 26 "sub-recommendations"), 6 were rated as high risk and 2 were rated as medium risk. The most significant weaknesses relate to the management of the datacentre's capacity, including power (business as usual and emergency) and air-conditioning and the management of facility protection measures. A number of these areas are the contractual responsibility of the Outsourcer.

2.8   Seven of the eight recommendations made have been fully agreed for implementation and one has been substantially agreed – see management's response and the Audit Comment against 3.1 c) in the attached report.

2.9   As a new Outsourcer will be in place from 31/10/15 many of the agreed actions will be implemented from this date.

Section 3 – Further Information

3.1   Follow-up of red and red/amber assurance reviews by Internal Audit would normally take place 3 months after the final report is issued. However in the case of the Business Continuity/IT Disaster Recovery review this was not considered appropriate given the implementation dates agreed for the agreed actions and the robust governance process introduced by management to oversee the implementation. Follow-up will therefore be undertaken by Internal Audit in December 2015 (six month after the issue of the final report) to independently verify and evidence the progress made by management to implement the agreed actions.

3.2 Follow-up of the IT Data Centre review will be undertaken at the end of January 2016 in line with the normal practice of being undertaken 3 months after the issue of the final report.

3.3 After each follow-up the assurance level will be re-assessed and re-issued along with details of any outstanding issues and this will be reported to the GARMS Committee and CSB.

3.4 In addition a Contract Management Review of the new IT Outsource arrangements will be considered for inclusion in the 2016/17 Internal Audit Plan.

Section 4 – Financial Implications

4.1 There are no financial implications.

Section 5 - Equalities implications

5.1 Was an Equality Impact Assessment carried out? No – Not applicable

Section 6 – Council Priorities

6.1 Improving controls to mitigate risks in the Council's systems helps to ensure that system objectives are met which feed into the administration's priorities and the achievement of the Council's vision.

Name: Dawn Calvert	✓	on behalf of the Chief Financial Officer
Date: 25/11/15		

Ward Councillors notified:	*N/A.*

Section 7 - Contact Details and Background Papers

Contact: Susan Dixson, Head of Internal Audit, 02084241420

Background Papers: Annual Governance Statement 2014/15