

## **Board of Management Audit Committee**

<b>Date of Meeting</b>	<b>Wednesday 13 November 2019</b>
<b>Paper No.</b>	<b>AC2-J</b>
<b>Agenda Item</b>	<b>5.7.2</b>
<b>Subject of Paper</b>	<b>Internal Audit Report – Business Continuity</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Henderson Loggie</b>
<b>Date of production</b>	<b>November 2019</b>
<b>Action</b>	<b>For Discussion and Decision</b>

### **Recommendations**

The Committee is asked to consider and discuss the report and the management responses to the internal audit recommendations.

## 1. Purpose of report

The purpose of this review is to provide management and the Audit Committee with assurance on key controls relating to the curriculum and financial plans in place for City of Glasgow College and their alignment with the regional plan for Glasgow and the college student number targets.

## 2. Context and Discussion

This internal audit of Business Continuity provides an outline of the objectives, scope, findings and graded recommendations as appropriate, together with management responses. This constitutes an action plan for improvement.

The Report includes a number of audit findings which are assessed and graded to denote the overall level of assurance that can be taken from the Report. The gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

## 3. Impact and implications

Refer to internal audit report.

# City of Glasgow College

## Business Continuity

**Internal Audit Report No: 2019/12**

**Draft issued: 6 November 2019**

**Final issued: 6 November 2019**

**LEVEL OF ASSURANCE**

**Good**

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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

## Action Grades

<b>Priority 1</b>	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the College to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.



# Management Summary

## Overall Level of Assurance

<b>Good</b>	System meets control objectives.
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## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the City of Glasgow College ('the College') Risk Register:

- Failure of Business Continuity (risk rating: high).

## Background

As part of the Internal Audit programme at the College for 2018/19 we carried out a review of the College's business continuity arrangements. The Audit Needs Assessment, completed in March 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and to the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

An effective Business Continuity Plan (BCP) is essential to ensure that the College can, in response to a disaster or threat, continue to operate key activities and ensure that the interests of key stakeholders continue to be met.

## Business Continuity

### Scope, Objectives and Overall Findings

The scope of this audit was to undertake a review of business continuity planning to consider whether there are adequate plans in place to minimise disruption to operations following loss of life, buildings or equipment.

The table below notes the objectives for this review and records the results:

Objective	Findings			
The objectives of this audit were to obtain reasonable assurance that:		1	2	3
1. Business Continuity Plans are in place covering all of the College's activities and locations.	<b>Good</b>	0	0	0
2. The Business Continuity Plans are workable, properly communicated to members of staff, and have been adequately tested.	<b>Good</b>	0	0	1
3. The processes and procedures in place follow recommended good practice.	<b>Good</b>	0	0	0
<b>Overall Level of Assurance</b>	<b>Good</b>	<b>0</b>	<b>0</b>	<b>1</b>
		System meets control objectives		

### Audit Approach

We reviewed copies of Business Continuity Plans in place and considered whether they cover all of the College's activities and locations.

Discussed the College's approach with the College Secretary/Planning, Head of Facilities Management, Director of IT, and a sample of Deans of Faculty, and reviewed evidence of how plans have been communicated to staff and the extent to which plans have been tested.

An assessment of the key processes and internal controls was performed with reference to relevant good practice guidance.

## **Business Continuity**

### **Summary of Main Findings**

#### **Strengths**

- As part of our audit we reviewed copies of the departmental Business Recovery Plans (BRPs) and we confirmed the findings of the August 2019 Ashton Resilience update report which stated that all departmental recovery plans had been produced and appeared to cover all areas and activities of the College; and
- The departmental BRPs outline the steps to be taken to effect recovery in the event of an incident affecting the College's operations and are intended to be used to assist recovery of operations and continuation of key activities. We noted that all BRPs had been prepared using a consistent format and reflected recognised good practice as published by the Business Continuity Institute.

#### **Opportunities**

- Although departmental BRPs were found to capture details of inter-dependencies with other faculties or support areas and the associated recovery timeframe for each area, we identified through interview with a sample of BRP owners that there had been no central review or sense check of individual BRPs to ensure that recovery timeframes were achievable. We have recommended that that an exercise is undertaken to compare all departmental BRPs to ensure that each individual plan is achievable based on documented inter-dependencies. Planned scenario testing of BRPs should test the robustness of RTOs for any dependencies to ensure RTOs are realistic and achievable.

### **Acknowledgements**

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

# Main Findings and Action Plan

### **Objective 1: Business Continuity Plans are in place covering all of the College's activities and locations.**

In March 2018, external consultants, Ashton Resilience, were engaged (via the College's insurers) to undertake a review of the College's business continuity arrangements as part of its overall risk management processes. The purpose of the review was to examine the activities and operations of the College; its recovery capability at that time; and the degree to which Business Continuity Management arrangements had been implemented.

The initial findings were reported by Ashton Resilience in April 2018 and identified that a number of elements of planning and governance were in place, but also highlighted that Faculty and support department recovery plans had not been significantly reviewed since the College was created through the merger of three former institutions. The report also highlighted that whilst incident management arrangements had been used effectively to manage previous disruptive events at the College (e.g. severe weather and industrial action taken by staff), it was agreed that a more structured and department-led response to a longer-term outage would be beneficial.

The overall objective of the work undertaken by Ashton Resilience was to ensure that the College had effective business recovery plans in place. The specific objectives were to:

- Agree the scope of the project, the number of areas of the College to be included and the personnel who need to be involved
- Complete a Business Impact Analysis (BIA) for each area (Faculty & support services)
- Based on the outputs from the BIA, draft Business Recovery Plans (BRPs) for the College
- Review the draft plans with College management
- Agree, develop and deliver a simple scenario for a walkthrough of the plans to familiarise owners with the content
- Produce a report (later reported to College management in August 2019) with recommendations for further work on the plans that may be required and handover to College management

Work undertaken as part of the project was found to include:

- BIA of each Faculty and Support area
- Departmental recovery plans created from the results of BIAs
- Training sessions to familiarise departmental recovery plan owners with plans and how they should be used



## Business Continuity

### Objective 1: Business Continuity Plans are in place covering all of the College's activities and locations. (continued)

At the time of our audit fieldwork in August 2019 the position with regard to BCP was as follows:

- BIAs had been completed and all departmental recovery plans prepared and all critical details (such as documenting the key processes and resources) had been included although we did note that some recovery plans still required additional contact details to be added.
- A College wide BCP had been drafted.
- Recovery plan familiarisation sessions had been delivered to recovery plan owners and to management.
- An implementation action plan had been devised and agreed which set out the remaining actions to be completed and timeframes for achieving this.

As part of our audit we reviewed the departmental BRPs and confirmed the findings of the August 2019 Ashton Resilience update report which advised that all departmental recovery plans had been produced and appeared to cover all areas and activities of the College.

The departmental BRPs outline the steps to be taken to effect recovery in the event of an incident affecting the College's operations and are intended to be used to assist recovery of operations and continuation of key activities. We noted that all BRPs had been prepared using a consistent format, which reflected recognised good practice as published by the Business Continuity Institute. This included:

- A prioritised list of processes / tasks which must be recovered by all departments following a significant event.
- A prioritised list of departmental processes (including the Recovery Time Objective (RTO), e.g. hours, days, weeks, and the minimum recovery levels to continue operations for each process).
- Details of any infrequent process peaks in order to identify any points in the year where a business continuity event is likely to have a more severe impact.
- Details of the resources required to aid recovery of operations – broken down by the location of where these resources are required; where recovery resources would be located; and the level of resources required over the first month and beyond compared to the level of resources needed in a business as usual scenario. We noted that this section of the BRP asks the recovery plan owner whether an agreement is in place with any external party where it appears to identify external resources. So, for example making use of premises provided by industry contacts to provide specialist workshop / studio space. We noted from a review of departmental BRPs that there was a mix of Yes / No responses but that in those instances where a No response was provided there were no documented actions for the BRP owner to follow up. However, we did note that the Ashton Resilience update report (issued in August 2019) included an action in the implementation plan for BRP owners to 'Investigate, formalise and document potential reciprocal arrangements for specialist space options' – with a rolling completion target of between Q4 2019 and Q3 2020.
- Details of inter-dependencies with other faculties or support areas and the associated recovery timeframe for each area. This reflects good practice which ensures that departmental BRPs are not considered in isolation.
- Details of each department's IT service recovery capability i.e. list of IT services used and how quickly those services need to be restored to aid departmental recovery.
- Details of critical periods during the year and processes affected – again to identify timings of greatest impact on the College, e.g. enrolment and exam periods.
- Business continuity box contents (e.g. plans, torches, etc).
- Key contacts details – including internal and external contacts.
- Recovery log to record steps and decisions taken during recovery in order to aid post event reviews and future revisions of plans.

## Business Continuity

### Objective 2: The Business Continuity Plans are workable, properly communicated to members of staff, and have been adequately tested.

The BCP Implementation Plan reported by Ashton Resilience in August 2019 identified that the majority of the actions were expected to be completed by the end of Quarter 2 of 2020 (i.e. June 2020) with the completion of the first round of detailed testing of the plans to be completed by the end of Quarter 3 of 2020. (i.e. September 2020). College management confirmed that this timetable remains on track.

Observation	Risks	Recommendation	Management Response		
As noted under objective 2 above, although departmental BRPs were found to capture details of inter-dependencies with other faculties or support areas and the associated recovery timeframe for each area, we identified through interview with a sample of BRP owners that there had been no central review or sense check of individual BRPs to ensure that recovery timeframes are achievable.	BRPs which identify dependencies with other departments and the RTOs or resource input from service departments, particularly IT, have not been fully considered or tested, the effectiveness and likely success of the BRP is reduced.	<b>R1</b> Ensure that an exercise is undertaken to compare all departmental BRPs to ensure that each individual plan is achievable based on documented inter-dependencies. Planned scenario testing of BRPs should test the robustness of RTOs for any dependencies to ensure RTOs are realistic and achievable.	<p>Agreed</p> <p><b>To be actioned by:</b> S Thompson VP Corporate Services; P Clark, College Secretary/Planning.</p> <p><b>No later than:</b> 30 April 2020</p>		
			<table border="1"> <tr> <td>Grade</td> <td><b>3</b></td> </tr> </table>	Grade	<b>3</b>
Grade	<b>3</b>				

## Business Continuity

### Objective 3: The processes and procedures in place follow recommended good practice.

An assessment was undertaken with reference to the HM Government's Business Continuity Management (BCM) Toolkit and the Business Continuity Institute. We established that the Ashton Resilience report on the Strategic Review of Business Continuity Management, contained reference to guidance contained in the BCM Toolkit including the key components of the BCM Lifecycle:

- programme management;
- understanding the organisation;
- determining BCM strategies;
- developing and implementing a BCM response;
- exercising, reviewing and maintaining BCM strategies; and
- embedding BCM within the organisation's culture.

We noted that the process followed during the review undertaken by Ashton Resilience, and subsequently reported, included:

- Assessment: through series of structured interviews with senior managers the College's BCM requirements were assessed;
- Analysis: by comparing the current status of each component with good practice benchmarks, gaps that needed to be addressed in order to ensure organisational resilience were identified. Recommendations were then raised to address these gaps.
- Reporting: the Strategic Review of Business Continuity Management report finalised in April 2018 set out the findings of the Analysis stage and recommended actions to improve BCM.
- Follow-up: the Business continuity Planning report issued in August 2019 reported on how the project delivered each of the requirements set out in the original project plan, provided a summary of the key project deliverables, and provided an implementation action plan to further embed business continuity planning at the College.

We concluded that the format and content of the departmental BRPs developed as part of the BCM project, as described under objective 1 above, were in line with recognised good practice, including the HM Government's Business Continuity Management Toolkit and guidance issued by the Business Continuity Institute.

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