

Borough Council of
**King's Lynn &
West Norfolk**



RESOURCES AND PERFORMANCE – AUDIT AND RISK COMMITTEE

**Tuesday 27 August 2013
at 5.30 pm**

Committee Suite
King's Court
Chapel Street
King's Lynn
Norfolk PE30 1EX



If you require parts of this document in another language, large print, audio, Braille or any alternative format please contact the Council Information Centre on 01553 616200 and we will do our best to help.

LATVIAN

Ja Jums nepieciešamas daļas no šī dokumenta citā valodā, lielā drukā, audio, Braila rakstā vai alternatīvā formātā, lūdzu, sazinieties ar Padomes informācijas centru (Council Information Centre) pa 01553 616200 un mēs centīsimies Jums palīdzēt.

RUSSIAN

Если вам нужны части этого документа на другом языке, крупным шрифтом, шрифтом Брайля, в аудио- или ином формате, обращайтесь в Информационный Центр Совета по тел.: 01553 616200, и мы постараемся вам помочь.

LITHUANIAN

Jeį pageidaujate tam tikros šio dokumento dalies kita kalba, didelių šriftų, Brailio raštu, kitu formatu ar norite užsisakyti garso įrašą, susisiekite su Savivaldybės informacijos centru (Council Information Centre) telefonu 01553 616200 ir mes pasistengsime jums kiek įmanoma padėti.

POLISH

Jeśli pragną Państwo otrzymać fragmenty niniejszego dokumentu w innym języku, w dużym druku, w formie nagrania audio, alfabetem Braille'a lub w jakimkolwiek innym alternatywnym formacie, prosimy o kontakt z Centrum Informacji Rady pod numerem 01553 616200, zaś my zrobimy, co możemy, by Państwu pomóc.

PORTUGUESE

Se necessitar de partes deste documento em outro idioma, impressão grande, áudio, Braille ou qualquer outro formato alternativo, por favor contacte o Centro de Informações do Município pelo 01553 616200, e faremos o nosso melhor para ajudar.

Borough Council of
**King's Lynn &
West Norfolk**



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX.
Telephone: 01553 616200
Fax: 01553 691663

PLEASE NOTE EARLIER START TIME 5.30 PM

16 August 2013

Dear Member

Resources and Performance – Audit and Risk Committee

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Tuesday 27 August 2013**, at **5.30 pm** in the **Committee Suite, King's Court, Chapel Street, King's Lynn**, to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. Apologies for absence

To receive any apologies for absence.

2. Minutes

To approve the minutes of the Resources and Performance – Audit and Risk Committee meeting held on 23 July 2013 (previously circulated).

3. Declarations of Interest

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

4. **Urgent Business Under Standing Order 7**

To consider any business which, by reason of special circumstances, the Chairman proposes to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

5. **Members Present Pursuant to Standing Order 34**

Members wishing to speak pursuant to Standing Order 34 should inform the Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman.

6. **Chairman's Correspondence** (if any)

7. **Matters referred to the Committee from other Council Bodies and responses made to previous Committee recommendations/requests**

To receive comments, and recommendations from other Council bodies, and any responses subsequent to recommendations, which this Committee has previously made. (N.B. some of the relevant Council bodies may meet after dispatch of the agenda).

8. **Training Session – Annual Governance Statement**

All Members are invited to attend to receive training on the Annual Governance Statement.

9. **Cabinet Report: Updated Terms of Reference for the Audit and Risk Committee** (pages 1 - 6)

The Committee are invited to note the report and make any appropriate recommendations to Cabinet.

10. **Cabinet Report: Business Continuity Management Policy Statement and Strategy** (pages 7 - 25)

The Committee are invited to note the report and make any appropriate recommendations to Cabinet.

11. **Business Continuity – Update** (pages 26 – 29)

The Committee will receive an update relating to Business Continuity.

12. **Internal Audit Plan 2013/2014 – Progress Report for the Quarter April to June 2013** (pages 30 - 36)

The Committee will receive the progress report for the quarter April to June 2013.

13. Audit and Risk Committee Work Programme (pages 37 - 38)

Committee Members are invited to consider the attached Audit and Risk Committee's Work Programme.

14. Date of Next Meeting

To note that the next meeting of the Resources and Performance - Audit and Risk Committee will take place on **Tuesday 24 September 2013**.

To: Panel Members – Councillors P Beal (Chairman),
C Manning (Vice-Chairman), D J Collis, J Collop, P Cousins, I Gourlay,
M Hopkins, H Humphrey, M Langwade, J Loveless, A Morrison,
D Tyler, G Wareham, T de Winton and A Wright

Portfolio Holders:

Agenda Items 8, 9, 10, 11 & 12

Councillor N Daubney, Leader and Portfolio Holder for Resources

The following officers have been invited to attend for the items set out below:

Item 8: Vanessa Dunmall, Performance and Efficiency Manager

Item 9: Kate Littlewood, Audit Manager

Item 10: Vanessa Dunmall, Performance and Efficiency Manager
Kevin Kent, Emergency Planning Officer

Item 11: Vanessa Dunmall, Performance and Efficiency Manager
Kevin Kent, Emergency Planning Officer

Item 12: Kate Littlewood, Audit Manager

Chief Executive

Deputy Chief Executive and Executive Director, Finance and Resources

All other Executive Directors

Press

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards None	Operational	(a) Be entirely within cabinet's powers to decide NO		
		(b) Need to be recommendations to Council YES		
		(c) Be partly for recommendations to Council and partly within Cabinets powers – NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted: Chair, Audit and Risk Committee		
Lead Officer: <i>Kate Littlewood, Audit Manager</i> E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial: 01553 616252		Other Officers consulted: Deputy Chief Executive Democratic Services Officer Chief Executive		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equalities NO	Risk Management Implications NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Date of meeting: 3rd September 2013

TITLE: UPDATED TERMS OF REFERENCE FOR THE AUDIT & RISK COMMITTEE

Summary

In accordance with the Accounts and Audit Regulations, the Audit and Risk Committee was established in 2006, with Terms of Reference drawn up in line with the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The Terms of Reference need to be reviewed every three years and presented to Council for approval. The last review was carried out in 2010.

Recommendation

That Cabinet recommends to Council that the revised Terms of Reference for the Audit and Risk Committee be adopted.

Reason for Decision

To enable the Audit and Risk Committee to continue to fulfil its role as required by Accounts and Audit Regulations 2011.

I.0 Introduction and Background

1.1 The Accounts and Audit Regulations 2011 require that a council must review the effectiveness of its systems of internal control and that the findings of the review are considered by *'the members of the body meeting*

as a whole or by a committee'. The Audit and Risk Committee fulfill this requirement.

- 1.2 The Audit and Risk Committee was established in 2006 with Terms of Reference based on guidance issued by CIPFA. In order to ensure that they remain relevant and up-to-date it is necessary to review them every three years. The last review took place in 2010 with the current Terms of Reference being approved at the Council meeting on 30th September 2010.
- 1.3 This report describes the revisions to the Terms of Reference and presents the updated version with tracked changes (**Appendix A**) for approval.

2.0 Details

- 2.1 The proposed revisions are shown as tracked changes on the attached Terms of Reference (**Appendix A**).
- 2.2 The main change provides for the Committee to meet in private with the internal and external auditors in paragraph 5.3. This clarifies a point that has been raised at meetings in the past.
- 2.3 Other minor changes have been made to update relevant legislation dates and expand the range of activities in paragraph 3.1(f) to more accurately reflect those covered by the Committee.
- 2.4 A new review date of May 2016 has been set.

3.0 Outcomes

- 3.1 To complete the review and approve the updated Terms of Reference to ensure the continued relevance of the Audit and Risk Committee.

Policy Implications

There are no policy implications.

Financial Implications

There are no financial implications.

Staffing Implications

There are no staffing implications.

Statutory Considerations

Although legislation does not require audit committees, a council is required to 'ensure that its financial management is adequate and effective and that it has

a sound system of internal control which facilitates the effective exercise of its functions' *Accounts and Audit Regulations 2011*

Equalities Considerations

There are no equalities implications.

Risk Management

There are no risk implications.

Background Papers

Audit Committees: Practical Guidance for Local Authorities', CIPFA
Accounts and Audit Regulations

Accounts and Audit (England) Regulations 2011.

APPENDIX A

Formatted: Indent: Left: 8.21 cm, First line: 3.22 cm

Borough Council of
**King's Lynn &
 West Norfolk**



**AUDIT AND RISK COMMITTEE
 TERMS OF REFERENCE**

1.0 Introduction

Formatted: Right: 0 cm

1.1 The Audit and Risk Committee was set up in 2006, with Terms of Reference drawn up in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). These were approved by Council in November 2006.

1.2 These Terms of Reference describe the purpose, authority and principal responsibilities of the Audit and Risk Committee.

1.32 The Terms of Reference need to be reviewed every three years and presented to Council for approval. The Terms of Reference have previously been reviewed in 2010 and 2013. The next review is due – May 20163.

2.0 Statement of Purpose

2.1 The purpose of an audit committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

3.0 Responsibilities

3.1 The main areas of responsibility for the Audit and Risk Committee will be to:

- a. Monitor the Council's responsibilities under the Accounts and Audit Regulations 201103, other than approve the Statement of Accounts.
- b. Review the Council's assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it.

Draft May 2013 Approved July 2010

APPENDIX A

Formatted: Indent: Left: 8.21 cm,
First line: 3.22 cm

- c. Monitor the Council's compliance with Financial Regulations and Contract Standing Orders, and consider any proposals for changes to these.
- d. Discuss with the external auditor the basis of the annual audit, including the overall level and composition of the fee and the content of performance work, making a recommendation to Cabinet.
- e. Receive reports by the external auditor, including all performance reports and the Annual Management Letter and make any relevant comments to Cabinet.
- f. Monitor delivery of the internal audit activity, the Benefit and Fraud Team and Risk Management in of the Council.
- g. Monitor the response to audit reviews and investigations and the implementation of agreed recommendations.
- h. Receive reports by any other inspectorates including all performance reports.
- i. Report and/or bring matters to the attention of Council through the Cabinet on issues that require further review or action.
- j. Instigate an investigation or review on matters that arise from internal and external audits, where further information is required.

4.0 Core Functions

4.1 In order to fulfil the above responsibilities, the Audit and Risk Committee will need to carry out the functions described below:

- a. Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- b. Monitor action taken on risk-related issues identified by management, auditors and inspectors (notably through monitoring progress identified on risks included in the corporate risk register).
- c. Review internal audit's strategy and plan, and monitor performance.
- d. Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Draft May 2013 Approved July 2010

APPENDIX A

Formatted: Indent: Left: 8.21 cm, First line: 3.22 cm

- e. Receive the annual report of the Audit Manager.
- f. Consider the reports of external audit and inspection agencies.
- g. Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- h. Monitor the external auditor’s opinion and reports to members.
- i. Monitor management action in response to any issues raised by internal audit.

5.0 Meetings

5.1 There will be a minimum of four meetings per annum, but this can be increased if the workload requires it. The forthcoming programme of work will be reviewed at each meeting.

Formatted: Right: 0 cm

5.2 Internal Audit should be able to meet privately with the committee.

Formatted: Font: 12 pt, Not Italic

5.3 There should be opportunity for the audit committee to meet privately and separately with the external auditor, independent of the presence of those officers with whom the auditor must retain a working relationship. If the Committee decides that a meeting is required, suitable arrangements will be made by the Chair.

Formatted: Font: 12 pt, Not Italic

Formatted: Font: 12 pt

Formatted: Indent: Left: 0 cm, Hanging: 1.27 cm, Right: 0 cm

Formatted: Font: 12 pt, Not Italic

Formatted: Right: 0 cm

Formatted: Justified

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	(a) Be entirely within Cabinet's powers to decide YES		
		(b) Need to be recommendations to Council NO		
		(c) Be partly for recommendations to Council and partly within Cabinets powers – NO		
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
Lead Officer: David Thomason E-mail: david.thomason@west-norfolk.gov.uk Direct Dial: 01553 616246		Other Members consulted:		
		Other Officers consulted: Management Team		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equalities Impact Assessment YES If YES: Pre-screen only	Risk Management Implications YES
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Date of meeting: 4 September 2013

BUSINESS CONTINUITY MANAGEMENT POLICY STATEMENT & STRATEGY

Summary

The Council is a Category 1 responder under the Civil Contingencies Act 2004, which places a duty on it to develop and maintain plans to ensure that if an emergency occurred, the authority is able to continue to perform its critical activities and key services.

The Council's Policy Statement on Business Continuity Management was agreed by full Council in November 2011; the Policy Statement has been updated to reflect the changes to the Council's Management structure with effect from April 2013.

Whilst updating the Policy Statement, the whole document, including progress made against the council's strategy and approach has been refreshed.

Recommendation

It is recommended that

1. Cabinet endorse the new version of the Business Continuity Policy Statement and Strategy
2. Delegated authority be granted to the Deputy Chief Executive, in consultation with the Leader, as Portfolio Holder for Business Continuity, to make further minor changes if deemed necessary.

Reason for Decision

To ensure that the Council continues to meet the requirements placed upon it by the Civil Contingencies Act 2004 and is well placed to react in the event of a disruption or emergency.

1.0 Background

- 1.1 The Civil Contingencies Act 2004 places a duty on Category 1 responders (as defined by the act and which includes all local authorities) to develop and maintain plans for the purpose of ensuring that, so far as is reasonably practicable, if an emergency occurs they are able to continue to perform their key services / critical activities. This means that, in the event of a disruption or emergency, the Council must have plans available to ensure that it can mobilise the functions it needs to:
- deal with any emergency
 - ensure that the impact of the emergency on the Council's day-to-day activities is kept to a minimum, and
 - ensure that, so far as possible, vital services for the community can be maintained at appropriate levels.
- 1.2 The Business Continuity Management Policy Statement and Strategy, attached, are the framework documents around which the Council's arrangements are based.
- 1.3 In March 2009, Council considered and endorsed a newly formulated Business Continuity Policy Statement and Strategy document, which had been devised as a result of a Business Impact Analysis undertaken in 2008, in conjunction with the Council's insurers.
- 1.4 In 2011, following an internal audit, which identified development areas, Management Team set up a Business Continuity Corporate Officer Group, which includes officers from across the authority, led by the Deputy Chief Executive, to review the Council's Policy and Strategy, and the wider Business Continuity Management arrangements.
- 1.5 Cabinet and Council adopted a revised and updated Policy Statement and Strategy document in November 2011.

2.0 Document update

- 2.1 In line with industry best practice and the adopted Policy, the Policy Statement and Strategy document has been reviewed and refreshed again in 2013 by the Business Continuity Corporate Officer Group. The Policy Statement itself has not materially changed.
- 2.2 The main changes made to the document are:
- removing reference to the Executive Director, Health & Housing from the Policy Statement
 - updating section 7 with progress made / activities undertaken since November 2011
 - updating list of Critical Activities in Appendix A
- 2.3 The Corporate Officer Group will review this document regularly to ensure it remains fit for purpose and relevant. This is a 'living document' which will need to be updated on a reasonably regular basis. It is therefore proposed that delegated authority be granted to the Deputy Chief Executive, in consultation with the Leader, as Portfolio Holder for Business Continuity, to make further minor changes if deemed necessary.

3.0 Updates

- 3.1 The Audit & Risk Committee receive annual updates on the work being undertaken on Business Continuity. The last update was in August 2013.

4.0 Policy Implications

4.1 This is a refresh to a document containing a policy adopted by Council in November 2011.

5.0 Financial Implications

5.1 There are no financial implications associated with adoption of this policy.

5.2 In the event that the Council needs to bring Business Continuity plans into operation it will mean that an event has occurred which will threaten service provision in some way. It is highly likely that this will also bring about additional expenditure / lost income and the financial implications will need to be met from the Council's general fund balance and / or its reserves.

6.0 Personnel Implications

6.1 There are no personnel implications associated with this document.

7.0 Statutory Consideration

7.1 Adoption of this updated Policy Statement and Strategy document will help to ensure that the Council continues to meet the requirements placed upon it by the Civil Contingencies Act 2004 and is well placed to react in the event of a disruption or emergency.

8.0 Risk Assessment

8.1 Business Continuity planning is a statutory requirement and clearly is aimed at managing risk following the occurrence of an event / disruption. Plans are not aimed at prevention of an event, which is dealt with in other ways by Service Managers, but at mitigating the impact of any serious interruption to the business of the Council.

9.0 Equality Impact Assessments

9.1 An Equalities Impact Assessment pre-screening form has been completed, this is attached for information. The Business Continuity Management Policy Statement does not affect people differently according to their equality communities and therefore a full assessment is not required.

10.0 Access to information

10.1 None

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Business Continuity Management Policy Statement and Strategy				
Is this a new or existing policy/service/function?	Existing				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>To help to fulfil the Council's statutory responsibilities as a Category 1 responder under the Civil Contingencies Act 2004. The CCA places a duty on Category 1 responders to develop and maintain plans to ensure that if an emergency occurred, the authority is able to continue to perform its critical activities and key services.</p> <p>Although it is a statutory requirement to have plans in place, how the Council chooses to formulate them is not rigidly controlled.</p>				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)			✓	

AGENDA ITEM 10

Question	Answer	Comments
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No	
3. Could this policy/service be perceived as impacting on communities differently?	No	
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	No	Actions:
		Actions agreed by EWG member:
Assessment completed by:		
Name	Vanessa Dunmall	
Job title	Performance & Efficiency Manager	
Date	6 th August 2013	

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Borough Council of
**King's Lynn &
West Norfolk**



Business Continuity Management

Policy Statement and Strategy

September 2013

Title	Business Continuity Management – Policy & Strategy	
Date of Publication:	Cabinet	September 2013
	Council	November 2011 (not req'd in 2013)
Published by	Borough Council of King's Lynn & West Norfolk	
Edition	1.0	First Published January 2009
	2.0	Second edition November 2011
	3.0	Third edition September 2013

© 2013 Borough Council of King's Lynn & West Norfolk

Links to other documents:

This is a strategic document which makes reference to and runs in conjunction with the suite of Business Continuity Management documents within the Council.

Business Continuity Management

Policy & Strategy

1.	Introduction	4
2.	Background	4
3.	Relationships to other plans / arrangements	5
3.1	Civil Emergency	5
3.2	Critical Incident Team	5
3.3	Invocation Process and Incident Checklist.....	5
3.4	Business Continuity Threat Plans	5
3.5	Critical Activity Bronze Level BC Team Plans.....	5
3.6	Departmental Specific Bronze Level BC Plans	5
3.7	Overview of BCM documents.....	6
4.	Updates to the Policy, Strategy and plans.....	6
4.1	Responsibilities and timetable for updates.....	6
4.2	Shared Services / changes to delivery arrangements.....	6
4.3	Documentation storage and update protocol	6
5.	Business Continuity Management – Policy Statement.....	7
6.	Business Continuity Management – Strategy	8
6.1	Introduction	8
6.2	Scope.....	8
6.3	Definition of Business Continuity Management (BCM).....	8
6.4	Statutory Requirements	9
6.5	Benefits of Business Continuity Management.....	9
7.	Delivering the Strategy	10
7.1	Methodology	10
7.2	Step 1 – Understanding the organisation	11
7.3	Step 2 – Determining BCM strategy.....	11
7.4	Step 3 – Developing and implementing a BCM Response.....	11
7.5	Step 4 – Exercising, maintaining and reviewing.....	12
7.6	Embedding BCM in the organisation’s culture	12
8.	Progress to date.....	12
	Appendix A: Overview of documents that constitute BCM.....	13
	Appendix B: Documentation Storage & Archiving Protocol.....	14

1. Introduction

The Business Continuity Policy Statement set out in this document outlines the Council's vision for Business Continuity Management. It is vital that we are able to continue to provide essential services to the residents and businesses of West Norfolk, whatever disruption or emergency might affect the Council.

All services have a role, and every member of staff has a responsibility to make sure the Council can continue to service our communities whatever the disruption. The Policy Statement in Section 5 demonstrates that the Council is committed to ensuring that robust and effective Business Continuity Management is in place as a key mechanism to restore and deliver continuity of key services in the event of a disruption or emergency.

Section 6 contains the Council's strategy for achieving the stated policy and outlines how this document – together with other documents such as the Invocation Process and Incident Checklist, Threat Plans and Team Business Continuity Plans – fit together to form the overall Business Continuity Management programme.

Section 7 outlines the methodology that has been undertaken to develop business continuity in the Council since the adoption of the previous plan in 2011 and Section 8 updates progress to date.

Cllr Nick Daubney
Leader of the Council
September 2013

Ray Harding
Chief Executive
September 2013

2. Background

The Business Continuity Management policy and strategy set the framework for the Business Continuity Management (BCM) Programme.

The policy and strategy indicate the authority's clear buy-in to the implementation of the BCM programme and makes a public statement of intent, endorsed by the Leader and Chief Executive.

The main elements and purpose of this BCM policy and strategy are to:

- Assign accountability for BCM
- Demonstrate strategic support for BCM
- Identify key roles & responsibilities
- Gain assurance that the BCM programme is aligned with the organisational strategic objectives
- Set the framework for compliance with all aspects of the Civil Contingencies Act 2004

3. Relationships to other plans / arrangements

3.1 Civil Emergency

If the incident causing serious disruption to services is defined as a 'borough-wide emergency', the Borough Emergency Response & Recovery Plan may be invoked. The aim of the Borough Emergency Response & Recovery Plan is to enable management of the emergency situation affecting the wider environment and would include a multi-agency response. Dependant on the severity and scale of the incident or emergency, the corporate Critical Incident Team process and / or Business Continuity Plan(s) could also be activated if the civil emergency affected Council services.

3.2 Critical Incident Team

The Borough Council has a corporate Critical Incident Team (CIT) and related process. The Critical Incident Team will usually be the first point of contact for an incident of a critical nature. The full CIT process is documented at Appendix C of the Invocation Process and Incident Checklist document.

3.3 Invocation Process and Incident Checklist

This document outlines the process within which the decision may be taken to invoke the Business Continuity Plan(s) and includes an outline of the Gold/Silver/Bronze Internal Management Structure, definitions of Recovery Response Times, and an example BC Incident Log. It is designed to demonstrate how accountability will be assigned for BCM within the Council and provides a checklist for use by those involved in any BC incident.

3.4 Business Continuity Threat Plans

In 2008, the main threats to the continuation of the Council's services and activities were identified in reference to the Corporate Risk Register and the Community Risk Register. These threats have been reviewed in 2011 and 2013.

3.5 Critical Activity Bronze Level BC Team Plans

In addition to identifying the main overall threats to the Council's operations, the authority undertook a Business Impact Analysis which identified those services that protect life and safety, or are considered essential to support such activity and were considered critical to restore and deliver in the event of a disruption or emergency. These are termed 'Critical Activities' and identification in this way means that if / when an interruption happens, the response will focus resources – people, space, time and money – to these services first. Detailed plans are therefore in place to ensure that in the event of an emergency or disruption, these services are restored and delivered within a maximum of 24 hours.

3.6 Departmental Specific Bronze Level BC Plans

Departments within the Council have BC plans specific to their operations (outside of the Critical Activities mentioned above). In the

event of an emergency or disruption, services that are not a Critical Activity would be prioritised for restoration according to an agreed priority.

3.7 Overview of BCM documents

An overview diagram of the suite of documents that form the Council's Business Continuity Management arrangements (including detail on the agreed Threats and Critical Activities) is shown at Appendix A.

4. Updates to the Policy, Strategy and plans

4.1 Responsibilities and timetable for updates

The Deputy Chief Executive is the Officer responsible for Business Continuity within the Council. Management Team has set up a small BC Corporate Officer Group who will assist the Deputy Chief Executive in maintaining, reviewing and testing the suite of documentation which form the Council's Business Continuity Management arrangements.

The BC Corporate Officer Group (BC COG) will review the following Business Continuity documents on a regular basis and report to Management Team on the preparedness accordingly of:

- BCM Policy and Strategy
- BCM Invocation Process and Incident Checklist
- agreed Threats
- agreed Critical Activities

The BC COG will also

- ensure that the agreed Critical Activities are kept under review and any proposed changes reported to Management Team as appropriate, outside of this timetable
- regularly assess risks to the Council to establish where new plans are required

Maintenance of and updates to BC plans for agreed Critical Activities and any Departmental Specific BC plans are the responsibility of the relevant Service Manager and are included in the Corporate Service Manager responsibilities.

4.2 Shared Services / changes to delivery arrangements

The Deputy Chief Executive (DCE) will be made aware of any potential shared service arrangements as well as any other changes to the way the Council delivers its services. Business Continuity Management arrangements will be considered by the relevant Officers at the time that contracts / activities are put in place for alternative delivery. The BC COG will assist the DCE to ensure that relevant changes are incorporated into the BCM arrangements.

4.3 Documentation storage and update protocol

A protocol has been established for the storage of BCM documentation and for the archiving of superseded versions. This is shown at Appendix B.

5. Business Continuity Management – Policy Statement

1. The Council is committed to ensuring robust and effective Business Continuity Management as a key mechanism to restore and deliver continuity of key services in the event of a disruption or emergency.
2. The Council's Business Continuity Management (BCM) arrangements will meet the statutory requirements within the Civil Contingencies Act 2004 and will be aligned to the following standards:
 - BS 25999 Business continuity management – Part 1:Code of Practice
 - BS7799 Information Security Management System.
 - Recognised standards of corporate governance.
3. At a corporate level the Council will determine its main Critical Activities and identify the main threats. A review of these will be undertaken regularly and this will determine the priority areas for business continuity planning.
4. Each service delivery process within the Council is owned by a respective Executive Director who will ensure that they understand, support and implement the elements of the BCM programme.
5. Each Executive Director will contribute to an annual review of the BCM documentation, via the Council's Management Team monitoring the review process, challenging the results and providing support where necessary.
6. Contracts for goods and/or services deemed critical to the Borough Council of King's Lynn and West Norfolk Council business continuity will aim to include a requirement for each nominated supplier to provide, for evaluation, a business continuity plan covering the goods and/or services provided. Every tender for business continuity critical goods and/or services will include business continuity as an element of the tender evaluation model.
7. All Council staff will be made aware of the plans that affect their service delivery areas and their role following invocation of any Business Continuity plan(s).
8. The Council will implement a programme of BCM testing exercises.

Cllr Nick Daubney
Leader of the Council
September 2013

Ray Harding
Chief Executive
September 2013

6. Business Continuity Management – Strategy

6.1 Introduction

This Business Continuity Strategy provides the framework within which the Borough Council of Kings Lynn and West Norfolk complies with the business continuity requirements of the Civil Contingencies Act 2004 and which is consistent with corporate governance best practice.

Business Continuity plans will ensure that the Council can continue to deliver a minimum level of service in its critical functions following a significant incident.

The Deputy Chief Executive will provide the focal point for the production, coordination, validation and review of the Council's business continuity activity. Industry best practice guidelines, produced by the British Standards Institute (BS 25999) have been used in the formulation of this strategy.

Corporate business continuity is closely linked to corporate risk management and this strategy should be read in conjunction with the Council's Risk Management Strategy.

The basic principles¹ of the Business Continuity Strategy have been accepted by the Council's Management Team (MT).

6.2 Scope

This strategy applies to all parts of the Council. The requirement to plan applies to activities identified as 'Critical' through the Council's Business Impact Analysis and agreed by Management Team. This allows planning to be focused on the key Critical Activities of the Council in the event of an emergency or disruption.

Business Continuity Planning includes the management of outsourced contracts, and requires those responsible for negotiating and managing them to ensure appropriate business continuity standards are included in contracts so that the service provider is able to deliver acceptable standards of service following a disruption to the Council or the supplying company.

6.3 Definition of Business Continuity Management (BCM)

Business Continuity Management (BCM) can be defined as²:

'A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.'

¹ BS25999 Part 1: Code of Practice and BS7799 Information Security Management

² BS25999 Business Continuity Management – Part 1: Code of Practice British Standards Institute

BCM is therefore about the Council preparing for a disaster, incident or event that could affect the delivery of services. The aim being that at all times Critical Activities are maintained; and that key elements of other services are maintained, where possible, at a basic level and brought back up to an acceptable level of service as soon as possible.

6.4 Statutory Requirements

The Civil Contingencies Act 2004, as it relates to Business Continuity, requires the Council to:

- a. Maintain plans to ensure that they can continue to exercise critical functions in the event of an emergency as far as reasonably practicable
- b. Include exercises within Business Continuity arrangements, to ensure the approach is effective, and arrangements for the provision of training to those involved
- c. Review its BC arrangements and keep them up to date
- d. Have regard to assessment of both internal and external risks when developing and reviewing its BC arrangements
- e. Have a clear procedure for invoking BC plans
- f. Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency
- g. Provide advice and assistance to businesses and voluntary organisations about business continuity management

6.5 Benefits of Business Continuity Management

Effective Business Continuity Management delivers a number of tangible and intangible benefits to individual services and to the Council as a whole, including:

- a. Develops a clearer understanding of priorities (business impact analysis)
- b. Protects the organisation, ensuring that it can help others in an emergency (facilitated by the BC Policy and Strategy, Invocation Process and Incident Checklist, appropriate BC Team Plans)
- c. Protects the reputation of the organisation
- d. Provides great confidence of arrangements and resilience to key threats
- e. Facilitates legislative compliance and good corporate governance (implementation of BC management arrangements)

7. Delivering the Strategy

7.1 Methodology

The process being used within the Council is aligned with the BCM model outlined in BS 25999 Business continuity management – Part 1: Code of practice published by the British Standards Institute, shown at Fig.1.

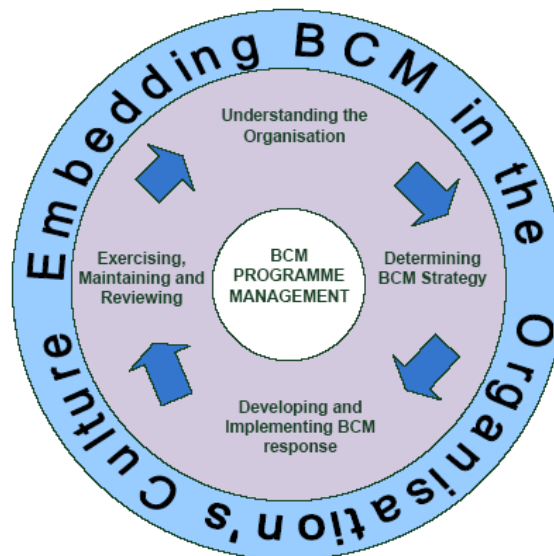


Figure 1

The diagram has at its core, BCM programme management, which is the catalyst for ensuring that robust business continuity plans are developed and maintained. This includes:

- Assigning responsibility for implementing and maintaining the BCM programme within the Council
 - **The responsible Officer is the Deputy Chief Executive Officer**
- Implementing business continuity in the Council
 - **This is the responsibility of the authority's Management Team. All members of staff have a responsibility to be aware of the plans that affect their service area and their role following invocation of any BC plan**
- The ongoing management of business continuity – including regular review and updates of business continuity arrangements and plans
 - **This has been assigned by Management Team to a small group of officers who assist the Deputy CEO. The group is known as the Business Continuity Corporate Officer Group (BC COG)**

The inner level of the diagram defines four stages to developing and maintaining the business continuity plan:

7.2 Step 1 – Understanding the organisation

Achieved through the use of business impact and risk assessments, to identify critical deliverables, evaluate priorities and assess risks to Council service deliveries.

- Business Impact Analysis (BIA) – identifying the critical processes and functions and assessing the impacts on the Council if these were disrupted or lost. BIA is the crucial first stage in implementing BCM, and helps measure the impact disruptions on the Council
 - **A full scale BIA was undertaken in 2008, was reviewed in 2011 and has been reviewed again in 2013**
- Risk assessment – once those critical processes and functions have been identified, a risk assessment can be conducted to identify the potential threats to these processes
 - **The potential threats were again reviewed and agreed by the Council’s Management Team in summer 2013**

7.3 Step 2 – Determining BCM strategy

Identifying alternative strategies to mitigate loss and assessment of their potential effectiveness in maintaining the Council’s ability to deliver critical service functions.

The Council’s approach to determining BCM strategies will involve:

- Implementing appropriate measures to reduce the likelihood of incidents occurring and/or reduce the potential effects of those incidents
- Developing remedial plans to ensure that strategies are workable
- Taking account of mitigation measures in place
- Providing continuity for critical services during and following an incident
 - **These elements have been considered within the Invocation Process and Incident Checklist, the Threat plans and the Team BC plans**

7.4 Step 3 – Developing and implementing a BCM Response

Developing individual service responses to business continuity challenges and overarching Business Continuity arrangements to underpin this.

- The Business Continuity Invocation Process and Incident Checklist, Threat Plans and Team / Departmental BC plans ensure that actions are considered for:

The immediate response to the incident

Critical Activities – ensuring the critical elements of the activity are continued

Other services – key elements will be maintained, where possible, at a basic level and brought back up to an acceptable level of service as soon as possible

Returning to full service

- **The Business Continuity Invocation Process and Incident Checklist, Threat Plans and Team / Departmental BC plans ensure these are covered.**

7.5 Step 4 – Exercising, maintaining and reviewing

Ensuring that Business Continuity arrangements are fit for purpose, kept up to date and quality assured. A test programme will enable the Council to:

- Demonstrate the extent to which strategies and plans are complete, current and accurate
 - **Exercise Metis 12 took place in spring 2012**
 - **Regular meetings of the BC COG take place**
- Identify opportunities for improvement
 - **Testing will be carried out on a regular basis**
 - **Learning from live incidents**

7.6 Embedding BCM in the organisation's culture

- The outer ring of the diagram is possibly the most crucial and elusive step in business continuity terms – embedding BCM in the organisation's culture. This is done by raising awareness throughout the Council and offering training to key staff on BCM issues. Examples of embedding include
 - **Re-launch of the refreshed BCM arrangements to Extended Management Team – December 2011**
 - **Key documents are now being published on the corporate documents area of the corporate intranet**
 - **Critical Activities are now flagged up in Directorate Plans**
 - **BC is now included in the Corporate Service Manager duties**

8. Future plans

The BC Corporate Officer Group mentioned in section 4.1 will

- continue to quality check Bronze Level BC plans
- facilitate the corporate exercising of BC arrangements (Metis 13)
- help to develop and test an external web portal
- explore alternative work areas in the event of loss of premises
- provide support to test the ICT disaster recovery arrangements
- continue to find ways to embed BC arrangements across the authority

Appendix A: Overview of documents that constitute BCM



Borough Council of
King's Lynn &
West Norfolk



Appendix B: Documentation Storage & Archiving Protocol

Document Storage

The Borough Council of King's Lynn & West Norfolk Business Continuity Corporate Officer Group (BC COG) have arranged that all documents pertaining to Business continuity are stored on the corporate intranet site.

Examples of documents held under this area include:-

- BC Policy & Strategy
- Recent audits
- Threat plans
- Critical Activity Bronze Level Team plans

The site is administered by the ICT Division, with read and write access granted to members of the BC COG. Regular back-ups of corporate documents are held off site.

Change Control

Any amendments to documents stored on the corporate intranet site will be recorded, and an email notifying the BC COG members of a change will be automatically issued.

Audit information regarding who has made a change to a document and when, will be stored, and up to 20 versions of the document will be archived via SharePoint version control.

POLICY REVIEW & DEVELOPMENT REPORT

Type of Report: Monitoring	Portfolio(s): Resources
Author Name: Vanessa Dunmall / Kevin Kent	Consultations: Management Team
Tel: 01553 616804 / 01553 616287	
Email: vanessa.dunmall@west-norfolk.gov.uk kevin.kent@west-norfolk.gov.uk	
OPEN	

PR&D Panel: **Audit & Risk Committee**
Date: **27th August 2013**
Subject: **Business Continuity – update**

Summary

The Council has a responsibility as a Category 1 responder under the Civil Contingencies Act 2004 to develop and maintain plans to ensure, as far as is reasonably practicable, key services can continue to be performed in the event of a disruption or emergency.

The report provides an update to the Audit & Risk Committee on the current position of the Council's Business Continuity arrangements and outlines work that is to be undertaken over the coming months.

Recommendations

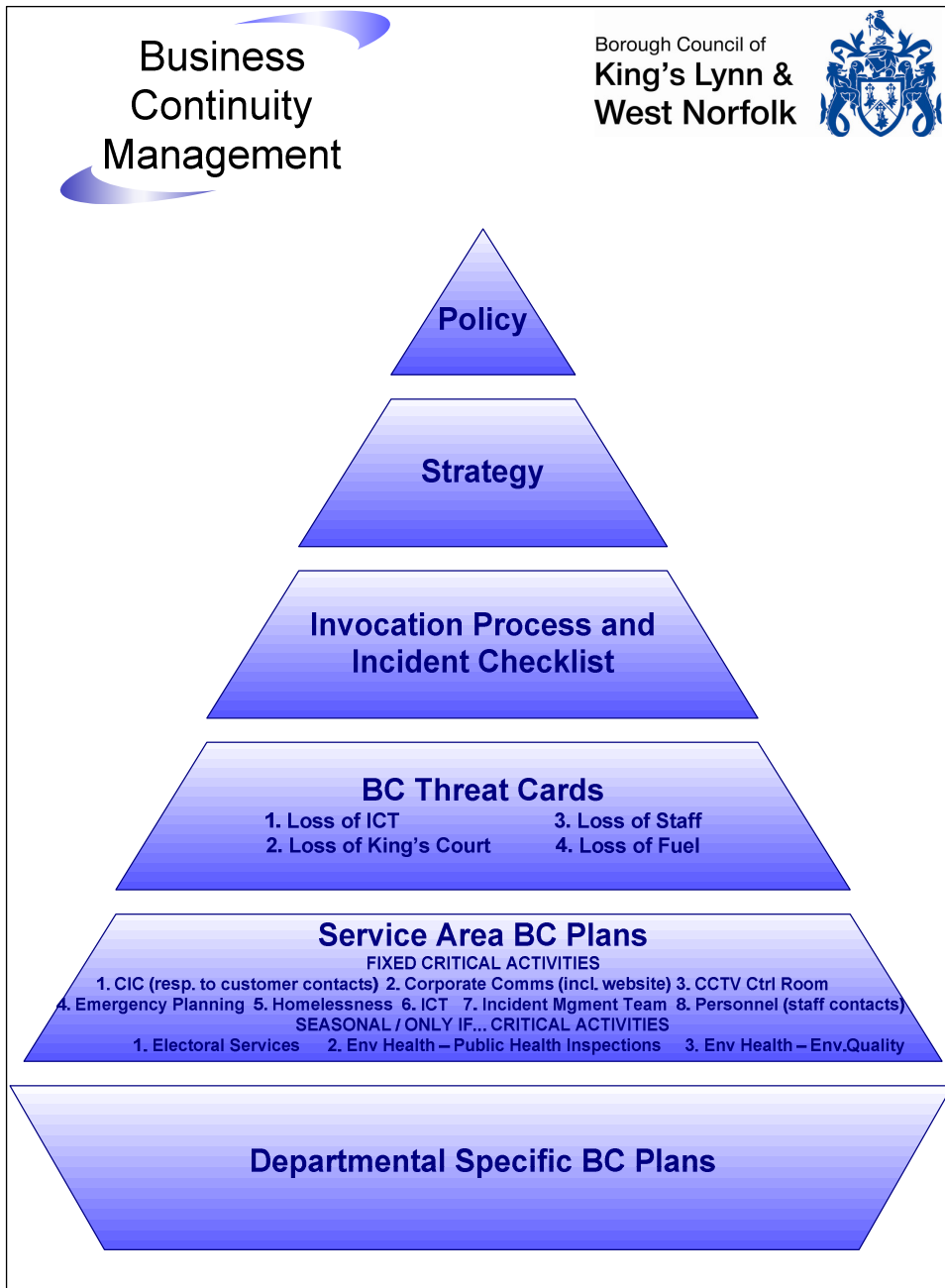
The Committee is asked to note progress made, endorse the approach being taken to the Council's Business Continuity arrangements and determine whether annual updates on the subject are required.

1.0 Background

1.1 The Civil Contingencies Act 2004 places a duty on Category 1 responders (as defined by the act and which includes all local authorities) to develop and maintain plans for the purpose of ensuring that, so far as is reasonably practicable, if an emergency occurs they are able to continue to perform their key services / critical activities. This means that, in the event of a disruption or emergency, the Council must have plans available to ensure that it can mobilise the functions it needs to:

- deal with any emergency
- ensure that the impact of the emergency on the Council's day-to-day activities is kept to a minimum, and
- ensure that, so far as possible, vital services for the community can be maintained at appropriate levels.

1.2 Business Continuity (BC) Management in the authority is based around a framework of documents as shown below.



1.3 The responsible officer for Business Continuity in this authority is the Deputy Chief Executive. He is assisted by a small group of officers from across the authority – the Business Continuity Corporate Officer Group (BC COG). Implementing Business Continuity (BC) is the responsibility of the authority's Management Team. However, all members of staff have a responsibility to be aware of the plans that affect their service area and their role following invocation of any BC plan.

1.4 The Council currently has a policy position adopted in 2011.

2.0 Progress since last report in October 2011

2.1 Activities undertaken by the BC COG since October 2011 are shown below:

- Nov 2011 – Launch of refreshed BC approach to Extended Management Team
- Dec 2011 – Refresh of Invocation Process and Incident Checklist document
- Jan 2012 – Internal Audit follow up
- Jan to Mar 2012 – Collation of Critical Team plans and quality assurance
- Mar 2012 – Corporate BC Exercise Metis12 – explored the effect of loss of King’s Court and alternative work areas
- Apr to Jul 2012 – Exploration of BC web portal
- Oct 2012 – Internal Audit undertaken
- Nov 2012 onwards – Development of an alternative ICT server recovery site
- May 2013 – Desktop Business Impact Assessment – this was a review of all business activity to confirm those which are the most critical to the authority
- June 2013 – Definitions for Recovery Time Objectives – the downtime that is tolerable for each service
- July 2013 – Review of Critical Activities – a list of 11 activities which are considered critical to maintain in the event of an event or occurrence
- July 2013 – Review of Key threats – the threats considered most likely to affect the continuation of the Council’s services and activities

3.0 Current position

3.1 Critical Activities are those services that protect life and safety, or are considered essential to support such activity and were considered critical to restore and deliver in the event of a disruption or emergency. Those currently agreed in the Council are:

- CIC – response to customer contacts
- Corporate Communications – including website
- CCTV responsive functions control room
- Emergency Planning – response to incidents
- Homelessness
- ICT – to support other teams
- Incident Management Team – Executive Directors and support
- Personnel – for staff contact details
- Electoral Services – if during a critical time

- Env Health – Public Health Inspections – if during an incident
- Env Health – Environmental Quality – if during an incident

3.2 A risk assessment has been undertaken to identify the potential threats to the Critical Activities. A 'Threat Card' has been produced for each of the threats to guide the Incident Management Team in their consideration of response. The currently agreed threats to the Critical Activities are:

- Loss of Staff
- Loss of ICT
- Loss of King's Court
- Loss of Fuel

3.3 All Critical Activities and standalone sites have a BC plan in place.

3.4 The Policy Statement and Strategy document has been updated and will be presented to Cabinet for agreement at its September meeting.

4.0 Forward workplan

4.1 The BC COG have a workplan in place for the remainder of the financial year. Our planning and exercise programme is based upon the agreed threats. Work to be undertaken includes:

- Reviewing live incidents after the event and ensuring the lessons learnt are implemented in future planning
- Finalising the Business Continuity emergency web portal
- Planning for and running desktop exercise Metis 13 – this is planned for October and will test one of the main threats
- Reviewing contact arrangements
- Commissioning and testing alternative ICT server site

5.0 Conclusion

5.1 The Council's BC arrangements are aligned with the BCM model outlined in British Standard BS25999 as recommended by the Cabinet Office. Business Continuity is not a static process; it is therefore important that, as the nature of the organisation changes, our BC arrangements reflect the changes. The BC COG ensure that the authority uses the Plan – Check – Do – Review methodology. This means that BC is ongoing.

5.2 Management Team have determined that the BC COG will continue, with wider membership, in order to continue to embed BC within the organisation.

6.0 Recommendation

6.1 Audit & Risk Committee are asked to note progress made, endorse the approach being taken to the Council's BC arrangements and determine whether annual updates are required.

AUDIT AND RISK COMMITTEE REPORT

TYPE OF REPORT: Audit	Portfolio: Performance
Author Name: Kate Littlewood	CONSULTATIONS:
Tel.: 01553 616252	
Email: kate.littlewood@west-norfolk.gov.uk	
OPEN	

Committee: Resources and Performance – Audit & Risk Committee
Date: 27th August 2013
Subject: Internal Audit Plan 2013/14 –progress report for the quarter April to June 2013

Summary	This report shows the Internal Audit activity for the quarter April to June 2013 against the Strategic Audit Plan 2013/14.
Recommendation	Members are asked to approve the report on the Internal Audit workplan for April to June 2013.

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The Strategic Audit Plan 2013/14, endorsed by the Audit and Risk Committee on 26th March 2013, sets out the work Internal Audit expect to carry out during the year. This work complies with the requirement under section 4(1) of the Accounts and Audit Regulations 2011 for the Council to ensure it has a sound system of internal control.
- 1.2 Performance Standard 2060 of the Public Sector Internal Audit Standards (PSIAS) requires the Audit Manager to report to the Audit and Risk Committee on the internal audit activity and performance relative to this plan.

2.0 Audit work in the quarter April to June 2013

- 2.1 On completion of each audit a formal report is issued to the relevant line managers, the Executive Director and Portfolio Holder. Copies are also sent to the Chief Executive, Deputy Chief Executive and the Chief Financial Officer. The report contains an action plan, with target dates, that has been agreed with the managers to address the observations and recommendations raised by Internal Audit. This forms the basis of the

follow-up audit, which is carried out approximately six months later to assess progress in implementing the agreed actions.

2.2 *Reports issued during the quarter*

The following audits have been completed during the last quarter and reports issued as described above:

- Housing Needs
- Document Management (2012/13)
- Performance Management (2012/13)
- Insurance follow-up
- Business Continuity follow-up
- Energy Conservation follow-up
- Economic Development follow-up
- Treasury and Cashflow Management follow-up

Those shown with (2012/13) are audits from the 2012/13 plan, which were ongoing at the end of that year and have been completed within 2013/14. A summary of the reports is attached as **Appendix 1** and the full versions are available under the relevant year to members of the Audit & Risk Committee on InSite.

In this quarter the Performance Related Pay (PRP) spreadsheets were also checked to ensure the figures had been calculated correctly. No report was issued as findings were raised and dealt with immediately.

The audit work for the Water Management Alliance was completed in April and reported to the relevant Boards, and we have been asked to carry out the audits for next year.

2.3 *Work ongoing*

The following audits were ongoing at the end of the quarter and will be reported to the Committee in the next quarterly report:

- Health and Safety
- Annual Governance Statement
- Department of Energy and Climate and Change (DECC) Grant Funding
- Printing follow-up
- Housing Standards follow-up
- Procurement follow-up
- Data Protection Act and Freedom of Information follow-up
- Environmental Information Management follow-up

The following work is also ongoing but the work is longer term and will not necessarily be reported in the next quarter:

- Major Housing Projects (Lynnsport, Marsh Lane and NORA)
- Local Authority Company/ Leisure Trust
- Black Bin Recycling (Material Recycling Facility (MRF) and Duratrust)
- Joint Venture with Norfolk County Council (NORA Housing)

The audits of these major projects differ to the usual systems based approach. The aim is to be more proactive in reviewing the development and progress of the projects on an ongoing basis rather than raise issues

retrospectively. At this stage most of the work has consisted of gathering and analysing background information in order to gain a full view of each project, and attending project meetings where appropriate to observe the decision processes. The reporting will depend on the progress of each project, but interim reports may be issued if an appropriate point is reached.

2.4 *Other work carried out in the quarter*

Apart from the standard audits, Internal Audit also undertook other work during the last quarter including the following:

- Development of detailed Business Process Maps (BPM's) relating to the new Revenues and Benefits software system (Civica). These document the processes involved in each area of activity and the controls in place.
- End of year work to support the Annual Governance Statement through the Audit Manager's Annual Report and effectiveness reviews of the Internal Audit Team and the Audit and Risk Committee.
- National Fraud Initiative (NFI) – work has continued on checking the returned matches. An update on the work carried out was presented to the Committee on 10th June 2013.
- Investigating the possibility of combining the Internal Audit team and Benefits Enquiry Unit to form an Audit and Fraud team, to establish if this would better meet the changing needs of the Council in the future. This is especially relevant given the Governments interest with fraud prevention.
- Preparing and submitting data for CIPFA Benchmarking for internal audit.

2.5 *Changes to the Strategic Plan*

The Strategic Plan agreed in March 2013 included 20 days allocated to audits of the Shared Services Partnership Accounts and Project Costs. Originally it had been intended for the Revenues and Benefits Partnership with North Norfolk to produce joint accounts. However it has now been agreed with North Norfolk and the external auditors that each Council will produce their own set of accounts within their own Statement of Accounts for 2012/13 and 2013/14. As a result there are no records for internal audit to review and this allocation of time will be held as a general contingency within the plan.

3.0 Performance Indicators

3.1 Delivery of the Audit Plan – a target of 95% has been set to take in to account any work that may overlap at year end and also to allow for any additional work that may arise during the year. The table below summarises the position against the planned audits contained in the Audit Plan 2013/14.

2013/14 Status of Audits	Audit days used	Percentage of Plan (in days)
Completed and reported	15	3%
In Progress	88	18%
Planned for future quarters	379	79%
Total Planned Audits	482	100%

These figures relate to the 2013/14 plan only and do not include audits from the 2012/13 plan that have been completed in this quarter or time for follow-up audits. The 'In Progress' audits are near to completion or progressing well.

3.2 Audit Questionnaires returned with satisfactory scores – Satisfaction questionnaires are issued with the final report to the Executive Director for completion and return to the Audit Manager. Only three questionnaires were issued in this quarter and at the time of writing the report only one had been returned. This one had satisfactory scores. Reminders will be sent for the outstanding questionnaires.

3.3 Planned audit time – a target of 68% has been set for the full year and for this quarter it has been 66%. This refers to the proportion of the total available time that is spent on planned audit work rather than management, training, general administration and holidays.

4.0 Work planned for the next quarter July to September 2013.

4.1 As well as completing the ongoing work listed in paragraph 2.3, including the project reviews, the following audits are planned for the next quarter:

Audit Title	Days	Date
Cemeteries and Crematorium	8	Aug
Payroll (incl Members Expenses)	15	Sept

4.2 Audits shown in bold are Core Audits. These are audits that are carried out every year due to the significant nature of the systems concerned. They are also ones that the external auditors would be looking at as part of the annual financial audit they perform.

4.3 Some work on core audits may be brought forward from Quarter 3 which is currently showing a high volume of planned work.

5.0 Conclusion

5.1 Progress to date has been satisfactory and at this point nothing has arisen to suggest that the plan will not be completed within the year. If anything does arise that will impact on the completion of the plan, the Committee will be informed at the next available meeting.

5.2 This report provides Members with an overview of the audit activity and outcomes over the period, and provides an opportunity for Members to seek further information if required.

Notes to support the summary in Appendix 1

The following tables provide an explanation of the terms used to grade the recommendations contained in the final audit reports, and the overall opinion attributed as the result of each audit.

Recommendations

The observations and recommendations are allocated a grading High, Medium or Low as defined below:

High	Major risk requiring action by the time the final report is issued.
Medium	Medium risk requiring action within six months of the issue of the draft report.
Low	Matters of limited risk. Action should be taken as resources permit.

Please note - 'Low' recommendations are not summarised in this report due to the insignificant nature of the issue.

Audit Opinion

At the conclusion of the audit an overall audit opinion is formed for the audit area. The definition for each level of assurance is given below.

Full Assurance	A sound system of internal control that is likely to achieve the system objectives, and which is operating effectively in practice.
Substantial Assurance	A sound system of internal control, but there are a few weaknesses that could put achievement of system objectives at risk.
Limited Assurance	A system of internal control with a number of weaknesses likely to undermine achievement of system objectives, and which is vulnerable to abuse or error.
No Assurance	A fundamentally flawed system of internal control that is unlikely to achieve system objectives and is vulnerable to serious abuse or error.

Audits completed in Q1 2013-14	Overall Opinion
<p><u>Housing Needs</u> Report published June 2013. No recommendations were made, but a follow-up audit in 6 months' time will assess work on a planned data transfer from spreadsheets to the APP/Flare software.</p>	Full Assurance
<p><u>Document Management (2012/13)</u> Report published in April 2013. There were 2 Medium recommendations relating to preparing a Council 'Document Management Policy' from 'cradle to grave', including the use of security classifications and document naming conventions; and raising a change request with IDOX, who provide the document imaging and storage software, to enforce periodic User password change control.</p>	Substantial Assurance
<p><u>Performance Management (2012/13)</u> Report published in April 2013. There were 2 Medium recommendations referring to establishing responsibility for over-seeing the information required for the Transparency Agenda; and reviewing the Code of Corporate Governance in line with recent publications from CIPFA to coincide with the formulation of the Annual Governance Statement.</p>	Full Assurance

Follow-up audits completed in Q1 2013-14	Original report	Follow-up progress
<u>Insurance</u> The report issued in October 2012 contained 2 Medium and 1 Low recommendations, all of which had been implemented satisfactorily.	October 2012 Full Assurance	May 2013 Very Good
<u>Business Continuity</u> The report issued in October 2012 contained 22 Medium recommendations, of which 18 are in the process of being implemented. The remaining 4 have been completed.	October 2012 Substantial Assurance	June 2013 Good
<u>Energy Conservation</u> The report published in November 2012 contained 3 Medium and 1 Low recommendation. Of the Medium recommendations, 1 has been completed and the remaining 2 are ongoing. The Low recommendation has not been implemented.	November 2012 Substantial Assurance	June 2013 Good
<u>Economic Development</u> The report published in November 2012 contained 2 Medium recommendations. One has been completed and the other is ongoing, due for completion shortly.	November 2012 Full Assurance	June 2013 Good
<u>Treasury and Cashflow Management</u> The report published in November 2012 contained 2 Medium recommendations. One has been completed and the second was largely completed with work ongoing.	November 2012 Full Assurance	May 2013 Very Good

AUDIT AND RISK COMMITTEE WORK PROGRAMME 2013/2014**10 June 2013**

- Final Accounts and Statement of Accounts for year ended 31 March 2013
- Quarterly Progress Final Report 2012/2013
- National Fraud Initiative – Update on Work

25 June 2013

- Internal Audit Annual Report 2012/2013
- Review of the Effectiveness of Internal Audit Service/Internal Audit Terms of Reference Update
- Risk Management

23 July 2013

- Audit and Risk Effectiveness Review
- Benefit Investigations Unit Annual Report

27 August 2013

- 1st Item Annual Governance Statement (Training session 30 minutes to which all Members will be invited to attend)
- Quarterly Progress Update Quarter 1 2013-2014
- Business Continuity – Annual Update

9 September 2013

(5.30 pm start – 1st Item – Statement of Accounts – training session – open to all Members 1 hour)

Special Meeting – to consider the Statement of Accounts 2012/2013

Annual Governance Statement

24 September 2013

29 October 2013

- Internal Audit Plan 2013/2014 – Progress report for the quarter July to September 2013
- Risk Management
- NFI Update
- Treasury Mid Year Report

26 November 2013

- Benefit Investigations Unit Half-Year Report – S Munson
- Annual Audit Letter – to be presented by the Council's External Auditor

7 January 2014

(5.30 pm start – Budget Process (1 hour) – 1st item – training sessions – open to all Members)

27 January 2014

25 February 2014

- Quarterly Progress Report Quarter 3 2013-2014
- Strategic Internal Audit Plan 2014-2015

25 March 2014

- Business Continuity – Annual Update
- BCKL&WN Audit Plan 2014/2015 (external)
- Internal Audit – Strategic Audit Plan 2014/15

29 April 2014

- Corporate Risk Monitoring Report (October 2013 to March 2014)