Hywel Dda University Health Board

Business Continuity

Final Internal Audit Report

June 2020

Private and Confidential

NHS Wales Shared Services Partnership

Audit and Assurance Services

Contents

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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors.

ACKNOWLEDGEMENT

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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1.   Introduction and Background

The review of business continuity arrangements within Hywel Dda University Health Board was completed in line with the approved 2019/20 approved internal audit plan.

The relevant lead Executive Director for the review was the Director of Public Health and the operational lead for the assignment was the Head of Health Emergency Planning.

The scope of this review was limited in regard of testing within directorates and services due to the restrictions imposed following the national outbreak of the coronavirus (COVID-19).

The undertaking of fieldwork and sampled business continuity management plans, and supporting information, was gathered and tested prior to the national measures introduced by the Welsh Government following the outbreak of coronavirus COVID-19 and did not include any work associated with the pandemic.

2.   Scope and Objectives

The overall objective of this review was to evaluate and determine the adequacy of the systems and controls in place for the management of business continuity, in order to provide assurance to the Audit & Risk Assurance Committee that risks material to the achievement of system objectives are managed appropriately.

The purpose of the review was to establish if the Health Board has appropriate processes in place to ensure the establishment of business continuity arrangements across departmental services within the Health Board.

The objective of the review was to provide assurance that:
- The Health Board has an agreed business contingency policy in place and arrangements for the monitoring of plans have been established;
- Core function analysis and risk identification has been undertaken on behalf of the identified Executive Directors;
- Directorates and services should have an established business continuity management plan that is regularly reviewed;
- Business continuity management plans are made available to directorate and service employees; and
- Training is provided for relevant employees within directorates and services.

3.   Associated Risks

The risks considered in the review were as follows:

i.   Lack of organisational arrangements in place for the management and monitoring of business continuity;

ii.   No business continuity management plans have been developed or implemented across directorates or services; and

iii.   Delegated management arrangements within directorates and services have not been established or cascaded to employees.

OPINION AND KEY FINDINGS

4.   Overall Assurance Opinion

We are required to provide an opinion as to the adequacy and effectiveness of the system of internal control under review. The opinion is based on the work performed as set out in the scope and objectives within this report. An overall assurance rating is provided describing the effectiveness of the system of internal control in place to manage the identified risks associated with the objectives covered in this review.

The scope of this review was limited in regard of testing within directorates and services due to the restrictions following the commencement of the pandemic. This audit did not include a review of any plans or work associated with the pandemic.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with Business Continuity is **Reasonable** assurance.

RATING	INDICATOR	DEFINITION
Reasonable Assurance		The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.

The Emergency Planning Team have established a satisfactory monitoring arrangement to collate submitted business continuity management (BCM) plans and identify directorates, services and departments displaying non-compliance. The Health Board also have in place a Business Continuity Planning Policy and a dedicated intranet page.

A number of medium priority findings were identified during this review, with a number relating to the variance between operational processes and the extant Business Continuity Planning Policy, and the lack of escalation of non-compliant departments to the appropriate Executive Director.

The findings identified within this report has resulted in a Reasonable assurance rating being awarded.

5.   Assurance Summary

The summary of assurance given against the individual objectives is described in the table below:

Audit Objective		Assurance Summary*			
1	The Health Board has an agreed business continuity policy in place and arrangements for the monitoring of plans have been established			✔	
2	Core Function Analysis and Risk Identification has been undertaken on behalf of the identified Executive Directors			✔	
3	Directorates and Services should have an established business continuity management plan that is regularly reviewed			✔	
4	Business Continuity Management Plans are made available to			✔	

Audit Objective		Assurance Summary*			
	directorate and service employees				
5	Training is provided for relevant employees within directorates and services			✔	

* The above ratings are not necessarily given equal weighting when generating the audit opinion.

Design of Systems/Controls

The findings from the review have highlighted no issues that are classified as weaknesses in the system control/design for Business Continuity.

Operation of System/Controls

The findings from the review have highlighted **six** issues that are classified as weaknesses in the operation of the designed system/control for Business Continuity. These are identified in the Management Action Plan as (O).

6.   Summary of Audit Findings

The key findings are reported in the Management Action Plan at Appendix A.

OBJECTIVE 1: The Health Board has an agreed business contingency policy in place and arrangements for the monitoring of plans has been established

The Health Board has in place a *Business Continuity Planning Policy* that was available to employees on the Emergency Planning and Business Continuity intranet site. The policy was approved by the Business Planning and Performance Assurance Committee on 11th January 2017 but was due for review on 11th January 2020.

The Health Board has a small dedicated Emergency Planning Team that collates and monitors compliance of directorate/service/department business continuity plans in line with policy requirements. Where business continuity plans have not submitted, the Emergency Planning Team would contact the areas to highlight their non-compliance.

Prior to the global pandemic of coronavirus (COVID-19), the Emergency Planning Team had focused on managing the implications on services and planning of contingency arrangements in the event of a no-deal Brexit.

See Findings 2 & 3 at Appendix A.

OBJECTIVE 2: Core function analysis and risk identification has been undertaken on behalf of the identified Executive Directors

A sample of 20 directorates/services/departments was selected to establish whether Business Impact Analyses (BIA) and Risk Identification (RI) exercises had been undertaken and forwarded to the Emergency Planning Team.

Concluding testing, a BIA and RI exercise had been undertaken for 12 of the 20 directorates/services/ departments sampled. Of the eight departments where no BIA and RI exercises were in place, three departments were identified as having had made some progress towards completing these exercises.

See Finding 4 at Appendix A.

OBJECTIVE 3: Directorates and services should have an established business continuity management plan that is regularly reviewed

A sample of 20 directorates/services/departments were selected to establish whether a current business continuity management (BCM) plan was in place. Of the 20 directorates/services/departments tested, it was found that there were:-

- Nine instances where a current plan was in place.
- Five instances where a plan was in the process of being developed.
- One instance where there was an outdated plan in place (dated 2013).
- Five instances where there was no plan in place.

Of the areas without a current business continuity management plan in place, we can confirm that the Emergency Planning Team had communicated with the directorates/services/departments informing them of their need review and update their business continuity management plan.

See Finding 5 at Appendix A.

OBJECTIVE 4: Business continuity management plans are made available to directorate and service employees

A review was undertaken to establish whether BCM plans had been made available to directorate and service employees. We can confirm that the as part of the Emergency Planning Team's role of supporting individuals within departments when creating their business continuity plans, ensuring the cascading of the plans amongst staff is a question on their checklist.

The *Business Continuity Planning Policy* states that BCM plans should be made accessible to all staff via the Health Board intranet. Concluding testing, none of the 200+ plans appeared to have been shared on the Health Board intranet.

See Finding 7 at Appendix A.

OBJECTIVE 5: Training is provided for relevant employees within directorates and services

The *Business Continuity Planning Policy* states that those responsible for BCM must ensure that training needs are identified and training records maintained.

Of the 10 directorates/services/departments (of the 20 sampled) that had a BCM plan in place, seven areas stated that they had not undertaken any BCM training whilst three departments had not respond to Internal Audit's email request in regard of this topic. However, the Emergency Planning Team do undertake some

'hands-on' training, with individuals when providing support to develop a business continuity plan, that is not captured or reflected in the policy.

See Finding 1 at Appendix A.

7.   Summary of Recommendations

The audit findings and recommendations are detailed in Appendix A together with the management action plan and implementation timetable.

A summary of these recommendations by priority is outlined below.

Priority	H	M	L	Total
Number of recommendations	**0**	**6**	**0**	**6**

Finding 1 - Business Continuity Training (O)	Risk
The *Business Continuity Planning Policy* states that those responsible for BCM must ensure that training needs are identified and training records maintained. Of the 10 directorates/services/departments (of the 20 sampled) that had a BCM plan in place, seven areas stated that they had not undertaken any BCM training whilst three departments did not respond to Internal Audit's email request in regard of this topic. However, the Emergency Planning Team do undertake comprehensive 'hands-on' training with lead individual(s) responsible for creating the business continuity plans that is not captured or reflected in the current policy.	Delegated management arrangements within directorates and services have not been established or cascaded to employees.
Recommendation 1	**Priority level**
The Director of Public Health should review training processes currently in operation within the Health Board and ensure this is accurately reflected in the Business Continuity Planning Policy.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
The Policy will be amended to reflect that training for BCM and associated TNA and record keeping has been replaced with hands-on-support, guidance and instruction by the Emergency Planning Team to individual(s) responsible for creating the BC Plan for each department.	Head of Health Emergency Planning 30th November 2020

Finding 2 - Business Continuity Policy (O)	Risk
The Health Board's *Business Continuity Planning Policy* was due for review on the 11th January 2020.	Lack of organisational arrangements in place for the management and monitoring of business continuity.
Recommendation 2	**Priority level**
Management should ensure the Business Continuity Planning Policy is reviewed and updated to reflect current processes and procedures before being submitted for approval at the People, Planning & Performance Assurance Committee.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
A review of the Health Board's *Business Continuity Planning Policy* was postponed earlier this year due to the Coronavirus outbreak. As we are still in response mode to this crisis, we agree to review the policy as it stands as an interim measure. The reviewing of this Policy was intentionally paused in the New Year following learning taken from the extreme pressures and sustained periods of escalation of the urgent care system, particularly during December 2019. It was proposed that we would develop a Business Continuity Framework to aid escalation and de-escalation during periods of high demand or pressure in the system. This work was taken over by events at the end of January / beginning of February 2020.	Head of Health Emergency Planning 30th November 2020

Finding 3 – Non-Compliance Reporting (O)	Risk
The Health Board has a small dedicated Emergency Planning Team that collates and monitors compliance of directorate/service/department business continuity plans in line with policy requirements. Where business continuity plans have not submitted, the Emergency Planning Team would contact the areas to highlight their non-compliance.	Lack of organisational arrangements in place for the management and monitoring of business continuity.
Recommendation 3	**Priority level**
The Emergency Planning Team should periodically escalate instances of continued non-compliance where business continuity management plans have not been reviewed and implemented by departments to the appropriate group or committee.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
The Emergency Planning Team will develop and implement a process of escalation to the appropriate Executive Director in relation to repeated non-compliance with BCM planning.	Head of Health Emergency Planning 30th September 2020

Finding 4 - Core Function Analysis and Risk Identification (O)	Risk
Business Impact Analyses (BIA) and Risk Identification (RI) exercises had not been completed for eight of the 20 directorates/services/departments sampled. However, three departments were identified as having had made some progress towards completing these exercises. GGH Chemotherapy Day (In progress) Swn Y Gwynt Hospital Finance Directorate Ceredigion Community Premises Radiology - Pembrokeshire (In progress) BGH Angharad Ward Public Health - Smoking Cessation Pharmacy and Medicines Management - Corporate Wide (In progress)	No business continuity management plans have been developed or implemented across directorates or services.
Recommendation 4	**Priority level**
The Emergency Planning Team should escalate non-complaint departments that have not undertaken a core function analysis and risk identification exercise to the appropriate Executive Director.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
The Emergency Planning Team will develop and implement a process of escalation to the appropriate Executive Director in relation to repeated non-compliance with BCM planning.	Head of Health Emergency Planning 30th September 2020

Finding 5 - Business Continuity Management Plans (O)	Risk
A sample of 20 directorates/services/departments were selected to establish whether a current business continuity management (BCM) plan was in place. Of the 20 directorates/services/departments tested, it was found that there were:- _Five instances where a plan was in the process of being developed_ GGH Chemotherapy Day Unit Pembrokeshire Radiology Corporate Wide Outpatients Corporate Wide Communications Corporate Wide Pharmacy and Medicines Management _One instance where the was an outdated plan in place (dated 2013)_ Tregaron Hospital _Five instances where there was no plan in place_ Swn Y Gwynt Hospital Finance Directorate Ceredigion Community Premises Ceredigion Angharad Ward Public Health Smoking Cessation	No business continuity management plans have been developed or implemented across directorates or services.
Recommendation 5	**Priority level**
The Emergency Planning Team should escalate non-complaint departments that have not submitted a business continuity management plan to the appropriate Executive Director.	**MEDIUM**

Management Response	Responsible Officer/ Deadline
The Emergency Planning Team will develop and implement a process of escalation to the appropriate Executive Director in relation to repeated non-compliance with BCM planning.	Head of Health Emergency Planning 30th September 2020

Finding 6 – Sharing of Business Continuity Plans (O)	Risk
The Business Continuity Planning Policy states that BCM plans should be made accessible to all staff via the Health Board intranet. Concluding testing, none of the 200+ plans appeared to have been shared on the Health Board intranet.	Delegated management arrangements within directorates and services have not been established or cascaded to employees.
Recommendation 6	**Priority level**
The Emergency Planning Team should review the feasibility of uploading and maintaining all business continuity plans on the intranet. Where changes are identified, this should be reflected in the Business Continuity Planning Policy, otherwise all directorate, service and department plans should be shared online.	**MEDIUM**
Management Response	**Responsible Officer/ Deadline**
All Departmental Business Continuity plans to be shared, managed and reviewed through departmental shared drives. This new process will be reflected in the Policy. In addition, model BCM plans will be placed on the intranet as examples of good practice for guidance purposes.	Head of Health Emergency Planning 30th November 2020

Appendix B - Assurance Opinion and Action Plan Risk Rating

2019/20 Audit Assurance Ratings

Substantial Assurance - The Board can take **substantial assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with **low impact on residual risk** exposure.

Reasonable Assurance - The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved.

Limited Assurance - The Board can take **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with **moderate impact on residual risk** exposure until resolved.

No Assurance - The Board has **no assurance** arrangements in place to secure governance, risk management and internal control, within those areas under review, which are suitably designed and applied effectively. Action is required to address the whole control framework in this area with **high impact on residual risk** exposure until resolved.

Prioritisation of Recommendations

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

Priority Level	Explanation	Management action
High	Poor key control design OR widespread non-compliance with key controls. PLUS Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in control design OR limited non-compliance with established controls. PLUS Some risk to achievement of a system objective.	Within One Month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. These are generally issues of good practice for management consideration.	Within Three Months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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