

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



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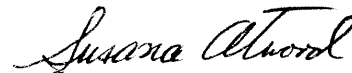
December 22, 2010

**CHIEF RISK OFFICER CRICKETTE**

**Re: Final Report of Audit Project No.11A012 - Risk Services: Mission Continuity/UC Ready**

Attached please find the final report for Audit No. 11A012 Risk Services: Mission Continuity/UC Ready. It includes Action Plans that were developed by members of your staff. The Action Plans will be entered into the Team Central database and monitored until completion. With the issuance of this final report, please destroy any previous draft versions.

We very much appreciate the assistance provided to us by you during our review. If you should have any questions, please feel free to contact me at 510-987-0482 (email: [Susana.Atwood@ucop.edu](mailto:Susana.Atwood@ucop.edu)) or Maria Cornejo at 510-987-9455 (email: [Maria.Cornejo@ucop.edu](mailto:Maria.Cornejo@ucop.edu)).

  
Susana Atwood  
Audit Director

Attachment

cc: EVP & CFO Taylor  
SVP Vacca  
Director Confetti  
Principal Auditor Cornejo

UNIVERSITY OF CALIFORNIA  
ETHICS, COMPLIANCE AND AUDIT SERVICES  
OFFICE OF THE PRESIDENT  
INTERNAL AUDIT SERVICES

RISK SERVICES: MISSION CONTINUITY/UC READY  
Audit No. 11A012  
December 2010

Audit Conducted by:  
Maria Cornejo, Principal Auditor

# **Executive Summary**

## **Introduction**

As part of the 2010-2011 annual audit plan, Internal Audit Services conducted an operational audit of the Mission Continuity/UC Ready program.

Continuity planning addresses the question of how the University can prepare to continue operations despite adverse events, and how it can resume operations rapidly and effectively. It involves the creation and validation of a practiced logistical plan for how an organization will recover and restore critical functions within a predetermined time after an operational disruption.

The UC Ready Roll-Out communication addressed to the Office of the President department heads on May 12, 2009 by then Executive Vice President Lapp; states that the plan is intended to identify the following:

- (1) Critical functions performed by each department, and the factors needed for their continuance.
- (2) Information and strategies that will help during and after the emergency, disaster, or disruptive event. And,
- (3) Action items that can be performed to lessen the impact of these events and make each department, and the Office of the President, more resilient.

The UC Ready program, sponsored by Risk Management, is a progressive and pro-active systemwide approach to prevent, mitigate, prepare for, respond to, and recover from any adverse event or disruption through the development of departmental-level continuity plans. The UC Ready continuity tool, a component of the UC Ready program, is an on-line program that allows all departments systemwide to easily produce a continuity plan that identifies both strategies for coping with events when they occur, and preparations that can be done in advance.

## **Objectives and Scope**

The audit objective was to determine the status of continuity plan completion at the Office of the President. We accomplished this by sending a short questionnaire to 26 departmental contacts identified by Risk Services as appointed representatives for the various UCOP divisions.

We also interviewed Risk Services personnel to determine if (1) an annual review process of the plans is in place, (2) continuity plans are required to be tested for reasonableness and effectiveness, (3) follow up activities are periodically performed to ensure timely or accelerated completion of the plans, and (4) training is made available to departments.

## **Overall Conclusion**

Even though efforts on the part of Risk Services have been made to provide guidance to departments in the completion of their continuity plans, with the exception of one department; no other units have completed it. This issue is compounded by a lack of periodic follow up with the units that would help ensure timely completion of the plans.

The goal of continuity planning is to ensure that the Office of the President's core critical functions are emergency and disaster-resilient. It is important that this program be given the attention it deserves as it underlines how the organization will respond and recover from the challenges any type of emergency or disaster will present.

## **Management Actions**

Management has provided Action Plans that will address the issues identified in the report as detailed in the Opportunities for Improvement section that follows.

## Opportunities for Improvement and Action Plans

### 1. Absence of Mission Continuity Plans at UCOP.

Review of the UC Ready Tool, an on-line program used to complete continuity plans systemwide, noted that only 1 out of 21 departments have completed their plan. The remaining 20 departmental continuity plans are noted to be "in progress". For 11 of these plans, the tool indicates that the on-line program was last accessed in 2009. It should be noted that minimal information entered to the on-line system automatically categorizes a plan as "in progress".

The Executive Vice President of Business Operations requested participation in this program in May 2009.<sup>1</sup>

Lack of overall continuity planning readiness places the Office of the President at risk of being unable to respond and recover from any disruptions caused by an emergency or disaster.

Responses received from surveyed departments noted that delays in the completion of their plans were due to one of the following: have not had a department-wide discussion, other priorities, workload of staff, lack of time, not having a full understanding on how to do it, and lack of further direction and instructions from Risk Services.

***Action Plans:** Risk Services, in their effort to continue to facilitate the continuity planning effort, has hired a Business Continuity Planner to work closely with Office of the President departments to support them in the completion of their plans. The new planner will provide additional training on the use of the UC Ready Tool and preparation of Continuity Plans, in general. The hiring of the planner was completed prior to the issuance of this report.*

*Additionally, in conjunction with the EVP Business Operations, Risk Services is planning to re-energize the program via the issuance of an OP wide written communication scheduled to go out no later than January 31, 2011.*

*The Risk Services Director will be responsible for the implementation of the actions noted above.*

### 2. Lack of follow-up to ensure timely completion of continuity plans.

Information received from Risk Services and from individual departments surveyed noted that minimal monitoring was performed to promote completion of the plans. Departments surveyed noted that they are planning to complete their continuity plan as early as December 2010 and as late as June 2011.

Implementing follow-up procedures, such as periodic communication with departments, one-on-one sessions with units that may require additional guidance, and facilitating periodic training, could potentially accelerate the completion of departments' continuity plans.

Insufficient personnel and other priorities were cited as causes for the absence of continuous monitoring.

***Action Plans:** Along with the action plans noted under Opportunity #1, the newly hired OP Business Continuity Planner will monitor, on an on-going basis, the status of unfinished departmental continuity plans. A tracking sheet will be developed to monitor and record the progress made by departments towards the completion of their continuity plans. The tracking sheet will be developed and implemented no later than January 31, 2011.*

*The Risk Services Director will be responsible for the implementation of the actions noted above.*

<sup>1</sup> The UC Ready Roll-Out communication addressed to the Office of the President department heads on May 12, 2009 by then Executive Vice President Lapp.

## **APPENDIX A**

### **\*\*Completed continuity plans:**

- Laboratory Management Office
- Office of Risk Services (completed during the audit review)

### **\*\*Continuity plans coded as “in progress”**

- Academic Personnel
- Banking Services Group
- Budget and Capital Resources
- Data Warehouse and Corporate Systems
- Education Partnerships
- Ethics, Compliance, and Audit Services
- General Counsel
- Human Resources
- Information Resources and Communication
- Office of Strategic Change
- Office of Technology Transfer
- Office of the Treasurer
- Payroll Personnel System
- President’s Executive Office
- Provost’s Office
- Research Grants Program Office
- Student Affairs
- UCDC
- UCOP Budget Office

**\*\*Source: UC Ready on-line system**