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City of Stockton
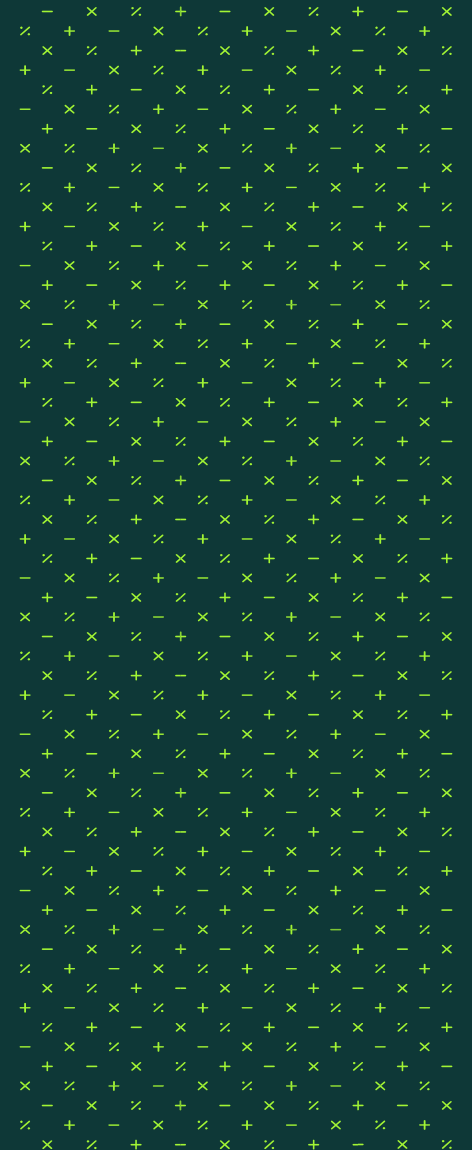
Business Continuity & Disaster Recovery

Audit Committee Meeting
October 7, 2024

Agenda

Objectives and Scope

The purpose of this effort was to guide the City of Stockton's internal departments in completing a comprehensive Business Impact Analysis (BIA) to help identify the critical processes and resources essential for operational continuity. This included:

- Conducting workshops with each department's representative to review the BIA process and provide guidance on conducting the exercise

- Analyzing results of BIA exercise and providing feedback

- Reviewing the existing Technology Recovery Plan (owned by the IT Department) and providing feedback on potential GAPs from industry standards

- Effort was carried out from January to September of 2024

Business Impact Analysis

A Business Impact Analysis (BIA) is a process that helps organization identify and evaluate the potential effects of disruptions to their operations

Key Components:

- ***Identify Critical Functions***: Determine which business processes are essential for daily operations

- ***Assess Impact***: Evaluate how disruptions could affect these functions

- ***Prioritize Resources***: Identify the resources needed to maintain or quickly restore critical functions

BIA and Business Continuity

A Business Impact Analysis (BIA) exercise is an important undertaking to enhancing the organization's continuity plans. It helps to:

- ***Inform Planning***: The BIA provides valuable insights for creating effective Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP)*

- ***Enhance Preparedness***: The BIA helps The City of Stockton prepare for potential disruptions by understanding impacts a disrupted process would have on the city

- ***Facilitate Quick Recovery***: The BIA identifies the critical processes and their required resources, allowing for faster recovery and minimal downtime

- **Support Decision-Making**: The BIA offers data-driven recommendations for prioritizing actions during a crisis

* The City of Stockton's DRP is known as the Technology Recovery Plan (TRP) and is managed by the IT Department.

TRP and Disaster Recovery

Disaster Recovery Plans (DRPs) are documented strategies that outlines how an organization will recovery and restore resources that support its critical processes after a disruption event. The City of Stockton's DRP is known as the Technology Recovery Plan (TRP) and supports continuity by:

- ***Enhancing Quick Recovery***: The TRP provides a clear roadmap for restoring operations, and minimizing downtime

- ***Protecting Critical Systems***: The TRP contains detailed backup procedures and recovery methods to safeguard important systems

- ***Enhancing Preparedness***: The TRP prepares the city to respond effectively to various disruptions

- **Facilitating Communication**: The TRP establishes communication protocols to keep stakeholders informed during a disruption

Observation and Recommendations

Business Continuity and Disaster Recovery

| Business Impact Analysis	
Finding	Disaster recovery plans (DRPs) and business continuity plans (BCPs) are in the preliminary stages of development and have not been fully developed, exercised, or formally tested since last review. Mission-critical financial systems do not have redundancy on site in Stockton and a business impact analysis has not been done, nor has the system been tested for failover.
Recommendation	Finish developing the DRP and deploy appropriate associated processes. Each plan must be tested on a periodic basis to ensure that the plan provisions are viable and that they meet the changing needs of the City. Conduct a business impact analysis for all applications, databases, and systems within the City's enterprise.
Completed Work	• Moss Adams collaborated with each department to conduct a Business Impact Analysis (BIA) exercise. • Each BIA was collected and reviewed by Moss Adams to provide feedback. • Departments identified key processes and required resources to continue to operate. • Each process was ranked according to its criticality for continuity and recovery purposes.

Observation and Recommendations

Business Continuity and Disaster Recovery

Disaster Recovery Testing	
Finding	The City does not have adequate procedures and controls in place in case of an IT emergency, requiring an override of normal controls.
Recommendation	Finish developing the disaster recovery plan and deploy appropriate associated processes.
Completed Work	• IT Department developed a Technology Recovery Plan (TRP). • Moss Adams reviewed the TRP against industry standards, and provided feedback. • Feedback was incorporated and Moss Adams performed a final review to validate.
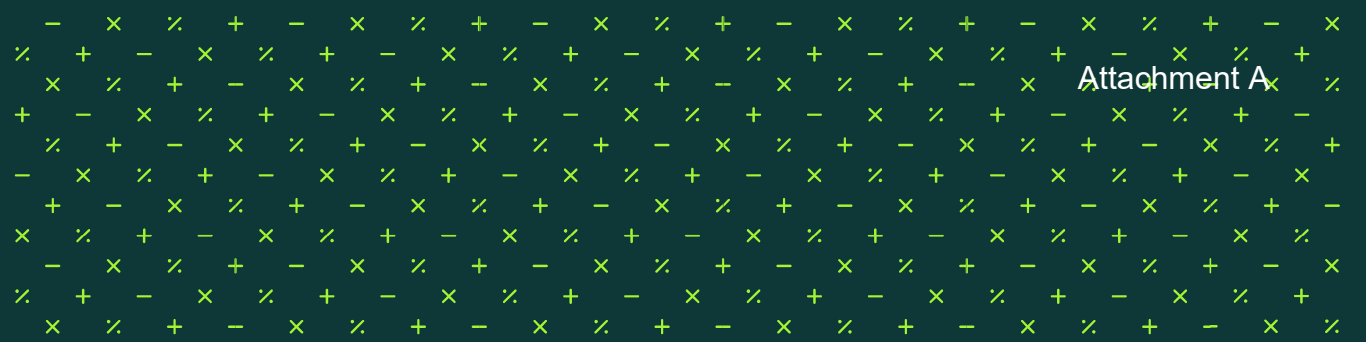
Questions?

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