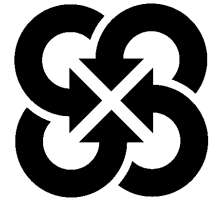


REGISTERS OF SCOTLAND

Executive Agency



Paper for: ERM Project Board

Subject: ERM Project Stage 1 - End Stage Report

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Action Required: Information and Approval

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0.2	Minor alterations incorporated after QR by David Cummings	HR	10 April 2002	Draft



ERM Stage 1 - End Stage Report

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1. Purpose

The purpose of this document is to inform the ERM Project Board ("the Board") about the performance of the Review and Analysis stage ("Stage 1") of the ERM Project ("the Project"). The Board will be asked to sign-off Stage 1 of the Project.

2. Stage Plan

The PID for the ERM Project was approved by the ERM Project Board on 19 July 2001. It was agreed that the Project should be completed in four stages, the first being Review and Analysis and the second Policy Development.

Recognising that there was a lack of resource within the Agency with the necessary skills to complete these two stages the Board further approved that external consultants be procured to do so, in liaison with an Agency Project Team.

In December 2001 XXXXX ("the consultants") were awarded the contract to provide the required consultancy services, with work on the project commencing in January 2002. The Board electronically approved a PID for Stages 1 and 2 on 24 January.

It was agreed that the following deliverables would be produced during Stages 1 and 2 of the Project:

Stage 1

- physical Risk Assessment (RA) report
- Information Security Management (ISM) Gap Analysis (GA) report
- Business Impact Analysis (BIA) report

Stage 2

- Policy and Strategy documentation with
 - summary policy
 - policy
 - principles and procedures
 - strategy report
 - ongoing implementation frameworks.

The following key milestones were agreed:

Key Milestone	Projected Date
Project Initiation	08 January 2002
Physical RA Complete	07 February 2002
ISM GA Complete	12 February 2002
BIA Complete	11 March 2002
Presentation & Review of Phase 1 Findings	12 March 2002
Stage 1 Complete	26 March 2002
Policy & Strategy Complete	19 April 2002
Stage 2 Complete	25 April 2002



3. Project End Stage Outputs

This section provides an overview of the outputs that have been delivered during Stage 1 of the Project. Reports have been delivered in respect of each of these and were, along with an overall summary report, presented to the Management Board and Production Business Managers by the consultants at a meeting held on 5 April 2002 and members of the Management Board were invited to feedback any views and comments to be taken account of in Stage 2 of the Project.

3.1 Risk Assessment

A Risk Assessment exercise covering all Agency sites, although recognising that certain accommodation changes within the Agency are imminent, was completed during January 2002. The objectives of this exercise were to:

- quantify threats to Agency business and technology operations in the areas of
 - location, buildings and environment
 - access, security and staff safety
 - utilities and services
 - fire, lightning, and water
 - power supply
 - single points of failure within computer and network configurations
 - any other threats perceived by or brought to the attention of the consultant.
- identify vulnerabilities, i.e. areas where the Agency is exposed to threats
- where possible, quantify the risks, i.e. the likelihood of a threat causing an impact
- recommend countermeasures.

3.2 Information Security Management Review and Gap Analysis

This Review, conducted within the framework of ISM industry standards, again covered the whole Agency and was completed in February 2002. Its purpose was to:

- provide a Gap Analysis of the Agency's ISM status against BS7799/ISO17799 standards, qualifying threats and identifying vulnerabilities in the areas of
 - security organisation
 - assets classification and control
 - personnel
 - physical and environmental security
 - computer and network management
 - system access control
 - systems development and maintenance
 - business continuity planning
 - compliance.
- where possible, quantify the risks
- recommend countermeasures

3.3 Business Impact Analysis



This exercise has been ongoing throughout Stage 1 and covered all business critical sections and functions within the Agency. Its purpose was to analyse the impact and identify the requirements for Business Continuity Planning following loss of disruption to critical operations, more specifically to:

- identify the Agency's essential business functions, their priority and continuity demands
- identify business dependencies, such as staff skills and experience, office environment, technology, vital records, interdepartmental, external (third party), etc.
- determine business cycle impact profiles and document worst case impact scenarios, e.g. year-end, statutory deadlines, etc.
- identify any local risks through inadequate operating practice
- identify gaps in existing contingency arrangements
- qualify and, where possible, quantify the operational and financial impact that a disruption of essential business functions will have on the Agency
- assess the potential for workaround to overcome loss of support services and assets
- identify and prioritise the minimum business functionality, support assets and services required for continuity of operations after a maximum tolerable disruption.

4. Business Case Review

This section provides an overview of resource usage and financial expenditure for the Project up to the end of Period 12. These are measured against the estimates detailed in the Enterprise Risk Management Business Case.

4.1 Performance against Resource Budget

A summary of the resource usage for the Project is given in Table 1 below showing that the Project under utilised resource by 409.91 mandays. It should be noted that the original budgeted figures were based on consultants being appointed at the end of August and work on Stage 1 commencing during Period 6, whereas consultants were actually appointed at the end of December with Stage 1 commencing in Period 11. A comparison of resource estimates comparing original resource estimates for Periods 6 and 7, compared with actual Resource Usage in Periods 11 and 12 is given in Table 2.

	Budget	Actual	Variation
Management	210	162	48
Support	47	10.80	36.2
FM	92	7.95	84.05
IT	98	19.10	78.90
Production	116	18.25	97.75
Senior Management	12	0.19	11.81
SLG	3.5	0.4	3.1
Procurement	14	8.3	5.7
Finance & Business Planning	15	1.3	13.7
Human Resource	17	1.4	15.6
Marketing & Business Development	8.5	0.9	7.6
Consultancy	30	22.5	7.5
Total	663	253.09	409.91

Table 1:ERM Project Resource Usage Summary based on Original Resource Plan



	Budget	Actual	Variation
Management	40	38	2
Support	8	3.6	4.4
FM	16	3.5	12.5
IT	17	7.85	9.15
Production	22	10.2	11.8
Senior Management	4	0.19	3.81
SLG	0.5	0.4	0.1
Procurement	2	0	2
Finance & Business Planning	1	1.3	(0.3)
Human Resource	2	1.4	0.6
Marketing & Business Development	1	0.9	0.1
Consultancy	17.5	21.5	(4)
Total	131	88.84	42.16

Table 2:ERM Project Resource Usage Summary Comparing Original Periods 6 and 7 with actual Usage in Periods 11 and 12

4.2 Performance against Financial Budget

Financial information in respect of payroll costs is not available at this time. In the original Business Case it was estimated that total costs for 2001-2002 excluding payroll costs would be £XX,XXX. This was based on the original plan and also on estimated consultancy costs of £XX,XXX, excluding T&S. The figures contained within the following table are based on original Business Case estimates for training and T&S (ERM Team only) and the consultancy expenditure approved by the First Minister in December of £XX,XXX (excluding T&S) and estimated consultancy T&S costs of £XXXX per month.

	Budget £	Actual £	Variation £
Training/Conferences/Seminars	XXXX	XXXX.XX	XXXX.XX
T&S (ERM Team)	XXXX	XXXX.XX	XXXX.XX
Consultancy	XXXXXX	XXXXXX	XXXX
T&S (Consultancy)	XXXX	XXXX.XX	XXXX.XX
Total	XX,XXX	XX,XXX.XX	XXXX.XX

Table 3:Financial expenditure to end of March 2002 (excluding Consultancy T&S for March)

5. Risk Review

A Risk Log has been created and is being maintained and risks within it being managed on an ongoing basis. A copy is contained in Annex A.

6. Project Issues

An Issues Log has been created, however, there are currently no outstanding issues to report.

7. Project Quality

All products delivered during this stage have been passed through the appropriate Quality Review process in accordance with the terms of the ERM Quality Plan. Output in respect of the Quality Review of each individual product has been recorded in the ERM Project file.

A copy of the Quality Log for the Enterprise Risk Management Project is contained in Appendix B.



8. Project Manager's Report

All three products defined within the PID as being required in respect of Stage 1 have been delivered by the consultants. This has been achieved through widespread consultation with appropriate staff, including Management Board, Production Business Managers, Production and Corporate managers and IT staff. Their assistance is gratefully acknowledged by the ERM Project Team.

Delivery of the Business Impact Analysis has been slightly behind schedule. Due to the complexity of the Agency organisation and its processes the consultants undertook a more extensive consultation exercise than would normally be required. The resulting document is substantial and its completion, review and update has taken longer than anticipated. However, the consultants have given assurances that delivery of Stage 2 of Project should still be within the budgeted timeframe i.e. the end of April 2002 and work on Policy Development is already underway.

Project Managers Highlight Reports have been issued during Stage 1 and should be referred to.

9. Approvals


The Board is asked to acknowledge delivery of the Risk Assessment, ISM Review and Business Impact Analysis reports and to sign off Stage 1 of the ERM Project.



Annex A Risk Log


Annex B Quality Log

Annex A : Risk Log

A	B	C	D	E	F	G	H	I	J	K	L
REGISTERS OF SCOTLAND Executive Agency									Enterprise Risk Management Project Risk Log		
			Probability H = High M = Medium L = Low	Impact 1 = Negligible 2 = Minor 3 = Major 4 = Critical 5 = Catastrophic							
Number	Risk Name	Description	Risk Impact/Summary	Probability	Impact	Mitigation	Containment	Responsibility	Date Identified	Date Updated	Status
1	Project Manager appointment	SRO has not yet appointed a permanent Project Manager- initiation stage being completed by an interim Project Manager	If a new Project Manager appointed, may require project management/PRINCE2 and/or Business Continuity training and may subsequently wish to amend PID and other initiation stage documentation, leading to delay in start of project. Post has been trawled- but no date set for appointment of Project Manager.	M	3	Project Manager appointment should be confirmed at earliest opportunity	Programme Office trawl	SRO/HR	30-May-01	03-Jul-01	
2	Project Team appointment	Project Team has not yet been appointed	Project Team must be in place at start of project- possible delay. Only one member confirmed- members from IT and Production yet to be made available.	M	3	Project Team appointments should be confirmed at earliest opportunity		PB/PM	30-May-01	03-Jul-01	
3	Project Team resource	As not yet appointed, project &c skills and experience unknown factors	Lack of relevant skills and inexperience may cause delays in project	M	3	Ensure that all Project Team members have requisite skills and experience	Supplement Project Team if necessary and provide training if necessary	PM	30-May-01		
4	Project Team availability	Project Team may be unavailable at critical phases	Unavailability of Project Team members may cause delays	M	3	Make resource requirements clear at outset	Supplement Project Team- if problem becomes unmanageable replace team members concerned	PM	30-May-01		



Annex B : Quality Log

<div> <div>REGISTERS OF SCOTLAND Executive Agency</div>  </div>								
<div> <div>Quality Log</div> <div> <div>Quality Check</div> <div>Approval</div> <div>Quality Assurance</div> <div>Quality Review</div> <div>Revision</div> </div> </div>								
Reference No	Product	Quality Check	Personnel Responsible	Planned Date	Actual Date	Result	Target Sign-off	Actual Sign-off Date
1	Product Description	QR/QA	HM	18/10/01	18/10/01	Comments incorporated and appropriate revisions made. Updated to v1.0	18/10/01	18/10/01
2	Quality Plan	QR/QA	AG	18/10/01	22/10/01	Comments incorporated and appropriate revisions made. Updated to v0.2	25/10/01	
3	Terms of Reference	QR	DC, SL, CT and HM	18/10/01	22/10/01	Comments incorporated and appropriate revisions made. Updated to v0.2	25/10/01	



4	Terms of Reference	QA	AG and TS	18/10/01	25/10/01	Content- doc issued. After QR by DC, AG and SL		
5	PID Enterprise Risk Management stages 1&2	QR	HR, DC, JA	10/01/02	23/01/02	Comments incorporated and appropriate revisions made. After subsequent revisions updated to v0.4		
6	PID Enterprise Risk Management stages 1&2	QA	AS	23/01/02	23/01/02	Content - doc issued		
7	Risk Assessment	QR	HR and CT	04/03/02	04/03/02	Comments returned to consultants and incorporate into new version		
8	ISM Review	QR	DC and HR	04/03/02	05/03/02	Comments returned to consultants and incorporate into new version		
9	Business Impact Analysis	QR	HR, TM and DC	08/04/02	08/04/02	Comments returned to consultants and incorporate into new version		
10	End stage report (stage 1)	QR/QA	DC/TS	10/04/02	10/04/02	Updated and approved		