



GFOA BEST PRACTICE APPLICABLE IN CANADA

Business Preparedness and Continuity Guidelines (2011) (BUDGET, DEBT and EDCP)*

Background. Governments face many types of unscheduled disruptions to business operations which may come from a variety of causes such as natural or manmade disasters, terrorism, and technology failures. Threat situations, domestic attacks, and natural disasters all present challenges to maintaining business operations.

Governments have a responsibility to minimize disruptions in the services they provide. Many government services are essential to the public's health and safety and to the protection of property. Disruptions in those essential services may range from temporary inconvenience to significant harm to individuals and the community. Governments also have the responsibility for mitigating the effects of disasters on the communities they serve.

In 1999, the GFOA developed a Recommended Practice, *Technology Disaster Recovery Planning*. This revised recommended practice expands that guidance and addresses additional aspects of comprehensive disaster and recovery planning

Recommendation. The Government Finance Officers Association (GFOA) recommends that governments develop, test, and maintain a plan to continue their basic business operations during and immediately after disruptive events. Governments must be able to anticipate problems, detect threats and determine effective protective actions to enable them to continue to function. A government's response to disruptive events should be consistent with the type and severity of the event. State and local governments must be prepared to react to various disasters immediately, knowing that aid from the federal government may not come in a timely fashion.

1. *Plan Development.* A government must assess its own unique disruption risks. A strategy should be developed to mitigate risk and control costs.
 - a. *External Planning Resources.* The federal government, under the auspices of Public Safety Canada, offers a variety of resources to assist governments in ensuring business preparedness and continuity:
 - i. *Disaster and Emergency Preparedness.* Public Safety Canada works with provincial and territorial officials to ensure first responders are well-prepared through education, support and exercises. Regional Offices serve as the primary point of contact between the provinces and territories and federal departments for emergencies requiring and integrated federal government response.
 - ii. *Joint Emergency Preparedness Program (JEPP).* From emergency planning and training, to the purchase of specialized equipment, this program funds projects that enhance the national capacity to respond to all types of emergencies.
 - iii. *Disaster and Emergency Recovery Plan Testing.* A government's disaster and emergency recovery plan should be tested periodically. The National Exercise Program coordinates exercises that provide governments, first responders and military officials the opportunity to work together in exercises that simulate emergency scenarios such as national disasters, health threats and terrorist attacks.

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- b. *Other Planning Considerations.* Governments should consider the following items, in addition to the resources provided by the federal government, when designing business preparedness and continuity guidelines.
 - i. *Emergency Response Plan Compliance.* When developing response plans, governments must make sure that they are compliant with applicable local, state, federal, occupational safety and health Administration (OSHA, WCB, WSCC*), and Environment Canada guidelines.
 - ii. *Risk Management.* The risk manager should assess potential areas of insurance coverage in planning for any type of disruption. The risk manager should be aware of potential pre-qualifications like flood zone compliance, adopted building codes, etc.
 - iii. *Resiliency.* The concept of resiliency should be an integral part of disaster preparedness. Resiliency emphasizes the capacity of infrastructure, operations, and even social systems to respond to and recover from extreme events. Resilient systems reduce the probabilities of failure, the consequences of failure (such as deaths and injuries, physical damage, and negative economic and social effects), and the time for recovery. To address resiliency, governments should assess the “criticality” and “vulnerability” of their systems. By distinguishing critical systems and recognizing vulnerabilities, resiliencyenhancing projects can be planned and budgeted for.
 - iv. *Administrative Support Functions.* A government should plan to have such functions as human resources, purchasing, treasury, legal, and risk management accessible during an emergency situation. A back-up system for payment to staff and to make investments or debt payments should be available. For specific items like investments and payments on debt obligations, contact information (office, mobile, and home) for the professional bond and investment team (trustees, remarketing agents, advisors, brokers, banks, etc.) should be available to all members of the finance team, and a copy should be kept off site with these individuals as well (car or home). Confidentiality of information taken offsite should be a consideration. The use of password protected flash drives is an option.
 - v. *Communication with the Public.* It is essential that a government communicate (with one voice) to citizens during a time of disruption. When a crisis occurs, immediately get the word to available media. The government should direct the public on where to go for more information. Planning in advance will help identify what the most effective way is to communicate with various groups or neighborhoods. While the mode of communication may vary (e.g., Web sites, phone recordings at the government main office, text messaging systems, crisis hot line, radio, television, REVERSE 911, mailings or newspapers), updates should be given regularly. Gather information as quickly as possible. Monitor media reports and correct errors immediately.
 - vi. *Outsourced/Recovery Services.* A government should assess the ability of providers of outsourced services themselves (e.g., garbage collection) to recover from unscheduled disruptions.
2. *Plan Implementation.* After developing a business preparedness and continuity plan, the following steps should be implemented.
- a. *Record Keeping.* Governments should develop a plan and procedures for contemporaneous record keeping in a format acceptable to Public Safety Canada. Compliance with Public Safety Canada regulations will simplify the reimbursement process.
 - b. *Personnel Assignments and Communication in the Wake of a Disaster or Emergency.* Governments should formally assign personnel from each department or agency to serve on the disaster and emergency recovery team. The assignment of personnel should be planned. A strong business continuity plan maps out an organizational structure and lists roles and responsibilities, so employees are aware of their tasks. Essential and non-essential classifications may be used. Home and cell phone numbers as well as e-mail addresses for all essential employees should be updated regularly, with a duplicate list kept at a remote site. In addition, governments should establish procedures for assembling the team in the wake of a disaster or emergency. Those procedures should take into

* Workers Safety and Compensation, Commission of the Northwest

account the possibility that one or more ordinary means of communication may not be available in such circumstances (e.g., cell phones, e-mail) and specify appropriate alternative means of communication in such an eventuality. A government may also wish to develop specific policies for disaster service workers during times of emergency.

- c. *Mutual Aid Agreements*. Many provincial and local governments enter into mutual aid agreements to provide emergency assistance to each other in the event of disasters or emergencies. These agreements often are written, but occasionally are arranged verbally after a disaster or emergency occurs. Mutual aid agreement policies should address both written and verbal mutual aid agreements and the eligibility of costs under the provinces' Emergency Management legislation or under Public Safety Canada agreements.
- d. *Outsourced/Recovery Services*. A government should negotiate contingent contracts for recovery services in advance. If a government is not legally authorized to negotiate contingent contracts, the government should establish an emergency procurement process and identify criteria that would activate the process.
- e. *Disaster and Emergency Recovery Plan Safeguard*. A government's disaster and emergency recovery plan should be safeguarded to ensure that it is available in the event of a disaster or emergency. Specific incident/emergency management responses may require assembly areas or record keeping at a safe distance from the site of the incident.

References.

- GFOA Recommended Practices:
 - *Technology Disaster Recovery Planning (1999 and 2007) (CAAFR)*. (<http://www.gfoa.org/downloads/caafotechnologydisaster.pdf>)
 - *Ensuring Adequate Documentation of Costs to Support Claims For Disaster Recovery Assistance (2008) (CAAFR)*. (<http://www.gfoa.org/downloads/EnsuringAdequateDocumentationFINAL.pdf>)
 - *Business Preparedness and Continuity Guidelines (2005 and 2008) (BUDGET, DEBT and EDCP)*, Approved by the GFOA's Executive Board, October 17, 2008.
- Government of Canada – Department of Public Safety. (<http://www.publicsafety.gc.ca/index-eng.aspx>).
- Public Safety Canada – Emergency Preparedness <http://www.publicsafety.gc.ca/prg/em/prprdnss-eng.aspx>

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