1. Executive summary for Audit, Risk and Assurance Committee

1.1 Information Communications and Technology

1.1.1 ICT Summary

It has been another challenging quarter for the department with, some major upgrades and projects with no reduction in the number of new help requests or projects from the business.

- In regards to SAP, we created a test-bed environment for evaluation of the latest enhancement pack available (EHP5). We will require extensive help from the SAP experts in each of the respective business areas to test new features and mitigate against potential impacts to existing functionality. This has been delayed due to resourcing constraints (SAP Analyst vacancy) and the HR/Tax upgrade.

- Recorded Help Desk stats for the quarter are:-

  Open requests as at 1 April 2012;   123

  New requests opened for the quarter;   868

  Closed requests for the quarter;   815

  Open requests as at 30 June 2012;   176

Over the previous year these numbers have been relatively consistent.

- Virus, Malware & Spam Statistics

  The following stats are for the month of June only, but are representative for the whole quarter (x3).

  Inbound email total (incl spam) 165141. Total number of inbound emails were significantly down

  Inbound email viruses 230. There were a large number of email viruses

  Spam 77359. Spam still makes up a large proportion of incoming email. But is less than usual

  Most malware detections are from the web (internet)

  There are many viruses coming in via the web and usb stick to pose a threat to GWRC business (if we had no McAfee protection)

McAfee desktop last 30 days from today

Number of Threat Events	Event Description
210	Access Protection rule violation detected and NOT blocked
173	Access Protection rule violation detected and blocked
0	Port blocking rule violation detected and NOT blocked
30	Scan was cancelled.
31	Scan found infected files.
27	Port blocking rule violation detected
21	Infected file deleted.
1	Infected file successfully Cleaned.
0	Unwanted program deleted.

- McAfee antivirus/malware protection successfully deployed to the Water control system network(s).

- A GW councillor's website has been developed and successfully deployed.

- Additional 16TB raw data added to the file storage system.

(a)   Looking ahead

- Virtualisation of our main Servers is progressing well. Given the number of new business initiatives and the general life cycle of the hardware itself we see this as ongoing process. Given the cost of these devices, they would be automatically classed as capital items, hence the need to maintain an on-going capital budget.

- PC Upgrade. Various architectures are available to us at this crossroads in upgrading the desktop and the main business productivity software that sit upon it. Whilst the business has indicated what business productivity tools they require we have not as yet ascertained as to how we deliver it. A proof of concept is currently being developed to help us ascertain:-

    a) The delivery architecture

    b) The budget

    c) The timeline

    The outcome of the review is likely to suggest a virtualised (thin client) environment for the majority of desktops.

- Work is well underway on upgrading GW's external website using the Silverstripe CMS. The site launch is scheduled for Wednesday 25 July 2012.

- Currently developing a regional iwi website. A concept website for review should be available early August.

- Currently working through the design of a Wairarapa Moana website with the business.

- The new emergency management entity WREMO came into effect on the 1st July 2012. Currently working on trying to merge the new employees with their personal devices into the GW system. Long term need to ascertain their ICT system needs and resources.

- Bio Security Mgmt System. Work is underway on the new Biodiversity project in partnership with the BOP Regional Council.

- Mobile maps. Working with Eagle Technology our GIS software supplier in developing GIS maps for our handheld devices.

- WiFi is scheduled to be rollout within the RCC. Once this has been completed and business needs and rules have been confirmed we should be in a position to roll this out to all GW sites, selected railway stations and other council offices i.e. libraries, etc subject to business group approval.

- The back-up system is struggling mainly with time to back the business's data. A project to review the business needs and the appropriate system needs to be undertaken soon.

- HAWAN. As a part of our Business Continuity Plan, we have instigated a region-wide High Availably Wide Area Network (HAWAN) project using a combination of wireless and microwave technologies. The intention is to increase the number of network paths that connect each of our individual sites. This would ensure that in the unlikely event that one of our network pathways went down; we would still have inter-connectivity and continue to be fully operational through the alternative network stream.

- MFD's. Under the All of Government (AoG) we have renewed the contract with Fuji Xerox (our current MFD supplier) for 60 months, which should result in savings of $283,256 to GW over the term of the contract. The contract also includes the replacement of most of our MFD's with increased business functionality. The project is scheduled for completion July/August 2012.

- CRM/Contacts Database. Workshops are currently being held with the business to ascertain there actual needs and a budget.

- Shared services are progressing with the other councils in the region. A paper was presented to the CEO forum outlining shared service achievements and new initiatives. An example of the new shared service initiatives are:

  o A Regional ICT Strategy

  o A new EDRMS system

  o Merging of Vodafone Accounts

  o Moving GW Computer systems into WCC computer room as an interim step before moving it in to a commercial data centre.

  o Expanding the city fibre network

(b)   ICT financial reports

ICT Department Financial Performance Statement Year ended 30 June 2012	Full Year			Last Year
	Actual $000	Budget $000	Variance $000	YTD Actual $000
External Revenue	7	-	7	53
Investment Revenue	212	247	(35)	231
Internal Revenue	2,528	2,460	68	2,510
TOTAL INCOME	**2,747**	**2,707**	**40**	**2,794**
less:				
Personnel Costs	1,366	1,545	179	1,391
Materials,Supplies & Services	1,268	1,377	109	1,166
Travel & Transport Costs	5	8	3	2
Contractor & Consultants	191	284	93	144
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	288	290	2	273
Total Direct Expenditure	**3,118**	**3,504**	**386**	**2,976**
Financial Costs	11	91	80	38
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,045)	(1,045)	-	(1,075)
Depreciation	849	1,075	226	812
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	**2,933**	**3,625**	**692**	**2,751**
OPERATING SURPLUS / (DEFICIT)	**(186)**	**(918)**	**732**	**43**
Add Back Depreciation	849	1,075	(226)	812
Other Non Cash	-	-	-	-
Net Asset Acquisitions	(370)	(1,050)	680	(601)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	**293**	**(893)**	**1,186**	**254**
Debt Additions / (decrease)	99	1,050	(951)	-
Debt Repaid	(43)	(527)	484	(436)
Net Reserves (Increase) / decrease	(212)	371	(583)	400
NET FUNDING SURPLUS (DEFICIT)	**137**	**1**	**136**	**218**

ICT Department Capital Expenditure Statement Year ended 30 June 2012	Full Year			Last Year
	Actual $000	Budget $000	Variance $000	YTD Actual $000
Total Asset Acquisitions	-	-	-	36
Capital Project Expenditure	370	1,050	680	565
Asset Disposal Cash Proceeds	-	-	-	-
Net Capital Expenditure	**370**	**1,050**	**680**	**601**

(c)   ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is $3,118k, which is $386k less than the budget of $3,504k. Records management and Network Support both show savings in Personnel costs due to staff vacancies throughout the year. Network operations have made savings on software licensing, while the Applications team has also made savings by completing projects in-house.

Total Income of $2,747k is $40k more than budget.

Network and communications included completing the bulk of the server upgrades, the telephone roll out and wireless equipment which is currently being rolled out in RCC

Net capital expenditure is $680k behind budget primarily due to the extending the service of the PC's. This project has been rebudgeted to 2012/13 and will involve the update to the hardware, operating system and office software. Other projects have been delayed as the network and communication projects were completed.

ICT Capital expenditure	Actual	Budget	Variance
IT Capex - Network & communications	**171,931**	**200,000**	**(28,069)**
IT Capex - PC's	25,574	650,000	(624,426)
IT Capex - HAWAN	38,561	-	38,561
IT Capex - Planning + Reporting tools	98,921	100,000	(1,079)
IT Capex - Biosecurity Mgmt system	35,217	100,000	(64,783)
ICT Capital expenditure	**370,204**	**1,050,000**	**(679,796)**

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(d)   ICT risk analysis

This following risk has been **deleted** from the system, and is no longer considered a reportable risk.

Risk 55: Loss of the provision of IT service delivery

This risk was centred around the fact that we had old equipment that was out of warranty, meaning we had to rely on suppliers and peers to provide us with back up equipment in case of failure, while we sourced new equipment.

New IT servers have been purchased with a specific warranty period. Systems are well backed-up and transfer to another site is currently underway.