

## 1.1 Executive summary for Audit, Risk and Assurance Committee

### 1.1.1 Department overview - ICT

#### (a) ICT Summary

It has been yet another challenging quarter for the department with some major upgrades and projects:

The audit and review of our SAP licenses was completed with an increased base fee to ensure we have the flexibility in licenses required going forward.

The project to upgrade the business desktops to later versions of OS and MS Office is progressing, though ensuring compatibility with the more than 600 existing applications is proving challenging.

The High availability wide area network (HAWAN) project is progressing with Water, Transport and Parks seeking to be covered by this alternative network.

Progress is also being made on a region wide Light Detection And Ranging (LiDAR) flyover in conjunction with all the regions TLAs to refresh the GIS maps.

The internal file servers are programmed to be moved to the WCC computer room in January before both entities servers are moved to a secure and externally hosted data centre. GWRC and WCC have collaborated well on this project.

#### (b) ICT details

- Recorded Help Desk stats for the quarter are:- (last qtr figures)
  - Open requests as at 1 Oct 2012; 252 (137)
  - New requests opened for the quarter; 806 (1153)
  - Closed requests for the quarter; 812 (1138)
  - Open requests as at 30 December 2012; 246 (252)
- Virus, Malware & Spam Statistics

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

- Inbound email total (incl spam) 165,363 (124,165 for last qtr). Total number of inbound emails is back up to normal levels.
- Inbound email viruses 65 (160 for last qtr). The number of email viruses was significantly down although still higher than January 2012

- Spam 87,099 (32,582 for last qtr). Spam volumes have grown significantly from September 2012 and continue to make up a significant proportion (more than 85%) of incoming email.
  - Most malware detections continue to be from the web (internet)
  - Most viruses come via the web and USB sticks
- 3G Data use for the previous quarter had increased. The increase is mainly attributed to the increase in iPADS.
  - The Metlink Website is now being hosted by the developers of the software. This sits better with the architecture of the system and should greatly improve the performance and reliability of the site.
  - The SAP client licences have been reviewed and as well as more licences purchased (due to the growing number of staff), the type of licences have also been reviewed and realigned to better fit our current business processes.
  - HAWAN. As a part of our Business Continuity Plan, we have begun a region-wide High Available 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. Our rail group also need network access to the railway stations to be able to connect the security cameras, electronic information boards, etc. It has been agreed that it would be more cost effective for the organisation as a whole if the rail project was rolled into the HAWAN project. The cost and time implications in allowing for this, will need to be determined once Rail have confirmed the scope of the rail component.

(c) Looking ahead

- The relocation of the virtualised servers currently housed at RCC to WCC's data centre, schedule for late January 2013. This is stage 1 of a 2 stage project, with the final stage moving all of GWRC's & WCC's servers and SANs as one to an outsourced datacentre (Revera) at Trentham, approximately June 2013.
- Desktop Software Upgrade Project (Microsoft Windows 7 & Office 2010). Given the timing of this project with the proposed move of RCC to CentrePort, and the disruption and likely impact on staff, it has been decided to concentrate efforts in upgrading the current desktop software only as soon as possible and park the proposed "virtual desktop" until after the move. The desktop build and user testing are progressing.
- A regional iwi concept website has been developed for review, which was presented to Strategy & Community Engagement, Te Hunga Whiriwhiri section. Awaiting feedback.

- Currently working through the design of a Wairarapa Moana website with the business.
- WREMO. Currently working with the other regions councils in the ICT support of WREMO. Long term, need to ascertain their ICT system needs and resources, again, this is being done in collaboration with the other councils ICT departments.
- Bio Security Mgmt System. A 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.
- The call for iphones, ipads, smart portable devices in general and compatible applications continues to grow. This is a whole technology shift (vs Microsoft) for the ICT department; current resource demands on the ICT staff amount to approximately ½ FTE, though if current device numbers and types remain as is, we expect this to gradually reduce.
- 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 the respective business group approvals.
- 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:
  - A Regional ICT Strategy
  - A new EDRMS system
  - Merging of Vodafone Accounts
  - Moving GWRC Computer systems into either WCC computer room or CentrePort as an interim step before moving it in to a commercial data centre (see earlier comments).
  - Expanding the councils city fibre network
  - Aerial mapping of the entire Wellington Region
- The release of Windows 8 and the associated tablets.

## (d) ICT financial reports

ICT Department Financial Performance Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	notes
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	
External Revenue	-	-	-	600	165	435	7	1
Investment Revenue	112	109	3	217	217	-	106	
Internal Revenue	1,061	1,032	29	2,064	2,064	-	1,202	
<b>TOTAL INCOME</b>	<b>1,173</b>	<b>1,141</b>	<b>32</b>	<b>2,881</b>	<b>2,446</b>	<b>435</b>	<b>1,315</b>	
less:								
Personnel Costs	725	803	78	1,605	1,605	-	691	
Materials, Supplies & Services	880	678	(202)	2,015	1,580	(435)	836	1
Travel & Transport Costs	3	4	1	8	8	-	3	
Contractor & Consultants	62	141	79	282	282	-	86	
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	
Internal Charges	132	132	-	308	264	(44)	139	
<b>Total Direct Expenditure</b>	<b>1,802</b>	<b>1,758</b>	<b>(44)</b>	<b>4,218</b>	<b>3,739</b>	<b>(479)</b>	<b>1,755</b>	
Financial Costs	6	40	34	128	81	(47)	4	
Bad Debts	-	-	-	-	-	-	-	
Corporate & Department Overheads	(478)	(478)	-	(957)	(957)	-	(522)	
Depreciation	416	416	-	832	832	-	430	
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURE</b>	<b>1,746</b>	<b>1,736</b>	<b>(10)</b>	<b>4,221</b>	<b>3,695</b>	<b>(526)</b>	<b>1,667</b>	
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(573)</b>	<b>(595)</b>	<b>22</b>	<b>(1,340)</b>	<b>(1,249)</b>	<b>(91)</b>	<b>(352)</b>	
Add Back Depreciation	416	416	-	832	832	-	430	
Other Non Cash	-	-	-	-	-	-	-	
Net Asset Acquisitions	(580)	(290)	(290)	(3,265)	(1,915)	(1,350)	(136)	
Net External Investment Movements	-	-	-	-	-	-	-	
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>(737)</b>	<b>(469)</b>	<b>(268)</b>	<b>(3,773)</b>	<b>(2,332)</b>	<b>(1,441)</b>	<b>(58)</b>	
Debt Additions / (decrease)	270	290	(20)	3,265	1,915	1,350	136	
Debt Repaid	(14)	(110)	96	(349)	(219)	(130)	(20)	
Net Reserves (Increase) / decrease	(112)	(109)	(3)	814	637	177	204	
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>(593)</b>	<b>(398)</b>	<b>(195)</b>	<b>(43)</b>	<b>1</b>	<b>(44)</b>	<b>262</b>	

ICT Department Capital Expenditure Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	notes
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	
Total Asset Acquisitions	949	-	(949)	-	-	-	-	
Capital Project Expenditure	(369)	290	831	3,265	1,915	(1,350)	136	2
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	
<b>Net Capital Expenditure</b>	<b>580</b>	<b>290</b>	<b>(118)</b>	<b>3,265</b>	<b>1,915</b>	<b>(1,350)</b>	<b>136</b>	
Investments Additions	-	-	-	-	-	-	-	
<b>NET CAPITAL AND INVESTMENT EXPENDITURE</b>	<b>580</b>	<b>290</b>	<b>(118)</b>	<b>3,265</b>	<b>1,915</b>	<b>(1,350)</b>	<b>136</b>	

## (e) ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is \$1,746k, which is \$10k more than the budget. Records management and Network Support both show savings in Personnel costs due to staff vacancies throughout the first quarter.

The additional materials costs and the forecast include additional revenue and expenditure associated with the changes to the capital programme noted below.

Capital expenditure is ahead of budget due to the SAP licenses review, but expected to be back on track as the year progresses.

Changes to projects include:

- The earlier than expected need for a new back-up system, \$200,000
- The refresh of the GIS Aerial Photography has now been expanded to include full copyright free LiDAR data. This has resulted in a \$1.2 million dollar project with recoveries being made from the Territorial Authorities. Further contributions from central government agencies including LINZ and DOC are

being sought. The full regional LiDAR data will be a great asset for the region, Greater Wellington Regional Council's increase share will be met from the ITC reserve.

- HAWAN, bring forward the 2013/14 spend as the project has started earlier than planned, this project is a joint ICT / Water and Transport project
- The Portal upgrade project may be delayed until further decisions about future delivery of services are made.

<b>ICT Capital expenditure</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Forecast</b>
IT Capex - Network & communications	12,275	125,000	(112,725)	125,000
IT Capex - PC's	74,251	1,300,000	(1,225,749)	1,300,000
IT Capex - HAWAN	11,157	200,000	(188,843)	750,000
IT Capex - Data backup system	-	-	-	-
IT Capex - GIS	211,395	-	211,395	600,000
IT Capex - Essbase	-	-	-	-
IT Capex - GW Portal	-	200,000	(200,000)	200,000
IT Capex - SAP	270,946	-	270,946	200,000
IT Capex - Biosecurity Mgmt system	-	90,000	(90,000)	90,000
<b>ICT Capital expenditure</b>	<b>580,024</b>	<b>1,915,000</b>	<b>(1,334,976)</b>	<b>3,265,000</b>

(f) ICT risk analysis

We have reviewed the risks relating to the ICT area and there are no material changes since the last review. The delivery of the new desktop thin or flat client may be delayed due to the work required with the move to CentrePort.

The shifting of the file servers in January is the first step in lowering the risk of building damage to the ITC infrastructure. The move to a dedicated data centre in June will greatly reduce the likely impact of a seismic or fire event.