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**REPORT 1**  
*(1215/52/01/IM)*

## **PROGRESS AGAINST AUDIT NEW ZEALAND RECOMMENDATIONS**

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### **1. Purpose of Report**

The purpose of this regular report is to update the Subcommittee on Audit New Zealand arrangements and progress in implementing the recommendations contained in the audit management letters presented to the Subcommittee.

### **2. Recommendations**

Officers recommend that the Subcommittee:

1. *Receive the information.*
2. *Note the progress made in implementing the Audit New Zealand recommendations attached in Appendix 1.*

### **3. Summary of movements in recommendations since the last report**

There is one remaining significant issue arising from the audit relating to the development and implementation of an overarching ICT policy. Refer to Appendix 1 for a summary of the current status of this issue.

Contact Officer: *Nicky Blacker – Manager, Financial Accounting*

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

This project supports Activity 1.1 Information, Consultation and Decision Making, specifically 1.1.1 City Governance and Engagement. As per the Annual Plan, City Governance and Engagement includes all those activities that make the Council accountable to the people of Wellington and ensure the smooth running of the city. That includes all meetings of the Council and its committees and subcommittees.

### **2) LTCCP/Annual Plan reference and long term financial impact**

The report has no specific Annual Plan reference. There is no long term financial impact arising from the report.

### **3) Treaty of Waitangi considerations**

There are no specific Treaty of Waitangi considerations.

### **4) Decision-Making**

There are no significant decisions required by the paper.

### **5) Consultation**

#### **a) General Consultation**

There are no parties significantly affected by this paper.

#### **b) Consultation with Maori**

Maori are not significantly affected by this paper.

### **6) Legal Implications**

This report has no specific legal implications.

### **7) Consistency with existing policy**

This report is consistent with existing policy.

## **Appendix 1**

### **Summary of recommendations and their current status**

Issues from 2007/08 Audit	Responsibility	Priority	Current Status
<p>During the period Audit assessed the risk around the overarching processes addressing IT Strategy and IT Governance, IT Processes and IT Controls. They identified two areas for improvement:</p> <ul style="list-style-type: none"> <li>• Council does not have one overarching IS/IT Security Policy. This potentially allows unauthorised access to systems and/or fraudulent, malicious or unintended transactions to be posted.</li> <li>• Council's Knowledge Solutions (KS) organisation is not aware of the extent of end-user applications and does not have controls in place to manage end-user computing. The risk around end-user computing applications (such as Excel spreadsheets and Access databases) is that they might be used for key business processes, and/or business decisions and/or reporting without (at the same time) being subject to the same level of controls as business key systems. Therefore, data in these systems may be incomplete or inaccurate.</li> </ul>	<p><b>Stephanie Mardell</b></p>	<p><b>Medium</b></p>	<p>While we do not have an overarching security policy we do follow recommended best practice for security on all our systems, including PeopleSoft. This has been the case for many years. Employee obligations for information and system use are also in the Staff code of conduct.</p> <p>An ICT Security Framework has been developed together with individual policies. The security policies have been reviewed by Audit NZ. The ICT Security Framework now needs to be signed off by Management Board before being circulated.</p> <p>We believe that the implementation of the Electronic Document and Records Management System (EDRMS) provides management of unstructured data, including spreadsheets.</p>

Audit recommended that Council

- Develop and implement an IS/IT Security Policy as an overall statement of the importance of security to the organisation.
- Develop and implement a policy for end-user computing as a basis for controlling the employment of end-user application. This also helps that adequate processes and controls for end-user application development, security, change management and operations are in place to ensure the reliability of these systems.

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