REPORT 1

PROGRESS AGAINST AUDIT NEW ZEALAND RECOMMENDATIONS

1. Purpose of report

This report contains the Councils progress against the audit recommendations from Audit New Zealand related to the 2012/13 audit as well as recommendations made in prior years.

2. Executive summary

There are currently two open Audit New Zealand recommendations which are still open. One of these items is complete and awaiting clearance from Audit New Zealand the other is in progress and expected to be completed in the current financial year.

Reference	Recommendation	Status
1	IT Security Policy	🟢
2	Business Continuity and Disaster Recovery	🟠
3	Management of generic and powerful user accounts	🔵

Key	
🔴	Outstanding (No progress has been made on recommendation)
🟠	In Progress (The Council working on recommendation)
🟢	Completed (Awaiting confirmation from AuditNZ)
🔵	Cleared (AuditNZ confirm the Council have resolved issue)

3. Recommendations

Officers recommend that the Audit and Risk Management Subcommittee:

1.   *Receive the information*

2.   *Note the progress made in implementing the Audit New Zealand recommendations.*

4. Background

During their annual statutory audit of the Council, Audit New Zealand raise recommendations to Council Officers around the internal controls which underpin the Councils operations. The following report lists those recommendations and the process made against each recommendation since last reported to the Audit and Risk Subcommittee.

5.   Discussion

Summary of recommendations and their current status

	Overarching IT security policy and disaster recovery	Recommendation date: 2007/08	
Reference	Recommendations	Management response –March 2014	Audit New Zealand Comments – June 2013
1	**IT Security Policy** The 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. Audit recommended that the Council develop and implement an IS/IT Security Policy as an overall statement of the importance of security to the organisation.	**Target date for completion: COMPLETED** This Item has been closed. The security policy was approved December 2012 and the password policy was enforced 20 March 2013.	In progress Audit New Zealand has sighted approved IS Security Framework and Security Policies. As at February 2013, the implementation of the password policies to all server and desktop equipment is still in progress. Audit New Zealand will be reviewing Managements progress in April 2014.
2	**Business Continuity and Disaster Recovery** We recommend that Business Continuity Plans be finalised and tested as planned. The results should be documented and communicated to all affected staff so that improvements to procedures can be made. Business Continuity and IT Disaster	**Target date for completion: IN PROGRESS** A new DR site has been established at Revera Albany with replication of all production systems taking place on a 4hr cycle. A restricted DR test is currently planned to be held during March	In progress The project to move the data-centre is underway and DR Planning will be incorporated into that. A Project Manager has been appointed to look at Business Continuity Planning. Audit New Zealand will be reviewing

	Overarching IT security policy and disaster recovery	**Recommendation date: 2007/08**	
Reference	**Recommendations**	**Management response –March 2014**	**Audit New Zealand Comments – June 2013**
	Recovery plans are now well developed, and tests of these plans are to be carried out this year.	2014 with updated documentation to be complete 30 March 2014. The DR test will prove the systems can be recovered and accessed at Albany.	Managements progress in April 2014.
3	**Management of generic and powerful user login accounts for IT systems.** When generic accounts are used they should be restricted to specific use situations and reduced to read only access wherever possible to prevent changes being made without accountability. For powerful users there is a higher risk of malicious or accidental changes having significant impacts on systems. These users should be known and adequately monitored. IT and business application owners should develop a process to document the current generic and powerful accounts within their network domain and various applications. This should include an assessment to determine the extent of their access and whether they are still required.	**Target date for completion: COMPLETED** **February 2013** An initial review of Generic and Powerful Accounts has been completed and monitored for usage. **Initial Recommendations Implemented 2013** A Reduction in Generic accounts: Where an account has not been utilised for a period of 3 months it is disabled for a period of 1 month then deleted.	Cleared
Responsibility: Greg Russell, Dave Hartnell & Gerard Paver			

5.1 Consultation and Engagement

There are no parties significantly affected by this paper.

5.2 Financial considerations
There is no long term financial impact arising from the report.

5.3 Climate change impacts and considerations
There is no climate change impacts and consideration arising from the report.

5.4 Long-term plan considerations
The report has no specific Long-Term Plan considerations.

6. Conclusion
The Officers will provide an update to the audit recommendations from Audit New Zealand related to the 2012/13 audit as well as progress against recommendations made in prior years at the June Audit and Risk Subcommittee.

Contact Officer: *Ben Rodgers, Manager, Financial Accounting*

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

This project supports Activity 1.1 Governance, Information and Engagement, 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) LTP/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.