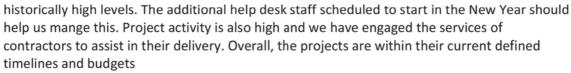# Quarterly
REPORT
31 December 2013

FINANCE AND SUPPORT

AUDIT, RISK AND ASSURANCE COMMITTEE

1.1   Department overview - ICT

ICT Summary

It has yet again been another challenging quarter for the department. The helpdesk stats, whilst trending down are still at historically high levels. The additional help desk staff scheduled to start in the New Year should help us mange this. Project activity is also high and we have engaged the services of contractors to assist in their delivery. Overall, the projects are within their current defined timelines and budgets

The re-structure and new organisational structure has been completed and we have started the recruitment process.

The project to upgrade the business desktops to later versions of OS and MS Office is largely completed. Though the known legacy business applications' requiring older versions of software and databases (even including Access 95) has now grown to 21, and it is proving more difficult than anticipated to upgrade them.

The relocation of our production servers and data storage was successfully relocated from WCC's data centre to the outsourced Revera Data centre in Trentham, UH. A major undertaking with minimal disruption to the business, whilst being on time and on budget. Well done to all those who contributed.

The High Availability Wide Area Network (HAWAN) project is progressing within the revised schedule and budget is scheduled for completion and integration by July 2014.

Tentative agreement for the supply and configuration of the data fibre running along the rail corridor plus associated spurs (Rail Fibre Network Project) with suppliers/contractors.

The Business Continuity Plan (which includes the HAWAN & Rail Fibre projects) is currently being reviewed by the BCP committee. This review/plan will include such things as:-

- The new Datacentres (at Upper Hutt & Masterton) and their synchronisation
- Meshing of our four data networks
- Metlink call centre redundancy
- Relocation of critical communications equipment to UH datacentre
- Standby office accommodation
- Expanding the regions councils network interconnectivity
- etc

The region wide Light Detection and Ranging (LiDAR) and orthographic upgrade project in conjunction with all the regions TLAs to refresh the GIS maps and provide the depth detail, is progressing well. The orthographic material has already been deployed to the regions councils with the LIDAR data scheduled to be processed (4 out of 7 tranches completed to date) in early

in the new year. Data manipulation for this work is progressing and should be available to us and the other councils by Q2 2014.

Our SAP ERP system was successfully upgraded from EHP 4 to EHP 6, a major undertaking with minimal disruption to the business, whilst being on time and on budget, well done to all those who contributed. Whilst this now makes us OEM supported, it also provides the business with the option of additional business functionality.

Tentative agreement for the supply and configuration of the fibre running along the rail corridor plus associated spurs (Rail Fibre Network Project).

Looking ahead

WiFi has been rolled out to Shed 39 with other GW sites to be scheduled. Selected railway stations are being scoped for the free WellyWiFi service which has been rolled out at other public sites, such as libraries, the Zoo, plazas, etc.

Completion of the supply and configuration of the fibre running along the rail corridor plus associated spurs (Rail Fibre Network Project). This will then allow for the connection of the CCTV cameras, connection of WiFi at the railway stations, synchronisation of the datacentres, etc. As well as allowing for new initiatives such as integrated ticketing, RTI, etc.

The start of a project to design, supply and configuration of a new Video Conferencing/Audio Visual (VC/AV) solution, at GW's larger offices across the region. Allowing for:-

- Reduced travel costs
- Effective Communication
- Increased productivity across dispersed workforces and teams
- Support for environmental initiatives

The new ICT Shared services initiatives currently being undertaken by the regions councils will hopefully build on the existing and extensive work and charter that has been undertaken over the last few years including:

- A Regional ICT shared services strategy
- merging to common platforms over time
- A new EDRMS system
- Expanding the regions councils network interconnectivity

With the recent release of the new improved hardware specifications from the windows tablet manufacturers, we have done a proof of concept (PoC) and evaluated them. We will be looking to offer them to the business as a replacement for the standard windows desktop PC.

A project in partnership with the BOP Regional Council is underway for a new Biodiversity management system. It is anticipated that the budget will need to be increased for this project to continue.

ICT financial reports

ICT Department Financial Performance Statement 6 Months ended 31 December 2013	Year to date			Full Year			Last Year
	Actual $000	Budget $000	Variance $000	Forecast $000	Budget $000	Variance $000	YTD Actual $000
External Revenue	-	96	(96)	198	198	-	-
Investment Revenue	72	78	(6)	156	156	-	112
Internal Revenue	1,097	1,053	44	2,100	2,100	-	1,061
TOTAL INCOME	**1,169**	**1,227**	**(58)**	**2,454**	**2,454**	**-**	**1,173**
less:							
Personnel Costs	691	985	294	1,934	1,970	36	725
Materials,Supplies & Services	1,143	783	(360)	1,647	1,567	(80)	880
Travel & Transport Costs	3	4	1	8	8	-	3
Contractor & Consultants	135	207	72	398	428	30	62
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	116	103	(13)	202	202	-	132
Total Direct Expenditure	**2,088**	**2,082**	**(6)**	**4,189**	**4,175**	**(14)**	**1,802**
Financial Costs	46	109	63	218	218	-	6
Bad Debts							
Corporate & Department Overheads	(626)	(626)	-	(1,252)	(1,252)	-	(478)
Depreciation	331	491	160	653	983	330	416
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	**1,839**	**2,056**	**217**	**3,808**	**4,124**	**316**	**1,746**
OPERATING SURPLUS / (DEFICIT)	**(670)**	**(829)**	**159**	**(1,354)**	**(1,670)**	**316**	**(573)**
Add Back Depreciation	331	491	(160)	653	983	(330)	416
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	(717)	(1,489)	772	(2,660)	(3,180)	520	(580)
Net External Investment Movements							
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	**(1,056)**	**(1,827)**	**771**	**(3,361)**	**(3,867)**	**506**	**(737)**
Debt Additions / (decrease)	735	1,489	(754)	2,748	3,180	(432)	270
Debt Repaid	(131)	(389)	258	(779)	(779)	-	(14)
Net Reserves (Increase) / decrease	738	732	6	1,464	1,464	-	(112)
NET FUNDING SURPLUS (DEFICIT)	**286**	**5**	**281**	**72**	**(2)**	**74**	**(593)**

ICT Department Capital Expenditure Statement 6 Months ended 31 December 2013	Year to date			Full Year			Last Year
	Actual $000	Budget $000	Variance $000	Forecast $000	Budget $000	Variance $000	YTD Actual $000
Total Asset Acquisitions	-	-	-	-	-	-	949
Capital Project Expenditure	717	1,489	772	2,660	3,180	520	541
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-
Net Capital Expenditure	**717**	**1,489**	**772**	**2,660**	**3,180**	**520**	**1,490**
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	**717**	**1,489**	**772**	**2,660**	**3,180**	**520**	**1,490**

ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is $2.1million, which is in line with budget. Records management and Network Support both show savings in personnel costs due to staff vacancies throughout the year to date. This has been offset by the majority of software costs being borne in the second quarter (included in Materials).

The GIS LiDAR Aerial project has been extended into the current year. As a result the costs were not capitalised at year end. This has resulted in deprecation being forecast down by $330k.

External revenue has been budgeted in place of internal revenue where desktop recharges are traditionally more than the business budgets for. The result is that the variance in external revenue offsets the positive variance in internal revenue.

Changes to capital projects include:

- ► The refresh of the GIS LiDAR Aerial Photography will be completed in the current year. The final payment will be made on provision of the LIDAR images.

- ► HAWAN project continues and there have been no material changes

- ► The Portal upgrade project is postponed until further decisions about future delivery of services are made.

- ► EDRMS (document management) is delayed due to the WCC ICT review and will mostly occur in 2014/15

ICT risk analysis

We have reviewed the risks relating to the ICT and due to the delay in moving the servers, file walls and internet connectivity to Rivera in Trentham, the risk of continuity of service remains on the register but is being actively worked on.

The shifting of the file servers in December 2013 was a key step in lowering the risk of building damage to the ICT infrastructure.