Internal Audit Management Agreed Corrective Action - Timeline Missed Schedule

Recent follow-up on the Management Agreed Corrective Actions recommended by the Internal Audit - Progress Status as at December 2017)
(Agreed Timeline missed by 6 months or longer)

MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Act ions	Significance of each action	Updated Timeline	Management Comments	Progress at December 2017 toward full implementation
	IT Disaster Recovery and Backups Review (Final Report1165731 Follow Up 1727849)							
	Dec 2014	City Corporate	3c)	Obtain Management Team confirmation on an acceptable Recovery Point Objective (RPO) for offsite storage Note: The recovery point objective (RPO) is the maximum acceptable level of data loss following an unplanned "event", like a disaster, crime, or any other business or technical disruption that causes data loss. The RPO represents the point in time, prior to such an event or incident, to which lost data can be recovered (given the most recent backup copy of the data).	Management expectations may not be met	June 2018	Agree to action.	YTD December 2017 Update

Currently awaiting the BCPs from the external consultant to be reviewed and finalised by management. Information Management (IM) tests the systems multiple times per year on the Return to Operations (RTO) times and the current tested benchmark is one hour for all systems, as data recovery on its own is not useful to the organisation in terms of disaster recovery. With the advent of cloud based services we have invested in the capability to perform these restores in a cloud repository such as Microsoft Azure. This is a piece of work that will reduce the reliance on Arena as a disaster recovery site for IM, and initially lower and eventually eliminate the cost of hardware purchases required to support that site.

The Information Management is looking at using the new Emergency Operation Centre as our Disaster Recovery site should it get built. |
| | **Non-Financial Performance Measures (Final Report1166089 Follow Up 5425578)** | | | | | | | |
| | Feb 2015 | City Networks | 5a) | Provide more staff training on the requirement to enter the actual response timings from the job sheets not the data entry time. | Data may not be accurately captured and report | Dec 2018 | This is in hand and we should have some data by January 2015 to enable any necessary tweaks to be made before formal reporting is required. | YTD December 2017 Update

The handheld mobile solution has been fully rolled out for scheduled maintenance job assignments.

Relevant staff have been trained on the use of handheld mobile.

However the roll out for unscheduled maintenance job assignments has been deferred pending a major software update by the IPS asset system provider, initially expected to be concluded by the 2017/18 third quarter. The USA provider is currently testing the software update however the actual roll out will not now commence until April 2018 and is |

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								expected to continue through until December 2018, including staff training.
			5b)	Provide a system to verify the recorded response times.		Dec 2018	Provision of handhelds for field staff would assist enormously in ensuring that accurate time data is recorded. Discussions with regard to roll out of handheld equipment for field staff have begun with Council's IT department	YTD December 2017 Update Recommendation 5b is embraced into the handheld mobile solution.
	Building Services Revenue Process (Final Report 801390 Follow Up 6042601)							
	June 2015	Customer Services	4a)	Finalise the plan to comply with the Revenue and Finance Policy (refer page 216, 10 Year Plan 2012l22) or change the Policy. This may involve: Reducing duplication and increase effectiveness of time recording and reporting systems.	The organisation is not efficient; revenue incomplete and leads to Council Policy (Guideline) not met.	April 2018	Agree and will implement	YTD December 2017 Update Due to the inability of the software owner to provide resources to enable the December 2017 deadline to be met, the system will now not be able to be implemented until April 2018.
	Parking Collection Contract Management (Final Report 893010 Follow Up 6032564)							
	June 2015	City Corporate	**1 a)**	Improve its guidance for its staff on contract management by explaining when a Contract Management Plan is expected to be prepared, how it will be authorised and what it should contain.	Staff may not have the appropriate tool to carry out their tasks	January 2018	Agreed that a standalone Guide for Service Contracts will be prepared.	YTD December 2017 Update Rather than the previously agreed action of preparing a standalone Guide by an external consultant for Service Contracts by November 2017, instead the Human Resources Manager and the Chief Financial Officer have been tasked to explore other options to better meet the needs of the organisation.
	Contract Management (Final Report 5482338 Follow Up 8193214)							
	March 2016	City Networks	**11 a)**	Review the Health and Safety (H&S) Manual on External Contractors under Section 12	Council may breach the H&S legislations	March 2018	Agreed and will implement. Review of Charter 12 of the H&S Manual will be undertaken.	YTD December 2017 Update Chapter 12 of the H&S Manual on External Contractors has been reviewed. It will be presented for adoption along with the full H&S Manual. Various chapters of the Manual have been peer reviewed by Council's H&S Consultants, including consultation through the various H&S Committees. However additional work arose from incorporating a recognised pre-qualification system for External Contractors into the reviewed Manual. Two systems were evaluated and trialled before selection of the Impac Services Ltd product. The Manual review is now expected to be concluded by early March 2018.

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	Project Management (Final Report 6687588 Follow Up 8937936)							
	June 2016	City Networks and City Enterprises	**2a, 5 & 9**	There is a lack of project time management and unrealistic time expectations of Project Managers, Management should Implement a quality system in City Networks and City Enterprises Technical Services Division.	Project can go beyond timeline	Various	Agree and will implement	YTD December 2017 Update A new service engagement process between City Networks and City Enterprises Technical Services is in place and this corrective action is complete. Programme Planning Implementation templates have been prepared for proposed programmes that will be considered for inclusion in the 2018/28 10 Year Plan. Progress has been delayed in reviewing the Contract Administration Manual; however resources have now been assigned to this project such that it will be concluded by 31 March 2018, including training of staff.
	June 2016	City Networks and City Enterprises	**8**	There is insufficient organisational capacity to improve delivery; Management should review the Human Resource requirements to ensure sufficient capacity to deliver the 2016/17 programmes and beyond.	Project can go beyond timeline and/or not delivered	Ongoing	Agree and will implement	YTD December 2017 Update The last quarter saw two senior appointments for vacant positions within City Networks. Efforts continue to fill remaining vacancies within both City Enterprises and City Networks. Where internal resources are unable to meet delivery requirements external consultancy support has been sought. A number of miscellaneous capital work jobs were packaged into project management assignments prior to the Christmas vacation and three external consultancy firms engaged to advance these projects.
	Sept 2016	City Networks	**10 a**	Project Management processes training was not championed, prioritised or well targeted; Units need to appropriately prioritise training needs assessment and staff development with actually getting the job done.	Project may not be well managed	March 2018	Will Implement	YTD December 2017 Update In addition to the September 2016 & March 2017 Project Training sessions a further Project Management training session was scheduled to be undertaken by October 2017. Given heavy workloads associated with the Asset Management Plan reviews and budgeting for the 2018/28 10 Year Plan, this will now occur in March 2018.

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	By Sept 2016	City Networks	15	Risk register not updated or reviewed by Management; Management should update the risk registers for each team	Unmanaged risks could affect the success of the project	March 2018	Agree we could do this better and will implement.	YTD December 2017 Update The Collaborative Working Party (CWP) risk registers will be reviewed by City Networks Executive Team (CNET), in February/March 2018 from which to address issues of service delivery performance.
	Before end July each Year	City Networks	1a)	Complete and prioritise the annual work plan in advance of the start of the financial year.	Insufficient gearing up. Under delivery of Council approved works.	July 2018	a) Partly agree. We will prepare an annual programme of work. We envisage that the bulk of work will be scheduled in June however the Annual Plan is not finalised until late June so it is not practical to have work fully scheduled before the end of July. (GM City Networks) Agree in part. The Divisional work programmes follow the overall Works Programme. This is usually prepared in the penultimate month of the year. It is dependent on knowing what work will be released to City Enterprises. This can occur throughout the year. The employment of casual staff reflects a fluctuating demand. A paper has recently been submitted to Management Team requesting two full time positions to reduce dependence on casual staff. (GM City Enterprises)	YTD December 2017 Update Further to the initial management comments Council has established its Project Status System, which enables scheduling of all approved Capital works Programmes. This system is administered by a dedicated position (Infrastructural Capital Works Coordinator) who ensures regular progress reporting (at least monthly) is provided. Accordingly the residual risk is accepted and is now considered to be very low. **This is the last time this item appears in this report.**
	July each year		4a)	Complete the Project Execution Plan process promptly and effectively after the Annual Plan is finalised.	The timeliness of planning may not be optimal.	July 2017	Agree and will implement.	YTD December 2017 Update MT took more ownership of the Capital programme this year focussing on individual projects, so the list was taken to MT in September 2017. MT required a shorter list (6), which was approved by Management Team in October 2017.
	Environmental Protection Service 6014386 follow up: 8193343) (Re: Annual Control, Noise Control etc.)							

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	March 2016	Customer Services	9	a) Adopt a proactive approach to contractor H&S obligations. b) Complete an Audit of the contractor at two yearly intervals. Consider using the criteria in ASNZS 4801 (Occupational Health and safety Management Systems).	Health and Safety responsibilities not met led to undesired consequences	June 2018	a) Agree and will implement. Quarterly meetings are held with regional manager to discuss contract performance and community trends. H&S will be included. b) Agree and will implement. The process will be reviewed by March 2016.	YTD December 2017 Update a) Quarterly meetings with Personal Protection Services (after hours noise contractor) will begin in January 2018. b) Meeting with recently appointed Health and Safety Adviser to occur in January 2018 to define the approach for and timeframe of the audits.
	Budget Setting (6774311, follow up8191226)							
	June 2016	City Corporate	2	a) Seek ways to better engage with the Business Units in Information Management (IM) Planning. This might involve the following: – by better aligning the planning cycle to accommodate the business needs – by ensuring that the right people are involved in the planning – and, by senior Managers posing strategic questions for the business Units to address. b) Complete the review of the IM Strategy. c) Management adopt the IM Strategy. d) Management communicate the IM strategy. e) Management implement the IM strategy.	PNCC Information technology not meeting the business needs	June 2018	a) Agree and will implement. The IM Manager will work with individual General Managers to adopt a better process for engaging Units in planning corporate projects that have an IM component. However, it needs to be recognized that this is a partnership and requires input from Units in the budget cycle. b)-e) Agree and will implement. The IM Strategy review will be completed by 30th June with the draft document ready to distribute to Management Team.	a) to e) YTD December 2017 Update IM are continuing to forge ahead with operational improvements to networks, core applications and other business process improvements. There is a working group forming to establish the goals and requirements of the proposed PNCC Digital Transformation Project, expectation is this discovery and planning process will commence early 2018. Once this scoping work is complete and approvals have occurred, all improvements will be incorporated into the Information Management Strategic Plan.
	Review of Development Contributions (Final Report 8337085 Follow Up 9531467)							
	May 2017	Customer Services	6	Add the development of a more efficient process for monitoring the payment of Development Contributions to Customer Services Projects Improvement List and complete the improvement (rather than duplicating information in 2 systems: an Excel spreadsheet and the Ozone regulatory module)	The process may be inefficient and lack integrity	March 2018	Agree to action.	YTD December 2017 Update A helpdesk ticket is with Information Management for their assistance in creating a corporate report that captures the business needs. The report cannot be completed earlier due to resourcing. A meeting is planned early in the new year to better understand the business requirements and why two systems (An Excel and the Ozone Regulatory module) are being kept.
	Procurement Planning (Final Report 6343537 Follow up 8191561)							

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	March 2016	City Networks	**1b)**	Develop the Programme Planning & Implementation Guideline/Template to include Guidance on when a Procurement Plan or Full Procurement Plan should be prepared and what it should cover.	Lack of planning leads to poor value for money. Non completion of plans.	March 2018	Agree and will implement.	YTD December 2017 Update Now being addressed under recommendation 5a) of the Contract Tendering Process Audit) November 2017). Note: 5a) of the Contract Tendering Process Audit identified that there is a lack of procurement planning documentation for individual contract works that are to be tendered. Audit recommends management to build a formal guidance & standard template on what level of information is required when planning for individual procurement. The template could include a justification of choosing the preferred procurement method, any potential procurement risks which could affect the procurement schedule, quality or pricing attributes, mitigation strategies to avoid or reduce the potential procurement risks, procurement schedule, procurement team etc.
	June 2016	City Corporate	**2b)**	Include in the Life Cycle Procurement Manual the criteria when a Business/justification case (s) should be prepared, further details on needs and the preparation of options analysis.		June 2018	Agree and will implement.	YTD December 2017 Update Management will commission a review of the Council's procurement practice.
	June 2016	City Corporate	**3a)**	Introduce a 'bring up' system for Procurements, which will have planning implications.	Procurement Planning may not start on time. Some contracts may run over time and continue on an informal basis. Resourcing of Procurement may end up not being practical.	March 2018 (Depending on the number of old contracts not yet on the Register).	Agreed and will implement.	YTD December 2017 Update The system has been built, but due to a miscommunication not all Units began to use it. This issue has now been identified and all units are now using the Register for new contracts. The Records Team Leader is in process of adding older contracts that have not yet come up for renewal since the process was implemented.
	June 2016	City Networks	**3b)**	Formalise, in Lifecycle Guidance, the process for Review of Contracts, so it is mandatory to complete a formal performance assessment of the existing contractor and to complete an assessment of the ongoing need for the goods or services at the end of the contract.	Continued use of a non performing contractor or unfair treatment or a contractor.	March 2018	Agreed and will implement, subject to 6a). (6a- Review MT70 Purchasing (Procurement) Policy).	YTD December 2017 Update The revised MT70 was completed and approved by the Management Team in early May 2017. Although section 10 of the said Policy describes the process of contract review, the Policy leaves

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								discretion as to formal reviews, depending on the value of the contract, with the contract manager. The General Manager City Networks will instruct the Review of the Building, Engineering and Contracts Administration manual to cover this aspect. In addition, the Chief Financial Officer will decide if better reviews for other service contracts can be incorporated into MT&70. The assessment of the ongoing need for the goods or service will reflect the Levels of Service decisions made by Council during the 10 Year Plan 2018/28 process.
	June 2016	City Networks	3c)	Monitor completion of this review process.	Informal completion of reviews of contractor performance before rollover.	March 2018	Agreed and will implement a process at the end of each financial year.	YTD December 2017 Update This relates to 3b), above.
	June 2016	City Networks	5a)	Develop practical management metrics for the Procurement activities. E.g. Yes/No criteria, 'was a Procurement Plan necessary Yes/No? '. 'Was a Procurement Plan completed', Yes/No?	Management may not know if staff are completing Procurement Plans.	March 2018	Agreed and will implement. Also refer to 3c) (Procurement due reminders).	YTD December 2017 Update This relates to 1b), above.
	June 2016	City Networks	8	Apply risk management tools to multi-year Procurement. (James Line)	Risks in multi-year Procurements may not be identified, assessed, treated and monitored.	March 2018	Agree and will implement.	YTD December 2017 Update The Management Team has requested an updated Project Execution Plan (PEP) which is being prepared. PEPs must include the main risks to the project and mitigations.
Social Housing (Final Report:8449513 Follow Up 9469228)								
	June 2017	City Future	3a	Clarify the position of existing and new tenants whose circumstances change, so they no longer meet the income eligibility criteria in the Social Housing Strategy.	Implementation of the Strategy may be inconsistent with the intentions of the authors of the Policy. There could be inconsistent treatment of some tenants.	Strategy review outcome pending	a) &b) This review has raised issues that need careful consideration and direction from Council. We will direct the working group to consider these matters.	YTD December 2017 Update These recommended actions will need to be revisited once Council's new strategic direction is adopted, as major changes in this area are proposed. The actions may no longer be relevant.
	June 2017	City Future	3b	Establish an authorisation procedure for changing rentals from market rent to income related rents. Or, income related rents to market rents. (e.g. for the 20 Social housing units allocated for income related rentals).	Implementation of the Strategy may be inconsistent with the intentions of the authors of the Policy. There could be inconsistent	Strategy review outcome pending		YTD December 2017 Update Refer 3a), above.

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					treatment of some tenants.			
	May 2017	City Libraries and Community Services	4a	Confirm what changes to the checklist and ranking process are authorised.	Business processes could change without authority. Internal control could be reduced in rigour.	Feb 2018	Agree and will implement. This is directly related to recommendation 1.	YTD December 2017 Update All application, ranking and tenancy processes are now captured in Promapp, Council's process mapping software. Any changes to a business process will require authorisation by an appropriate Team Leader or above. All application processes have been reviewed under Audit recommendation 1 (which is now completed) which included the revision of the internal checklist used by staff to ensure all steps have been completed.
	May 2017	City Libraries and Community Services	4b	Agree a process by which changes to processes can be authorised.	Business processes could change without authority. Internal control could be reduced in rigour.	Feb 2018	Agree and will implement	YTD December 2017 Update All processes are now captured in Promapp, Council process mapping software. Any changes to a business process will require authorisation by the process owner (the appropriate Team Leader or above).
	May 2017	City Libraries and Community Services	9b	Monitor tenant arrears more effectively.	Arrears could be higher than necessary. Incorrect allocation decisions may be made. If there is no forwarding address recovery action may not be initiated.	Feb 2018	a) Agree. There needs to be management input to the monitoring of arrears. This will be the responsibility of City Libraries and Community Services. Tenancy revenue (and variances) to be reported to Libraries and Communities Services management monthly.	YTD December 2017 Update Currently tenancy arrears is managed between Finance and Housing Officers. Finance monitor financial information and advise staff of pending arrears issues. Housing staff are responsible for managing arrears with the tenant and if required the formal process for debt collection, Tenancy Tribunal and so forth. In January staff met to further streamline the processes and information sharing between teams so the process is more effective.

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