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Corporate Plan Output: Corporate Expenses and Revenues	

The purpose of this report is to update the Committee on the progress being made by the Council on the Y2K issue.

BACKGROUND

The Council commenced work on this issue in 1997 when it commissioned a reconnaissance report from Ernst and Young. In mid-1998 the Council approved the provision of \$1.16 million in the 1998/99 Annual Plan so that the work could be undertaken.

A project team, which reports to the Director of Finance was subsequently established, under the leadership of John de Zwart, and a small internal steering group has been established to overview the process.

It is most important that the public of Christchurch are provided with the assurance that the Council systems are being well checked and that contingencies are in place if Council systems or outside service providers fail. The work done so far will ensure that the Council will complete its assurance testing and take all necessary remedial action before the vital dates.

The methodology being used consists of four stages:

- Evaluation (make an inventory of all items which may be affected and then give each item a priority dependent on the impact if that item fails).
- Strategy (develop a strategy to address each item of concern, strategy dependent on priority given to problem).
- Implementation (implement the strategies developed).
- Compliance certification.

Ernst and Young were used in the development of the Council's methodology and have been retained to perform a project mentoring/quality assurance role for the project. They are called upon regularly to audit the project team's performance against the prescribed methodology.

The first stages of the methodology involve the development and prioritisation of an inventory covering all the Council's systems. This process has allowed the Y2K team to continually concentrate its efforts at the highest priority/most appropriate level. Three priority levels were established, they were:

- High - systems where failure may impact on the public health and safety of Christchurch residents and/or essential to the Council's business continuance, e.g. water and waste systems.

- Medium - where failure would have an effect on Council business continuance but where a simple work-around is available, e.g. laboratory equipment where an alternative laboratory could be used.
- Low - systems where consequences of failure would be minimal, e.g. photocopier.

Currently all but 12 high risk systems out of a total of 1,500 in this category have been verified as Y2K ready. Five systems are scheduled for upgrade or replacement in December and the remainder are internal support systems (e.g. consents processing and timesheet allocations) which are being made ready through aspects of the FAMIS project which are scheduled for completion in December 1999. Specific contingency plan alternatives have been or are being developed during December as a back-up.

ESSENTIAL SERVICES

Water, waste, and traffic light systems are all in the high risk category. The Council Y2K Office has completed readiness work on these essential services.

There are no unresolved high risk items that would impact on the readiness of any of the Council's essential services.

BUILDING SYSTEMS

Independent checks have been conducted on the systems used (e.g. fire alarms) in 88 of the Council owned buildings. Some building systems have been replaced to ensure buildings are ready. Because many of the building systems are reliant on external service providers some action will be required from building tenants, especially those occupying their buildings over key dates to ensure the systems are operating before buildings are re-occupied. A letter has been sent to tenants of Council-owned buildings suggesting additional precautions which may be necessary over key dates. As an added precaution regular building warrant of fitness checks have been bought forward where possible so that they take place before building occupancy in the New Year.

CONTINGENCIES

Contingency planning is an essential component of the Y2K project; it is required to prepare and subsequently ensure the availability of the Council's essential services in the unlikely event a service provider (e.g. Telecom) fails. Contingency plans have been developed in order of their priority and based on service continuance. Completed contingency plans include:

Water service provision
 Waste service provision
 Traffic and street lights
 Contingency communications plans (media releases, etc)
 Public buildings and facilities

Fourteen hire generators have been booked for the New Year period as a contingency measure to ensure the continued operation of the Council's sewerage system in the event of power failure.

A number of national and local exercises have been conducted to test the Council's contingency communications and the mechanisms required to implement such contingencies. These exercises will continue on until the end of the year. Staffing requirements have been identified and secured to ensure contingencies are manageable.

Some scoping work has been conducted to establish requirements for Council Business Unit Continuance and Emergency Management Plans; this work may follow the Y2K effort and would utilise much of the knowledge gained during that project.

Y2K LIFELINES SUBCOMMITTEE

The Y2K subcommittee of the local Lifelines organisation has been addressing Y2K issues on a regional basis, such as the allocation of hire resources, etc. Members of the group include John de Zwart and representatives from Canterbury Health, the Police and Fire Service. National exercises have been used to ensure communications and contingency mechanisms used between and throughout essential service providers are appropriate and adequate.

SUMMARY OF THE COUNCIL'S Y2K POSITION

The physical work of checking essential services such as water and waste, by both Council staff and external third party consultants has been completed; this includes third party checks of building systems. Contingency plans have been developed so that in the unlikely event that one of Council's service providers fails a back-up alternative will be available for important systems.

Current emphasis is on:

- The continued testing of contingency plans and communications methods.
- Training of staff expected to work over the New Year.
- Ensuring medium and low risk systems are at an appropriate state of readiness.
- Continued involvement with other essential service providers.
- The maintenance of the current readiness of areas of the Council.
- Continuing development of business continuance plans for business units at the lower priority levels (i.e. not impacting public health and safety).
- Continued communication of any Y2K issues to staff and public.
- The readiness of public buildings and facilities.

The structured approach to this issue and the degree of back-up available will ensure that the public need have no concerns about delivery of essential services as we move into the new century.

Chairman's

Recommendation: That the information be received.