

Cloud Code of Practice

Project and Steering Group Terms of Reference

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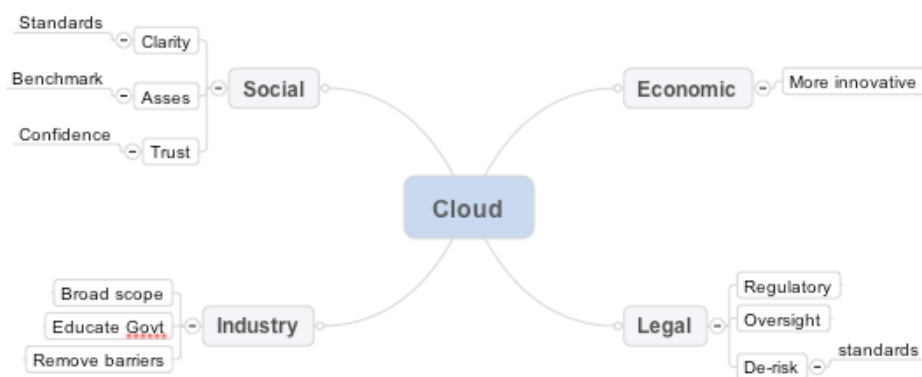
1. Introduction

Cloud Computing is a growth area in New Zealand and around the world and represents a significant opportunity for providers both domestically and globally.

However the reputation of the Cloud Computing community in New Zealand is threatened by the lack of standards and practice guidelines. This, combined with a lack of understanding of the accepted definitions of “Cloud Computing” and what it entails, results in a situation where rogue providers can advertise and offer services without meeting what are generally accepted standards of practice.

1.1 Opportunities and Challenges

Cloud Computing offers many opportunities to New Zealand but also presents many challenges. Some of these opportunities and challenges are outlined in this diagram:



Some of the Opportunities and Challenges to the industry from Cloud Computing

The New Zealand Cloud Computing Code of Practice is intended to address many of the social and industry-focused challenges. NZCS’s objective is intended purely to improve the standards and professional delivery of ICT in New Zealand including Cloud, nothing more and nothing less.

There are significant economic advantages and opportunities for the development of the Code as well. It is intended that these will be outlined in more detail in the introduction in the Code of Practice itself.

NZCS does not exist as a lobby for the promotion of Cloud uptake – that is best left to other groups, organisations and individuals with that purpose. The hope, however, is that with a Code of Practice in place, any improved uptake will bring with it increased trust, confidence and good practice. If this occurs this project will be a success.

1.2 Background

A group of representatives from significant Cloud Computing players met recently in Wellington to discuss the requirement for a Code of Practice. These organisations included Xero, Gen-I, Microsoft, Fronde, Centranum, Cloud Sherpas, Simmonds Stewart, Equinox, Localist, Webb Henderson, NZCS, InternetNZ and others plus observers from the offices of the Privacy Commissioner and Government CIO.

What became clear from this workshop was the specific need for a voluntary Code of Practice for Cloud Computing, to help protect the reputation of those providing professional services to acceptable standards as well as help define what good practice should look like in New Zealand.

This group agreed to support the implementation of the *NZ Cloud Computing Code of Practice* to establish an agreed set of clear minimum and recommended practice guidelines for those operating in the space.

NZCS was asked to independently facilitate the first part of this process, being the creation of the Code, funded by industry and on behalf of the ICT community in New Zealand. NZCS is a fully independent organisation without allegiance to any particular vendor or vendors and has experience in creating Codes of Practice and other related documents.

It is intended that those who meet the agreed practice guidelines will receive recognition. This implies some form of assessment, whether self-assessed (where an organisation asserts that they meet the CoP with consequences if it turns out they don't) or assessed by an impartial and independent organisation such as NZCS. This phase will highlight and recommend what any "assessment" could or should look like however the adoption and implementation of any form of assessment is outside scope – this is only concerned with development of the Code itself.

This document outlines the Terms of Reference for this activity and the structure this work should operate under, both within NZCS and the wider community. It also described the scope of this phase of the project.

1.3 What will the Code look like?

Part of the initial phase of the exercise is to determine, in detail, what the Code of Practice will look like, or rather, what level of complexity and detail will be incorporated into the Code.

This will be determined in consultation with industry, clients and other stakeholders and could range from simply a set of disclosure statements providers should provide all clients, through to a detailed set of disclosures and minimum security and integrity requirements and other matters.

While the implementation of such is outside the scope of this project, this work will also recommend whether assessment against the Code should be adopted and if so, to what level (ie self-assessment vs third party assessment vs accredited auditor approach) as well as ongoing governance arrangements.

The intention is that those who meet the Code will gain the opportunity to promote that fact, providing a competitive advantage when talking to their clients and Government. This should be encouraged as it provides incentive to delivery professional services with a “good practice” approach.

One thing has been determined at the outset: this will be a voluntary industry-led Code of Practice. However it will, in time, serve as a differentiator for those who believe in good practice.

2. Core Principles of the project

The following are the core principles for this phase of the development of the Cloud Code of Practice. These principles should be considered at all stages of this work.

- 1. Not reinventing the wheel**
Where possible, the NZ Cloud Computing Code of Practice should leverage existing work in New Zealand and abroad and give clear preference to established prior work over creation.
- 2. Consistency with global practice and standards**
A core part of this initiative is researching approaches taken to addressing the core issues in overseas jurisdictions, to ensure the result is consistent with practices in other countries.
- 3. Research based non-arbitrary approach**
The recommendations and resultant Code will be developed based on demonstrable good practice and decisions taken based on sound research-based principles.
- 4. Facilitation of development with wide consultation**
The role of NZCS and the project team is to facilitate the development of the Code in consultation with as broad a range of stakeholders as possible and practical.
- 5. Preference for consensus-based result**
The Project Team will work towards a consensus view in terms of the structure and content of the Code. While consensus does not mean unanimous, the intention is to gain the wide support of a broad range of stakeholders.
- 6. Clear separation between governance of process and development of Code**
The Steering Group will govern the process, ensure the principles are adhered to and test the evidence-based approach, however will not guide or influence the final result and Code.
- 7. Compliance and Assessment**
It is not the intention of the exercise to place undue or unnecessary compliance costs or processes on those that may wish to adhere to the Code once developed, over and above what is necessary for the integrity of the Code.

3. Why NZCS?

NZCS is the professional body for ICT Professionals in New Zealand, and as a non-profit incorporated society works with industry, academia, Government and the wider community to achieve its mission of increasing the education, standards, professionalism and innovation of the New Zealand ICT profession.

NZCS is the largest and oldest ICT body in New Zealand and works with all participants and segments of the technology sector without favour. NZCS has an established close relationship with industry, academia, Government and standards-setting organisations as well as significant relationships with equivalent bodies around the world.

NZCS was chosen for this work for a number of reasons including:

1. **Independence** – NZCS is a truly independent not-for-profit organisation and not aligned with any vendor or vendors.
2. **Professional body** – NZCS is New Zealand’s ICT professional body. As such it is the appropriate body to lead this piece of work.
3. **Scale** – NZCS is a nationwide organisation reaching into all ICT communities throughout NZ.
4. **Experience** – NZCS is an industry standard setting organisation. As well as a general Code of Practice, NZCS has also developed the ITCP Professional Certification, is in the process of implementing ICT Degree Accreditation, and has been involved in other related activities.
5. **Scope** – NZCS is also part of a global community and is in a position to both call on global experts and potentially involve other countries following rollout in New Zealand.
6. **Impartial** – NZCS does not exist to promote Cloud Computing hence cannot be accused of minimising the negatives or enhancing the positives of the Cloud. The Society will deal with all matters with the impartiality this position brings.

While NZCS will be facilitating this work, in reality it will only succeed if it is truly a sector-wide initiative. For this reason all Steering Group participants will be appointed by a range of industry representative organisations and all stakeholders in the sector will be engaged during the formation of the Code.

4. Purpose/Objectives/Actions

The purpose of this exercise is to facilitate the development of a Code of Practice for Cloud Computing in New Zealand (#nzcloudcode).

This includes:

1. Adopting a common broad definition of Cloud Computing and the scope in the context of the Code
2. Identification, consulting and engaging with all stakeholders in Cloud Computing in NZ
3. Consideration of all similar activities overseas and within New Zealand, including a formal analysis of how the NZ Cloud Code could leverage, and later contribute to, any international work
4. Creating or adopting the structure, nature and content for the NZ Cloud Code of Practice
5. Considering and recommending whether an assessment against the code is appropriate and if so, what this assessment might look like (eg self-assessed vs specific third-party vs accredited auditor)
6. Recommend an ongoing governance model for the Code

As the professional body of the ICT sector, NZCS is to facilitate this process independently and on behalf of the wider industry.

5. Scope

Those involved in the development of the Code through this process should consider any relevant and related matters the Steering Group believes appropriate, however the following matters are specifically outside the scope of this work and should not be considered by the Steering Group or Project Team:

- Details of any assessment against the Code, other than whether an assessment should occur and the overall nature of that assessment.
- The organisation facilitating this work. It is accepted that this is being completed independently by NZCS on behalf of the wider sector.

The Steering Group's role is to oversee the development of the draft Code of Practice and ensure all stakeholders have the opportunity to provide input into the Code.

From NZCS's perspective, the NZCS National Council shall be the final authority as to whether the Code is formally adopted on behalf of the Society following this development and consultation. It is hoped that all significant ICT groups and bodies and the vendor community will also adopt and endorse the Code.

6. Deliverables

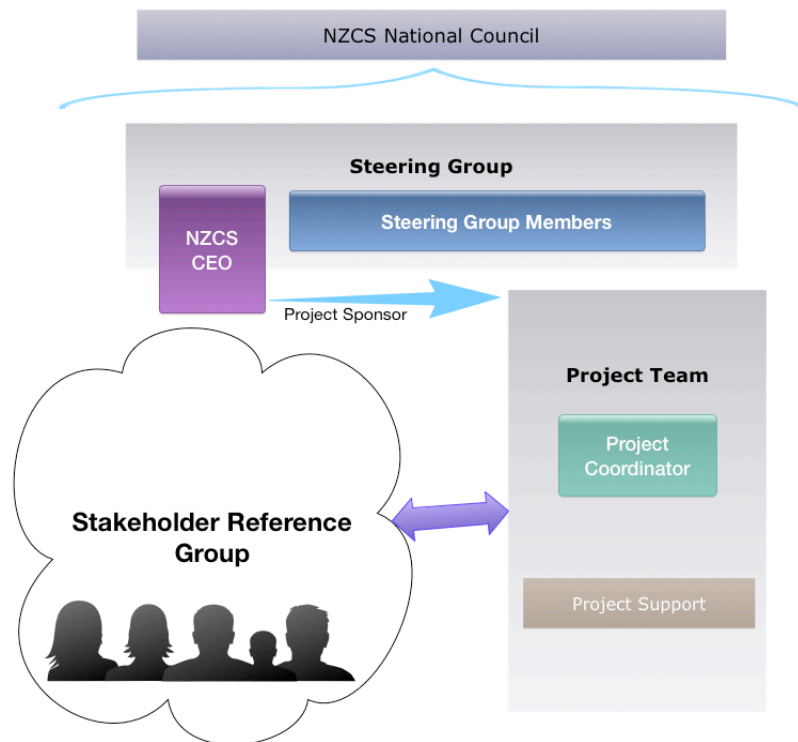
The following deliverables and timeline apply to this project. The Steering Group will meet as frequently as necessary to ensure the completion of this project.

The project will commence in October 2011 and is scheduled to complete at the end of Q1 2012.

Date	Description	Deliverable
17/10/2011	Steering Group invited, Project Coordinator and project team retained. Research commences.	Project and Stakeholder Engagement Plans (internal)
1/11/2011	Stakeholder engagement commences. Steering Group meets and general structure and framework agreed.	-
12/12/2011	Draft skeleton model of Cloud Code of Practice, based on discussions with Stakeholders and Reference Group, released for wide consultation. This draft will only contain the structures and approach intended, not the detail of the Code.	Draft skeleton model of Cloud Code (v0.1) of Practice
<i>12/12/2011-20/01/2011</i>	<i>Initial Consultation Period and call for submissions on draft skeleton model and approach</i>	-
Late Jan '12	Consultation Workshops in Auckland, Wellington and Christchurch	Consultation Workshops in Auckland, Wellington and Christchurch
29/2/2012	Release of first draft of Cloud Code of Practice	Draft Cloud Code (v0.9) Released
<i>29/2/2012-16/3/2012</i>	<i>Formal Consultation and Call for Submissions on proposed Cloud Code of Practice</i>	-
30/3/2012	New Zealand Cloud Computing Code of Practice v1.0 released. This shall be the Code only, however will include a recommendation on any appropriate assessment (self vs formal) and ongoing governance of the Code.	Full Code of Practice (v1.0) released
April 2012	Go/No Go decision on assessment and ongoing governance approach	Announcement on assessment and ongoing governance arrangements.

7. Structure of Project

The Governance and Operational Structure will be as follows:



NZCS National Council

The NZCS National Council shall formally approve the Terms of Reference for this work. As with all activities undertaken by NZCS, constitutionally the National Council assumes overall governance responsibility for the project. Note that at a practical level, governance of the project is delegated to the Steering Group.

Steering Group

The Steering Group, whose members shall be appointed and elected transparently by a range of industry representative groups, will provide project governance and direction for the Code Project.

Stakeholder Reference Group

This group will include representatives of all stakeholders and will be the **main vehicle for consultation and discussion**, formal and informal, during the formation of the Code of Practice.

NZCS Chief Executive (Paul Matthews)

The NZCS Chief Executive or nominee will Chair the Steering Group independently and as such will act as Project Sponsor with responsibility for objectives, outcome and timeline.

Project Coordinator and Team

The Project Coordinator will conduct the consultation activity and coordinate the development of the Cloud Code of Practice. The Coordinator may also have additional administrative support.

8. Appointment of Members of the Steering Group

The Steering Group will provide governance, direction and shape to the project, ensure timelines are adhered to, consultation is thorough and remove any roadblocks. **Note that the actual detail work and consultation will be completed by the Project Team in conjunction with the Stakeholder Ref Group.**

This project shall be a truly collaborative effort across the ICT sector. The following industry representative groups will be asked to elect or appoint one (1) member of the Steering Group each:

- New Zealand Computer Society (NZCS)
- InternetNZ
- Telecommunications Users Association of NZ (TUANZ)
- NZICT Group
- NZRise Inc
- Cloud Security Alliance, NZ Chapter
- The attendees of the initial workshop leading to this Code

The Office of the Privacy Commissioner and a representative from Government Technology Services (GTS) in the Department of Internal Affairs will be invited to attend meetings of the Steering Group in a non-voting observer role.

In addition to the above, the NZCS CEO will independently Chair the Steering Group. Other NZCS staff or contractors (such as the Project Coordinator) will attend Steering Group meetings in a non-voting capacity and other people may attend when invited by the Group.

Steering Group members shall meet the following characteristics:

- They shall be considered experts in the subject matter, understand the purpose for the Code and be committed to successful implementation of the Code.
- They shall act as independent experts and professionals and shall not act as representatives of the organisation that has appointed or elected them to the Group, their employer or any other body.
- They must be able to travel to Wellington for any face-to-face Steering Group meetings or workshops. Travel is expected to be covered by their sponsoring organisation, however there may be room within the budget to contribute to some travel costs in some circumstances.
- They should be free from organisational politics and be in a position to give their time freely.

Should any group above not formally notify NZCS of their appointment by a specified date the invitation will lapse and the Society will make whatever arrangements it deems appropriate to fill the vacant position.

NZCS may also co-opt additional members at a later date to fill Casual Vacancies in the Group or in a non-voting capacity should specific expertise be deemed necessary by the group.

There will be no implied or explicit endorsement from any organisation associated with any Steering Group member of the resultant Code. While it is hoped that a large cross-section of organisations will endorse and adopt the Code, participating in the Steering Group will not be seen as automatic endorsement.

9. Stakeholder Reference Group

All relevant Stakeholders will be invited to join the Stakeholder Reference Group which shall be the main vehicle for consultation and discussion during the development of the Code.

Reference Group discussion shall be free and frank but operate with appropriate decorum. NZCS may remove any individual from the Reference or Steering Group if they become disruptive or if, in the opinion of NZCS, their ongoing involvement is contrary to the objectives or successful outcomes of the project.

10. Budget

The following summary budget will apply to this project (all figures ex-GST):

Project Coordinator (Contracted)	18 000
Secretariat Support (Meetings and other)	3 000
Meetings and Travel	3 000
Overheads and Admin etc	<u>4 500</u>
Total:	28 500
<i>Plus Miscellaneous / Contingency</i>	<i>5 000</i>

It is likely that the *Miscellaneous / Contingency* will not be called upon and that other items will come in below budget. If this is the case, the contributors will have the final say on how this is spent at the end.

In addition to the above, NZCS will contribute “in kind” to the project. While some will be covered by *Overheads and Admin etc*, this will include providing an office and technology etc for the Project Coordinator, a meeting venue for the Steering Group, some teleconference facilities, staff time and CEO acting as Steering Group Chair etc.

11 Contributions

The following organisations have confirmed financial contribution to the project (all ex GST).

Major Contributors

The following have committed a financial contribution of \$5 000 and will receive additional recognition permanently in the text of the Code as a *major contributor*:

- Equinox \$ 5 000
- Gen-I \$ 5 000
- OneNet \$ 5 000
- Webdrive \$ 5 000
- Xero \$ 5 000

Contributors

The following have committed to a financial contribution of \$1 500 or higher and will be recognised as Contributors to the development of the Code:

- Salesforce.com \$ 2 500
- EOSS Online Ltd \$ 1 500
- InternetNZ \$ 1 500
- NZRise \$ 1 500
- Systems Advisory Services \$ 1 500

In Kind Support

In addition to the above, the following have committed to providing *In Kind* support to the initiative:

- **Gen-I**
Use of Smart Meeting Rooms nationally and internationally for Steering Group meetings and consultation activities, to a value of \$5 000.
- **NZCS**
Significant resources including office space, incidentals, staffing, Steering Group Chair, etc
- **Psoda**
Free use of the Psoda Project Management software.

12. Meeting Documentation

Meetings of the Steering Group should be documented appropriately and minutes kept. All Minutes shall be made available and dispersed to the Stakeholder Reference Group in draft form shortly following meetings of the Steering Group.

Minutes and other documentation shall be retained by the Chair or a delegated member and kept on record by NZCS following termination of the group.

13. Stakeholder Consultation

This is a collaborative exercise involving a large section of the New Zealand cloud community. The Project Team and Steering Group will consult widely with all relevant stakeholders and ensure that the resultant Code has the widespread support of Industry.

While Steering Group members will act independently and not be considered as representatives of the groups that appoint them, they should also act as a conduit, ensuring that their organisation is aware of progress and involved in consultation activity.

The Stakeholder Reference Group shall act as the primary consultation vehicle through each phase of the project, with major consultation activity occurring sector-wide as well.

14. Delegations

The Steering Group Chair has formal delegated responsibility for all responsibilities as outlined in this document with a mandate from both NZCS and the organisations participating in the initial workshop leading to the development of this Code.

This document replaces any implied or explicit delegation made to the Steering Group on behalf of NZCS prior to this document. Any future delegation from the Council or Society shall be made in writing as an addendum to this document.

15. Confidentiality

Whilst operating openly and transparently, the Steering Group will ensure that information confidential to NZCS or any participant or stakeholder (including but not limited to Intellectual Property, confidential member information, work product, strategies or tactics, or any other matter a reasonable person would consider confidential) is kept confidential to members of the Steering Group.

All meetings, whether Steering Group meetings or other consultative meetings, and all online discussion on the Stakeholder Reference Group discussion group, shall operate under Chatham House Rules unless explicitly stated otherwise.

16. Intellectual Property

The NZCS will retain ownership of all work product created by the Steering Group and Project Team on a trust basis on behalf of New Zealand's ICT Sector.

Where the project utilises material owned by a third party, an organisation intends to retain or share Intellectual Property with the Society, or usage of any material may bind the Society in any way, an agreement must be entered between the Society and the third party before such material is utilised.

Unless a more restrictive license is necessary due to utilisation of third party works, the product of this exercise will be released under the Creative Commons (NZ) BY-NC-ND license, available to be utilised on an Attribution-Noncommercial-No Derivative Works basis.

In addition, NZCS will pass rights to any other organisation tasked with overseeing any ongoing component of the Code (such as governance or assessment) as appropriate and the ongoing Governance group shall make further decisions as to IP and copyright assignment as appropriate.

17. Media Comment

Being a member of the Steering Group does not provide an implicit or explicit right to speak on behalf of the Society or the Steering Group, and no Steering Group member other than the Chair may make comment as a representative of the group.

All media enquiries related to the Steering Group work must be redirected to the Chair of the Steering Group as per established and normal Board practice. All Steering Group members agree to refrain from public comment regarding the work of this Group unless comment is made in conjunction with the above.

Whilst this clause may have that affect, it is not intended as an instrument to “gag” Steering Group members, but rather to ensure that the message being presented is consistent and in the best interests of the Project. This shall not bind any organisation, including NZCS, from commenting independently from the Steering Group work however it must be made clear that this isn’t on behalf of the Steering Group.

18. Representation

Nothing within this document shall imply that any member of the Steering Group may present themselves as a Representative of the Society in any way other than as a member of this Steering Group. No member may imply they hold any other position of authority within the Society as a consequence of their position on this Group.

19. Conduct

All members of the Steering Group and Stakeholder Reference Group will operate in the best interests of the project and Society at all times.

The NZCS Executive may suspend any member of the Steering Group if, in the opinion of the Executive, the members’ conduct is not appropriate or in keeping with the best interests of the Society or project.

20. Conflicts of Interest

All Steering Group members agree to abide by the NZCS Conflict of Interest Policy, including:

- Completing a formal NZCS Conflict of Interest Declaration to be provided to the Steering Group Chair, and in turn to the NZCS Executive;
- Notifying the Steering Group Chair (who will in turn notify the NZCS Executive) immediately should any additional Conflict of Interest arise during the time the Steering Group is operational;

Steering Group members accept that failure to declare a Conflict of Interest where one exists is in clear breach of the NZCS Code of Ethics and will result in immediate removal from the Group.

Conflict of Interest declarations will be shared with all Steering Group members and are made on the basis that they will be kept strictly confidential by the members of the Steering Group and the NZCS Executive and Council.

21. Behaviour of Steering Group Members

The Chair and all members of the Steering Group accept that all participants are professionals and will actively work to ensure a safe environment for all.

All participants will receive equal treatment regardless of their age, gender, race, NZCS membership grade, or any other factor and will always be afforded the opportunity to speak without fear of ridicule or retribution.

Any member who feels bullied or intimidated whilst carrying out their tasks may speak with any member of the NZCS Executive in absolute confidence and any member who, in the opinion of the NZCS Executive, has acted inappropriately may be suspended from the Steering Group.

22. Disestablishment of the Steering Group

The Steering Group will be disestablished upon delivery of the final outcome and may be disestablished at any other time upon resolution of the NZCS National Council.

23. Terms of Reference shall be binding on participants

These Terms of Reference are available to all Steering Group members.

It should be noted that the Steering Group members are participating as individuals only. This Agreement is not intended to bind any organisation these individuals may be associated with in any way.

By participating in this Steering Group all members agree to these provisions. If a Steering Group member does not agree with any provision in this document they should raise it with the Chair of the Steering Group who will determine whether a change may be considered in conjunction with the NZCS Executive.

The NZCS Executive may act for the Council in negotiating any minor change in terms of this agreement, to be ratified at the next NZCS National Council meeting.

All conditions of this Terms of Reference related to confidentiality, privacy and Intellectual Property shall be permanently binding on Steering Group participants.