



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Notice of a meeting of the

Finance, Audit and Risk Committee

in the

**Whitestone Cheese Empire Room, Oamaru Opera House,
94 Thames Street, Oamaru**

9.00am, Wednesday 16 August 2017

MEMBERSHIP:

Cr Wollstein (Chair)
Cr Dawson
Cr Hopkins

Mayor Kircher (ex Officio)
Cr Garvan
Cr Percival

***In the interests of the environment and to help reduce photocopying costs,
please bring your Committee agenda with you to the meeting***

Finance, Audit and Risk Committee

9.00am, Wednesday 16 August 2017

**Whitestone Cheese Empire Room, Oamaru Opera House,
94 Thames Street, Oamaru**

- **Apologies**
- **Declarations of Interest**

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"That the public be excluded from the following parts of the proceedings of this meeting, namely items 4 and 5.

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	To protect the privacy of natural persons.
• Confirmation of Public Excluded Meeting Minutes – 12 July 2017	Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned.)
• Insurance Renewals 2017/18	To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations.)

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

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Waitaki District Council

Finance, Audit and Risk Committee

Minutes of Finance, Audit and Risk Committee meeting of the Waitaki District Council held in the Council Chamber, Council Headquarters, 20 Thames Street, Oamaru on Wednesday 12 July at 9.05am

Present: Crs Wollstein (Chair), Crs Dawson, Garvan, Hopkins, Percival

Apology: Mayor Kircher

In Attendance: Cr Tavendale
Cr Kingan
Cr Holding
Cr Wheeler
Cr Perkins (from 10.40am)
Mr Jorgensen (Acting Chief Executive)
Dr Cloete (Community Services Group Manager)
Mr Wells (Accounting Manager)
Ms Hooper (Policy Officer - Governance)
Mrs Hansen (PA to Assets Group Manager) (until 10.05am)

Declarations of Interest

There were no declarations of interest.

Apologies

RESOLVED
FAR17/040

Crs Dawson / Hopkins
"That the Finance, Audit and Risk Committee accepts apologies from Mayor Kircher for absence."

CARRIED

1. Confirmation of Minutes

RESOLVED
FAR17/041

Crs Hopkins / Dawson
"That the Finance, Audit and Risk Committee confirms meeting minutes of 14 June 2017"

CARRIED

2. Financial Report – Period 11

This memorandum covers the 11 month period ended 31 May 2017, and shows that most business activities continue to operate close to or better than budget for the year to date.

RESOLVED
FAR17/042

Crs Hopkins / Dawson
"That the Finance, Audit and Risk Committee receives the information."

CARRIED

3. First Quarter 2017-18 Treasury Strategy Report

This report provides an update to the Committee on Council's proposed Treasury Strategy for the first quarter of the 2017/18 financial year.

RESOLVED

FAR17/043

Crs Hopkins / Dawson

"That the Finance, Audit and Risk Committee recommends to Council that it adopts the proposed Treasury Strategy for the first quarter of the 2017-18 financial year, by:

- continuing the use of term deposit facilities for terms between 7 days and 12 months, and
- continuing to make minimal use of the call account, but always dependent on consideration of short-term operational cash requirements and on achieving target interest rates."

CARRIED

The meeting adjourned at 10.03am, and reconvened at 10.20am.

Cr Garvan left the meeting at 10.20am and returned at 10.25am.

Cr Perkins joined the meeting at 10.40am.

4. Corporate Services Group Activity memorandum to 30 June 2017

This memorandum provides an update to the Committee on various finance, information management and business developed related matters.

RESOLVED

FAR17/044

Crs Hopkins / Garvan

"That the Finance, Audit and Risk Committee receives the information."

CARRIED

RESOLVED

FAR17/045

Crs Hopkins / Percival

"That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Meeting Minutes 14 June 2017."

CARRIED

"The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
<ul style="list-style-type: none"> • Confirmation of Meeting Minutes 14 June 2017 	<p>To protect the privacy of natural persons. Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).</p>

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

Refer to Public Excluded Minutes

RESOLVED
FAR17/048

Crs Hopkins / Percival

"That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered."

CARRIED

There being no further business, the Chairman declared the meeting closed at 10.49am.

Confirmed on this 16th day of August 2017 in the Whitestone Cheese Empire Room of the Oamaru Opera House, 94 Thames Street, Oamaru.

Chairman

Finance, Audit and Risk Committee

Memorandum

From Chief Financial Officer

Date 16 August 2017

Financial Report – Period 12 / Quarter 4

Recommendation

That Council receives the information.

Financial Overview

This financial report covers the fourth quarter of the 2016/17 financial year. Another successful operating year has drawn to a close, with most activities reporting performances close to or better than budget for the year.

For various reasons, most of which have been reported to the Committee, a number of projects have been delayed or deferred this year. Revenue is reported well in excess of budget, due in part to the extended operating life of the Oamaru landfill, and to an unbudgeted subvention payment from Whitestone Contracting. As a consequence of expenditure being well managed, increased revenue, and deferred capital works, Council will go into the new financial year with more cash in hand than was budgeted.

Commentary

The GAAP financial reports, presented as Appendix (a), show an operating surplus of \$3.357m against a budgeted surplus for the same period of \$2.656m.

Overall, reported revenue is ahead of budget by \$583k, with most revenue categories reporting on or better than budget. Once property sales and other necessary changes are processed, and other potential late adjustments are made, adjustments to fixed assets and internal loans are projected to reduce reported revenue to \$46.831m. These adjustments arise from the capitalisation process, and from the likely write-off of loan balances remaining outstanding after the sale of all related properties.

Variances from budget:

- Rates revenue under budget by \$82k
This category of income includes both rates and rate penalties, which the Committee has been advised were negatively impacted as a consequence of the recently completed rating sales process;
- Government Grants & Subsidies, and Other Grants & Donations in total under budget by \$1.925m
Only \$15k of external funding was actually received to support the Cultural Facilities project (budgeted \$788k) and only \$675k was required to fund the Alps2Ocean construction project (budget \$1.325m). Grants obtained for the cultural facilities and funding contracts in place for A2O are likely to see income reported in excess of budget in these areas in 2017/18 and future periods.

Expenditure is currently reported under budget by \$118k. Late changes resulting from adjustments to depreciation arising from recent revaluations, and changes to the Provision for Landfill Closure, are expected to result in increased expenditure.

The GAAP Financial Reports are presented in the format required for Council's external financial reports. Although they are based on information provided in the variance reports appearing in Appendix (c), that information is re-stated to meet financial reporting standards and so the two sets of reports do not necessarily align.

Variance Report – refer Appendix (c)

The overall “controllable” operating position noted in the variance reports shows a favourable variance of \$1.740m (Revenue favourable \$636k, Expenditure favourable \$1.104m) when compared to budget. These variances arise due to a number of factors, the majority of which have been reported previously. Significant items are discussed in the analysis below.

The key variances in line items are as follows:

User Charges –

Ahead of budget by \$1.240m, due largely to revenues from the Oamaru Landfill exceeding budget by \$974k as a result of the extended operating life of the site. Property rentals are also ahead of budget by \$282k, and camping fees are better than budget by \$42k.

Grants, Subsidies, and Contributions –

As noted above, revenue in this category is under budget by \$1.773m, due mainly to the timing of the work completed on the Alps2Ocean and the Cultural Facilities projects.

Development and Financial Contributions exceed forecast by \$142k. The effect of this is most apparent in the areas of Roothing (\$132k) and RMA contributions (\$78k). Part of this increase is due to the resolution of outstanding Codes of Compliance including outstanding and disputed DCs. DCs received for Oamaru Water and Sewer are better than forecast, but those for other schemes are under.

Finance Income –

Interest earned amounted to \$1.184m, \$47k over budget, reflecting slowly improving interest rates and more funds available for investment than was anticipated. Property sales and the deferral of a number of projects have contributed to this position.

Whitestone Contracting Limited’s dividend of \$150k was \$30k better than budget, and the unbudgeted subvention payment of \$640k added to Council’s surplus and available funds.

Other Revenue –

Rates penalties are under budget by \$40k, following adjustments made to recognise the impact of debts affected by the rating sales. Otherwise, income in this category is fairly close to budget.

Employee costs –

These costs are under budget by \$146k. Overall, salaries and wages are \$267k under budget, reflecting savings made while positions remained vacant. The cost of contractors required to fill those gaps amounted to \$220k.

Contractors and Professional Services –

Taken together, these categories are under budget by \$555k. However, as this is on a total budget of just over \$15m, this is a small overall variance. This indicates that, in general, operational projects and programmed routine maintenance functions are running as planned. However, there has been some variance at the activity level that should be noted, particularly in the three waters area where there has been an increase in repairs after several years of limited breaks and other failures, and in Parks where the new maintenance contract has resulted in decreased costs.

This positive variance may still reduce as the process of analysing capital expenditure has yet to be completed. Any items identified as coded to capital in error will be recognised as operational expense.

Operational –

Savings are reported for both insurance premiums (\$44k) and electricity (\$48k). Much of the saving in electricity is driven by the Water and Sewer activities where less pumping has been required due to increased rainfall. Going forward, insurance costs for the new 2017/18 financial year are over budget, and are the subject of a separate report presented to this meeting.

Administration –

The most significant variance in this category is bad debts expense which – at \$342k – is over budget by \$192k. Details have previously been provided outlining the impact of the recent rating sales process and how this could be funded.

Capital Expenditure –

Overall, capital expenditure is down on budget in all departments by \$10.931m (Roothing \$898k, Water \$4.573m, Sewer \$1.255m, Stormwater \$400k, IT \$410k, Motor Vehicles \$165k, Property \$875k, Parks \$1.150m, and Alps2Ocean \$599k).

Much of the under-spend on capital results from deferred or delayed projects, including the Hampden – Herbert water pipeline and the Cultural Facilities project. This under-spend has resulted in more funds being available for investment. More detail on these projects has been provided in the group activity reports to other Council Committees.

The Statement of Comprehensive Revenue and Expense reports an overall loss of (\$675k) in the category, "Other Gains and Losses". This is projected to increase as the proceeds from a number of property sales have still to be processed through the asset register, and capital work in progress balances are reviewed and assessed.



Ian Wells
Accounting Manager



Paul Hope
Chief Financial Officer

Attachments

Appendix (a) – Fourth Quarter Financial Reports

Appendix (b) – Quarterly Treasury Report

Appendix (c) – Variance Reports and Commentaries

Appendix (a) – Fourth Quarter Financial Reports (with projection for year-end)
Statement of Comprehensive Revenue and Expense
for the year ended 30 June 2017

	2017 12 Months Actual \$000	2017 12 Months Budget \$000	2016 12 Months Actual \$000	2017 12 Months Projected \$000
Revenue				
Rates Revenue	30,303	30,385	30,375	30,303
User Charges	6,275	4,059	6,410	6,275
Regulatory Charges	1,508	1,354	1,289	1,508
Development and RMA Contributions	738	595	545	738
Government Grants and Subsidies	6,307	8,009	6,574	6,307
Other Grants and Donations	882	1,105	677	882
Finance Revenue	1,184	1,137	1,264	1,184
Petrol Tax	193	190	192	193
Infringements and Fines	86	54	38	86
Dividend and Subvention Payments	790	120	562	790
Assets vested in Council	-	-	63	100
Other gains and Losses	(675)	-	(2,672)	(1,535)
Total Revenue	47,591	47,008	45,317	46,831
Expenses				
Personnel costs	10,652	10,665	9,914	10,652
Depreciation and amortisation	11,476	11,380	11,463	11,601
Finance Costs	1	-	-	1
Other expenses	22,105	22,307	22,620	22,320
Total Expenses	44,234	44,352	43,997	44,574
Surplus / (Deficit) before Tax	3,357	2,656	1,320	2,257
Income Tax Expense / (Refund)	-	-	-	-
Surplus / (Deficit) after tax	3,357	2,656	1,320	2,257
Other Comprehensive Revenue and Expense				
Gain/(Loss) on revaluation of Infrastructural Assets	5	-	5,824	-
Gain/(Loss) on revaluation of Properties	9,736	5,250	-	9,561
Other Comprehensive Revenue	-	-	-	-
Total Other Comprehensive Revenue and Expense	9,741	5,250	5,824	9,561
Total Comprehensive Revenue and Expense	\$13,098	\$7,906	\$7,144	11,818

Appendix (a) – Fourth Quarter Financial Reports (continued)

Statement of Financial Position

As at 30 June 2017

	Council Only			
	2017 Actual \$000	2017 Budget \$000	2016 Actual \$000	2017 Projected \$000
Public Equity				
Ratepayers' Equity	310,208	310,208	310,208	310,208
Revaluation Reserve	416,917	414,526	407,181	416,917
Operating Reserve	24,476	26,378	19,271	20,441
Other Reserves	15,209	14,575	14,237	15,149
Total Public Equity	\$766,810	\$765,687	\$750,897	762,715
Non-Current Assets				
Property Plant and Equipment	721,907	726,558	709,232	719,962
Intangible Assets	857	839	895	857
Forestry	254	72	253	179
Inventory	2,519	1,735	2,519	1,150
Other Financial Assets				
- Investments in CCO's	4,912	4,912	4,912	4,912
- Investments in other entities	145	145	145	145
- Loans to other entities	25,060	25,650	17,663	25,060
	755,654	759,911	735,619	752,265
Current Assets				
Cash and Cash Equivalents	4,483	1,775	2,463	4,483
Receivables	2,487	4,125	3,036	2,507
Prepayments	231	340	356	231
Inventory	26	15	29	26
Other Financial Assets				
- Term deposits	9,425	6,500	14,750	9,425
- Loans to other entities	16	1	1	16
Assets held for Sale	441	-	441	-
	17,109	12,756	21,076	16,688
Total Assets	772,763	772,667	756,695	768,953
Non-Current Liabilities				
Provisions	320	285	387	550
	320	285	387	550
Current Liabilities				
Trade and Other Payables	4,236	5,545	4,047	4,386
Employee Entitlement Liabilities	1,074	975	1,015	1,074
Provisions	323	175	349	228
	5,633	6,695	5,411	5,688
Total Liabilities	5,953	6,980	5,798	6,238
Net Assets	\$766,810	\$765,687	\$750,897	762,715

Appendix (b) –Quarterly Treasury Report

Treasury Overview

This report reviews Treasury performance for the fourth quarter of the 2016/17 financial year, and projects Council's expenditure profile and anticipated investment maturity over the next twelve months. These projections include loan draw-downs by the Observatory Village Charitable Trust based on the Trust's anticipated requirements.

Interest rates appeared to plateau during the fourth quarter. Rates which had improved to over 4% for terms exceeding nine months dropped back in the fourth quarter, to a range of 3.6%-3.75%. Rates to be charged for both the NOIC and Observatory Village loans in the new financial year are better than those available for terms up to about 6 months from our banking service providers.

Council's investment income exceeded budget for the full year, largely because there were more funds available for investment than was forecast due to property sales, unbudgeted revenue from the landfill, and the deferral of a number of capital projects.

Council uses the four major New Zealand banks for deposits, and is able to compare rates when deciding on investment opportunities. These banks are rated "AA" or better by Standard and Poors. Council has approved the limited use of five other "A" rated banks for investment purposes but, in the short term, it is unlikely that other banks will be required.

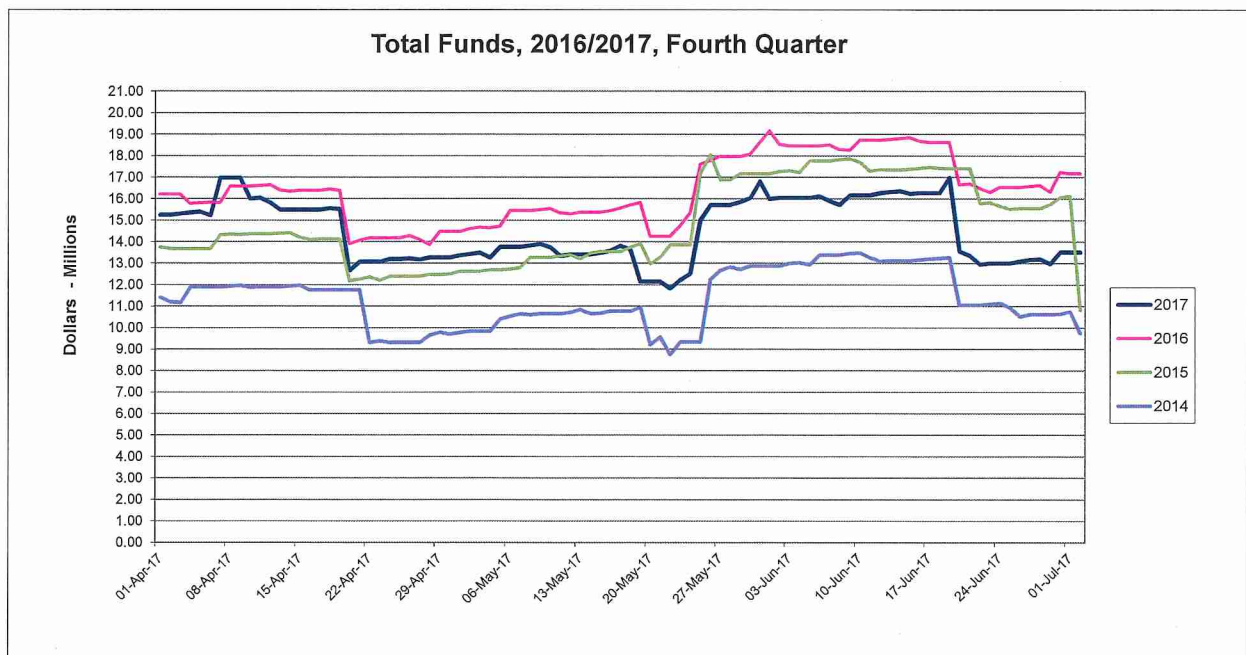
Overall Cash Position

Every effort is made to improve, or at least maintain, potential investment returns while still ensuring sufficient funds remain available for normal operational requirements. Amounts invested are based on expected inflows and always allow a margin so no external borrowing will be required.

The Committee has previously been alerted to the risk that making minimal use of the call account in favour of short-term deposits to gain better interest rates might result in the main operating account becoming overdrawn. Unexpected loan draw-down requests from the retirement village in mid-June and a higher-than-anticipated payment run on 20 June resulted in an overdraft for a period of six days (20 – 26 June), with the largest overdrawn balance of \$562,562. The overdraft servicing was only \$370.

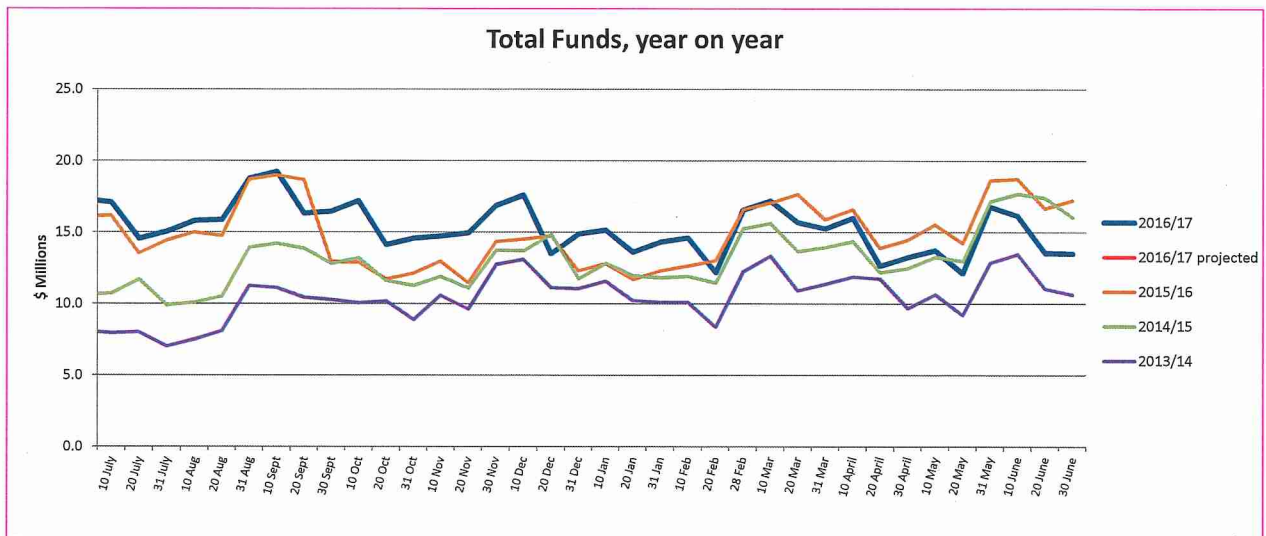
Further loan draw-down requests, and an unexpected contractual payment after year-end, saw the account again in overdraft from 5 – 10 July, the largest overdrawn balance being \$463,521.

Total Cash Funds, Fourth Quarter Movements



Appendix (b) –Quarterly Treasury Report (continued)

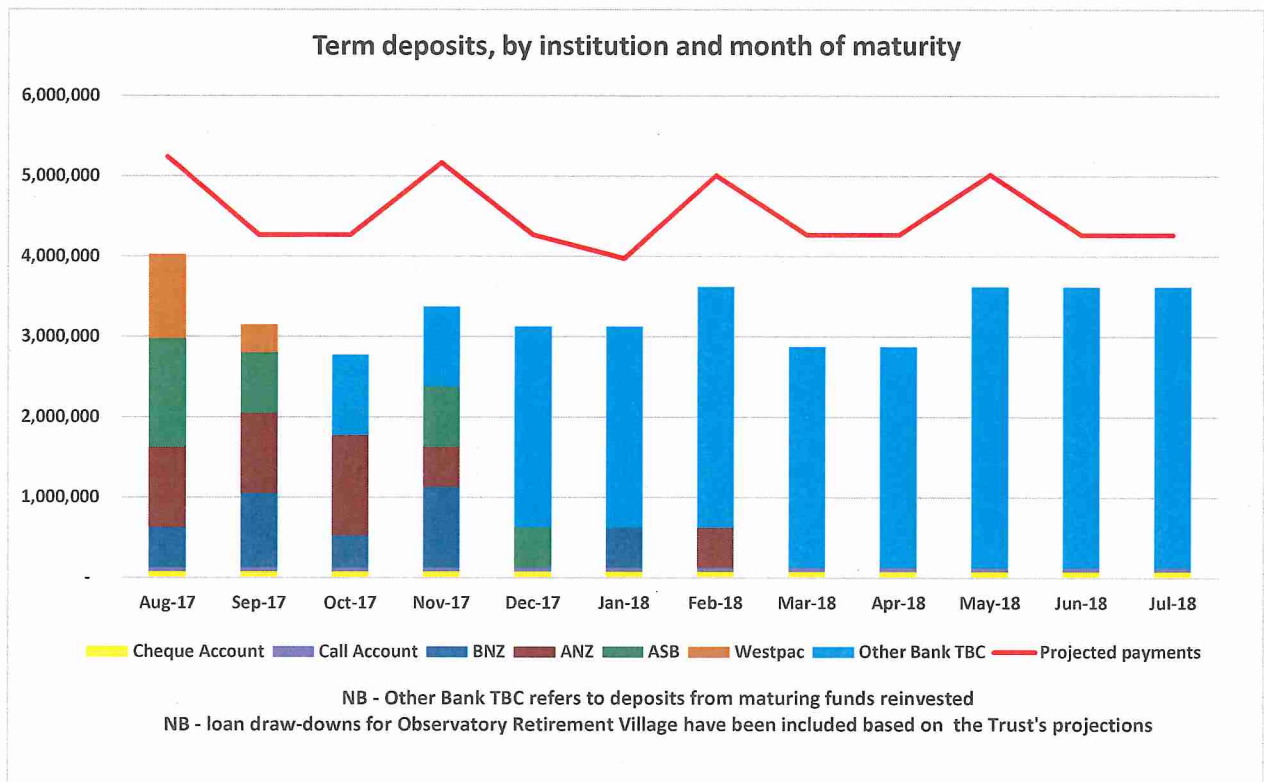
Total Funds, 2016/17 Financial Year



This graph clearly shows the effect on Council's available funds of the monies lent to the Observatory Village Charitable Trust.

Projected investment maturity and outgoings analysis

This graph represents likely cash outgoings and maturing investments by month. As always, the gap between available funds from bank deposits and projected expenditure is met by current month operating revenues. Projected payments anticipate draw-downs for the retirement village loan in line with the Trust's projections.



Appendix (b) –Quarterly Treasury Report (continued)

“Cash” Investment as at 30 June 2017

Institution	Original Term	Maturity Date	Rate	Amount
BNZ	142 days	20/07/2017	3.23%	\$250,000
BNZ	118 days	20/07/2017	3.21%	\$500,000
BNZ	82 days	21/08/2017	3.19%	\$500,000
BNZ	296 days	20/09/2017	3.60%	\$750,000
BNZ	112 days	20/09/2017	3.24%	\$175,000
BNZ	216 days	09/11/2017	3.65%	\$500,000
BNZ	244 days	22/01/2018	3.68%	\$1,000,000
Total BNZ				\$3,675,000
ANZ	88 days	21/08/2017	3.10%	\$1,000,000
ANZ	210 days	19/09/2017	3.85%	\$500,000
ANZ	100 days	20/09/2017	3.90%	\$500,000
ANZ	240 days	19/10/2017	3.90%	\$500,000
ANZ	270 days	20/10/2017	3.65%	\$750,000
ANZ	179 days	20/11/2017	3.90%	\$500,000
ANZ	271 days	20/02/2018	3.65%	\$500,000
Total ANZ				\$4,250,000
ASB	13 days	13/07/2017	1.68%	\$300,000
ASB	83 days	20/07/2017	3.20%	\$500,000
ASB	105 days	21/08/2017	3.18%	\$500,000
ASB	174 days	21/08/2017	3.58%	\$500,000
ASB	120 days	20/09/2017	3.25%	\$500,000
ASB	82 days	20/09/2017	3.34%	\$250,000
ASB	174 days	20/11/2017	3.62%	\$500,000
ASB	204 days	20/12/2017	3.62%	\$500,000
Total ASB				\$3,550,000
Westpac	79 days	20/07/2017	2.80%	\$500,000
Westpac	56 days	20/07/2017	2.71%	\$500,000
Westpac	150 days	27/07/2017	3.46%	\$500,000
Westpac	78 days	16/08/2017	2.80%	\$250,000
Westpac	70 days	21/08/2017	3.46%	\$250,000
Total Westpac				\$2,000,000
Total on deposit 30 June 2017				\$13,475,000

The pattern of investing focuses on ensuring that a range of deposits mature around the 20th of the month, to coincide with Council's monthly payments cycle. A further sequence of deposits matures between these dates to match the timing of payroll and other creditor requirements.

Council has been able to generally achieve targets set in the Treasury Strategy during this quarter, and in cases where the target has been missed, the monetary impacts have not been significant:

- Up to 30 days achieved 1.68 – 1.91% (target range 1.75% - 2.00% or better)
- Between 30 and 60 days achieved 2.71% – 3.20% (target range 2.50% - 2.90% or better)
- Between 60 and 90 days achieved 2.80% - 3.34% (target range 2.70% - 3.20% or better)
- 3 – 6 months achieved 3.10% – 3.90% (target range 3.10% - 3.60% or better)
- 6 – 9 months achieved 3.60% - 3.75% (target range 3.25% - 3.85% or better)
- 9 – 12 months achieved 3.40% - 3.90% (target range 3.60% - 4.00% or better).

The loan to NOIC will earn an interest rate of 3.28% (last year 3.58%) for the 2017/18 financial year, which is still a very good rate in this environment. That rate remains effective until 30 June 2018, at which time it will be re-set for the next 12 month period.

Appendix (b) –Quarterly Treasury Report (continued)

Other Investments

Council has several loans outstanding to community groups and other entities. The largest of these loans are set out below.

North Otago Irrigation Company Ltd –

- Balance at 30 June \$17,000,000
- Interest earned for the year \$608,600
- Interest is paid monthly

Observatory Retirement Village Trust –

- Balance at 30 June \$7,079,941, and the stage two loan \$142,519 – Total \$7,222,460
- Interest earned for the year \$86,941
- Interest is accrued monthly for reporting purposes, and compounded on a quarterly basis

In July, a further \$740,000 was drawn down by the Trust for stage 1 and \$32,200 for stage 2. The total advanced to date is below the Trust's initial projections. Ultimately, Council's support for stage 1 is capped at \$8,000,000.

Oamaru Whitestone Civic Trust –

- Balance at 30 June \$455,000 interest-bearing and \$100,000 interest-free
- Interest earned for the year \$15,196
- Interest is paid quarterly.

The Trust has an approved loan facility with Council of \$500,000, and an additional \$100,000 advance was recently approved and paid out.

Council provides the Trust with a quarterly grant to match the interest payment.

The Trust has committed to annual payments of \$15,000 in reduction of the loan balance.

Otago Rural Fire Authority –

- Balance at 31 March \$285,145

Interest is not charged on the loan, which reflects the value of equipment transferred to the Authority in the 2014/15 financial year.

Other Investments

Amounts invested in Council Controlled Trading Organisations (CCTOs) comprise the majority of the value of the other investments held by Council. Whitestone Contracting Limited has committed to paying a dividend of at least \$120,000 annually, but has paid both a dividend of \$150,000 and a subvention payment of \$640,000.

Internal Loans

Details of movements in internal loans have not been finalised for the quarter ended 30 June. This information will be presented to the Committee once available.

Separate Rate Accounts

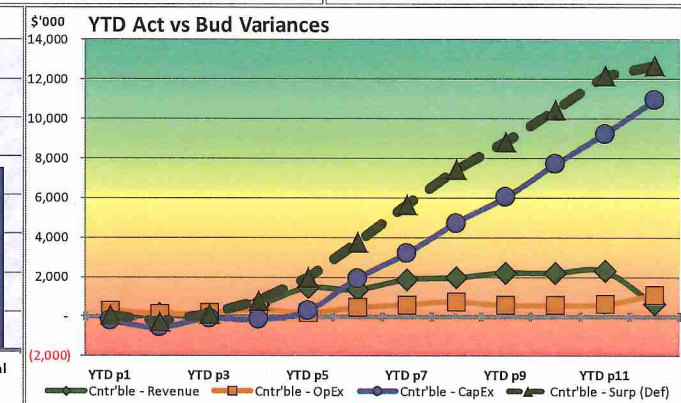
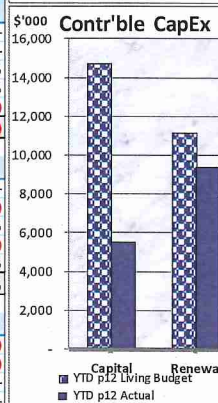
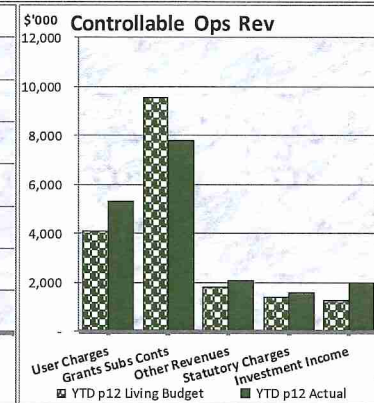
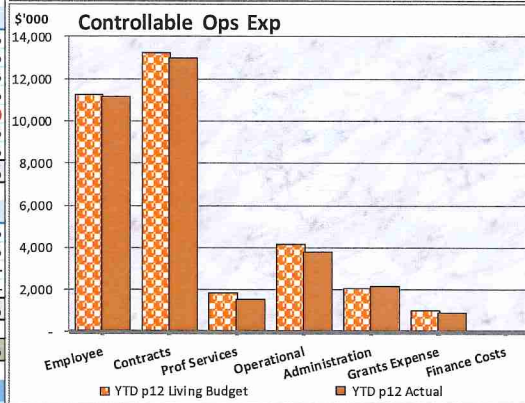
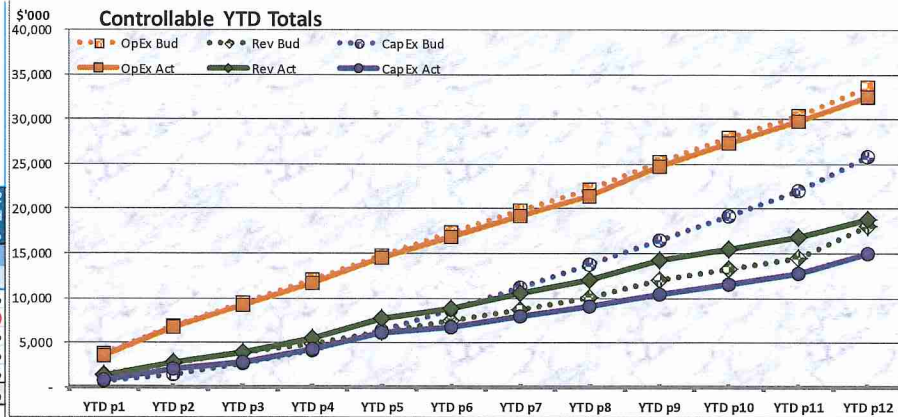
Separate Rate Accounts are maintained for each of Council's targeted rate levies. Officers update the current position of each separate rate account at the end of each quarter.

The position at 30 June has still to be finalised, and details of separate rate accounts that are either operating in deficit or require attention for other reasons will be provided at the next meeting of the Committee.

Appendix (c) – Variance Reports and Commentaries

Council – overall total

WDC 2017 Operating Statement Wed 09 Aug 2017 6:50 AM		Level_02	Level_03	Level_04
Level_01		Community Safety	Accounting Servi...	Ahuriri
Assets Group	CEO	Customer Conta...	Ahuriri	Airedale
Community S...	Council	Economic Develo...	Alcohol Licensing	Ardgowan
Customer Ser...		Election	Alps 2 Ocean	Awamoko
		Emergency Servi...		
Full	Res	Act	Prjs	PrR
		YTD Actual	FY Living Budget	YTD p12 Actual
				YTD p12 Living Budget
				YTD p12 Act vs Bud
				YTD p12 Act vs Bud %
Controllable				
Revenue				
User Charges	(5,331)	(4,091)	(5,331)	(4,091)
Grants Subsidies Contributions	(7,793)	(9,566)	(7,793)	(9,566)
Other Revenues	(2,072)	(1,808)	(2,072)	(1,808)
Statutory Charges	(1,595)	(1,408)	(1,595)	(1,408)
Investment Income	(1,974)	(1,257)	(1,974)	(1,257)
Revenue Total	(18,765)	(18,129)	(18,765)	(18,129)
				636 4%
Expense				
Employee Costs	11,125	11,272	11,125	11,272
Contracts	12,983	13,229	12,983	13,229
Professional Services	1,555	1,864	1,555	1,864
Operational	3,795	4,150	3,795	4,150
Administration	2,156	2,064	2,156	2,064
Grants Expense	901	1,015	901	1,015
Finance Costs	35	61	35	61
Expense Total	32,551	33,655	32,551	33,655
				1,104 3%
Capital Expense				
Renewal	9,400	11,174	9,400	11,174
Capital	5,539	14,697	5,539	14,697
Contracts	-	-	-	-
Operational	1	-	1	-
Capital Expense Total	14,940	25,871	14,940	25,871
				10,931 42%
Controllable Total	28,726	41,397	28,726	41,397
				12,670 31%
Centrally Controlled				
Revenue				
Asset Disposal & Fair Value Adjus	-	-	-	-
Physical Resources Received Free	-	-	-	-
Rates	(29,773)	(29,722)	(29,773)	(29,722)
Sale Proceeds - Contra Sales	(2,190)	(134)	(2,190)	(134)
Transfers from Reserves	(12,957)	(27,083)	(12,957)	(27,083)
Revenue Total	(44,919)	(56,939)	(44,919)	(56,939)
				(12,020) (21%)
Expense				
Asset Disposal & Fair Value Adjus	50	-	50	-
Depreciation	11,476	11,380	11,476	11,380
Overheads In	15,509	16,515	15,509	16,515
Overheads Out	(15,982)	(16,713)	(15,982)	(16,713)
Transfers to Reserves	1,764	1,796	1,764	1,796
Expense Total	12,816	12,977	12,816	12,977
				162 1%
Capital Expense				
Renewal	368	249	368	249
Capital	3,741	2,316	3,741	2,316
Overheads In	-	-	-	-
Transfers to Reserves	-	-	-	-
Capital Expense Total	4,110	2,565	4,110	2,565
				(1,544) (60%)
Centrally Controlled Total	(27,994)	(41,397)	(27,994)	(41,397)
				(13,403) (32%)
Surplus (-) / Deficit (+)	733	(0)	733	(0)
				(733)



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (e) – Variance Reports and Commentaries (continued)

Assets

WDC 2017 Operating Statement
Wed 09 Aug 2017 6:50 AM

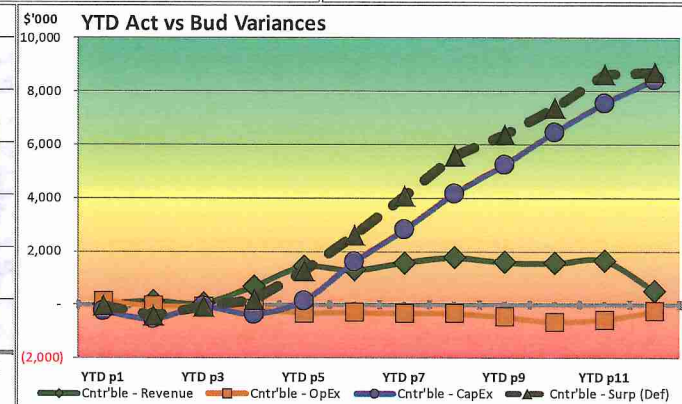
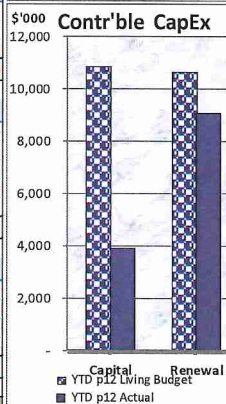
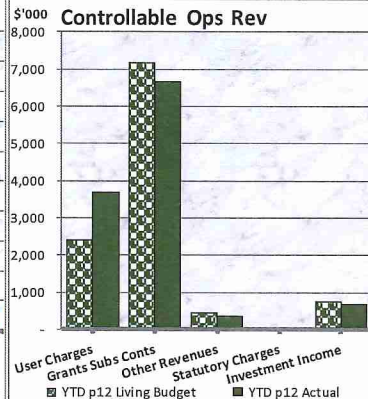
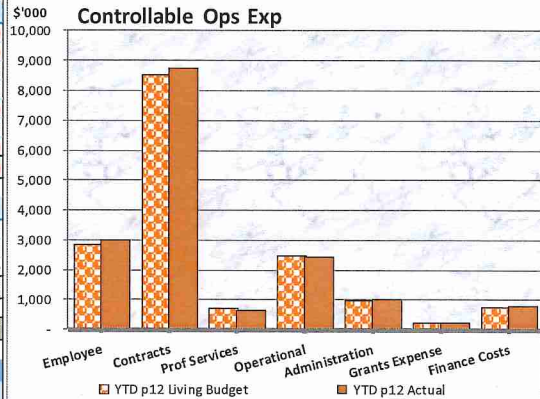
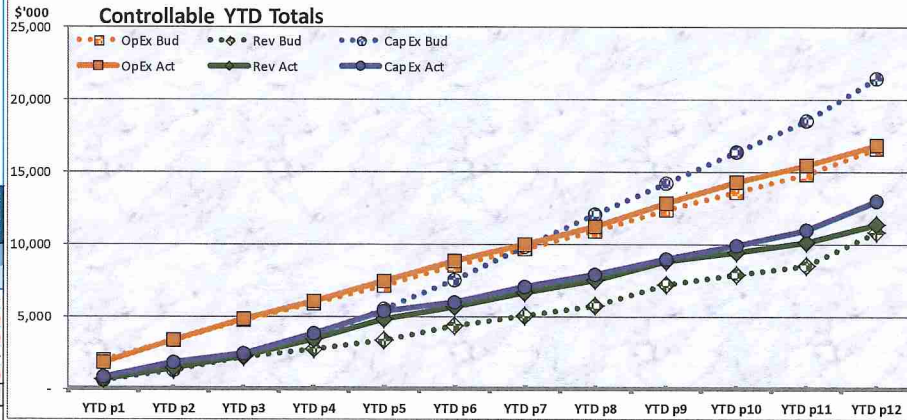
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Solid Waste, Waters, Aquatic Centre, CEOs Office, Committees

Level_03: Amenity, Collection, Commercial, Community

Level_04: Ahuriri, Airedale, Ardgowan, Awamoko

	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p12 Actual	YTD p12 Living Budget	YTD p12 Act vs Bud	YTD p12 Act vs Bud %
Controllable											
Revenue											
User Charges						(3,694)	(2,427)	(3,694)	(2,427)	1,267	52%
Grants Subsidies Contributions						(6,665)	(7,187)	(6,665)	(7,187)	(522)	(7%)
Other Revenues						(366)	(474)	(366)	(474)	(108)	(23%)
Statutory Charges						-	-	-	-	-	-
Investment Income						(676)	(775)	(676)	(775)	(99)	(13%)
Revenue Total						(11,401)	(10,862)	(11,401)	(10,862)	539	5%
Expense											
Employee Costs						2,978	2,867	2,978	2,867	(110)	(4%)
Contracts						8,733	8,527	8,733	8,527	(206)	(2%)
Professional Services						640	738	640	738	97	13%
Operational						2,454	2,475	2,454	2,475	21	1%
Administration						1,002	967	1,002	967	(35)	(4%)
Grants Expense						220	240	220	240	20	8%
Finance Costs						800	766	800	766	(33)	(4%)
Expense Total						16,826	16,580	16,826	16,580	(246)	(1%)
Capital Expense											
Renewal						9,089	10,601	9,089	10,601	1,511	14%
Capital						3,921	10,841	3,921	10,841	6,920	64%
Contracts						-	-	-	-	-	-
Capital Expense Total						13,011	21,442	13,011	21,442	8,431	39%
Controllable Total						18,436	27,160	18,436	27,160	8,724	32%
Centrally Controlled											
Revenue											
Rates						(15,662)	(15,618)	(15,662)	(15,618)	44	0%
Sale Proceeds - Contra Sales						(2,187)	(134)	(2,187)	(134)	2,053	1,530%
Transfers from Reserves						(10,990)	(21,717)	(10,990)	(21,717)	(10,727)	(49%)
Revenue Total						(28,839)	(37,470)	(28,839)	(37,470)	(8,631)	(23%)
Expense											
Asset Disposal & Fair Value Adjus						-	-	-	-	-	-
Depreciation						10,161	10,033	10,161	10,033	(129)	(1%)
Overheads In						5,989	6,312	5,989	6,312	323	5%
Overheads Out						(8,292)	(8,470)	(8,292)	(8,470)	(179)	(2%)
Transfers to Reserves						961	1,023	961	1,023	62	6%
Expense Total						8,820	8,897	8,820	8,897	77	1%
Capital Expense											
Renewal						357	249	357	249	(108)	(44%)
Capital						3,339	1,163	3,339	1,163	(2,176)	(187%)
Overheads In						-	-	-	-	-	-
Transfers to Reserves						-	-	-	-	-	-
Capital Expense Total						3,697	1,412	3,697	1,412	(2,284)	(162%)
Centrally Controlled Total						(16,322)	(27,160)	(16,322)	(27,160)	(10,838)	(40%)
Surplus (-) / Deficit (+)						2,114	(0)	2,114	(0)	(2,114)	-



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

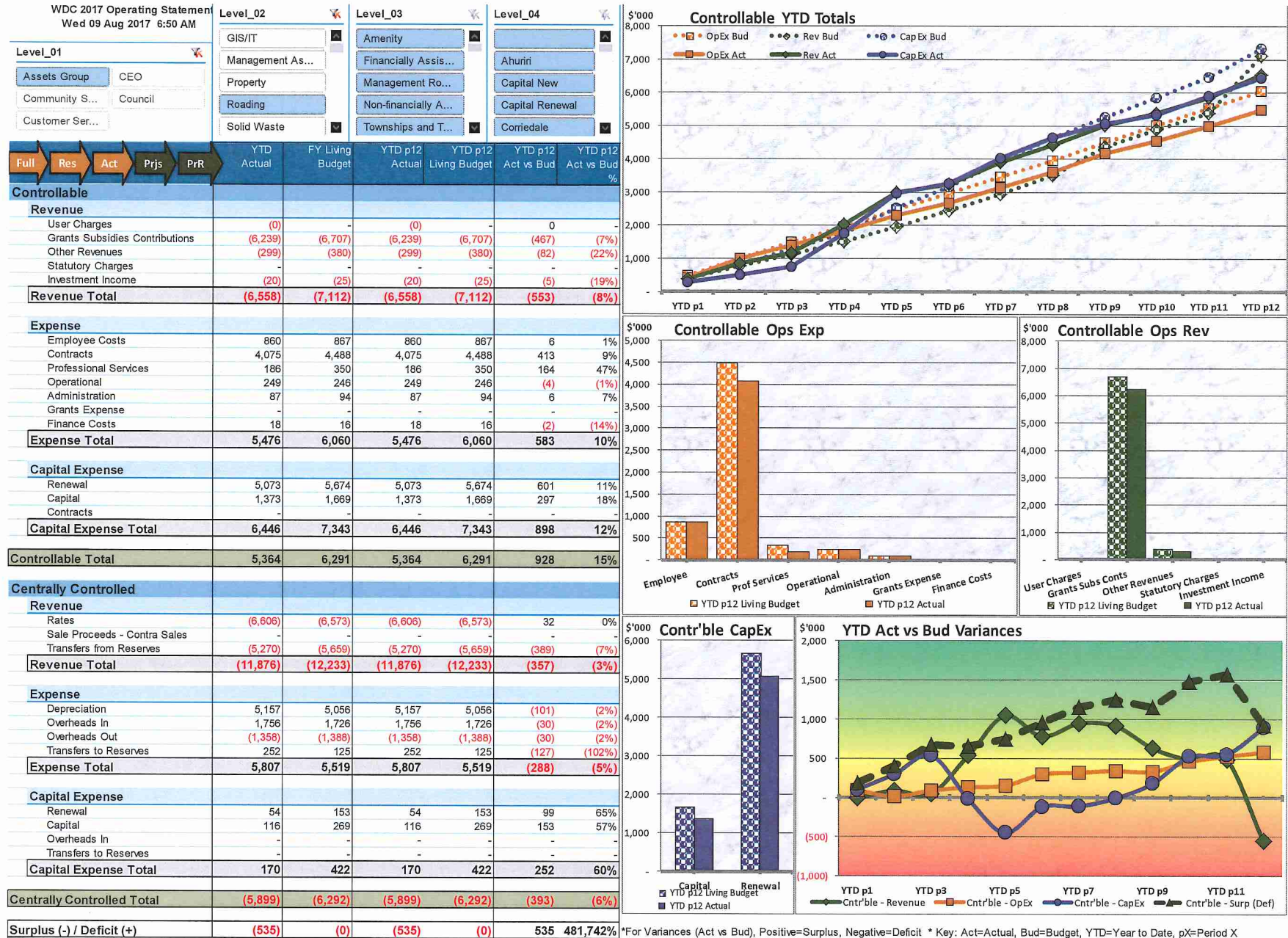
Appendix (e) – Variance Reports and Commentaries (continued)

Assets – commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Assets Group	16,359	18,294	27,160	8,866	33%	Overall budgets are being managed appropriately, please see the comments below which provide explanations for each budget area. There are some quite large variances to budget in dollar terms. These are nearly all capital projects where for various reasons have not been completed in the financial year. Councillors have been kept updated on each of the projects in the Assets Updates.	The main action is carrying forward of the various capital projects into the new financial year.
Assets_GM	295	336	353	17	5%	Budget expended as expected, however Asset Maturity Audit and Asset Policy wasn't able to be completed due to resourcing.	Carry over \$15k to fund Audit and Policy update.
Information_Technology	2,027	1,930	2,404	475	20%	The Chief Information Officer is addressing a number of issues that will have an impact on the financial position. These will be reported in more detail to the FAR at a later date.	A Departmental review will align with a new budget strategy for 2017 / 2018
Property	2,181	3,050	4,030	979	24%	Revenue is significantly ahead of budget with a focus on bringing rents to market rates when they fall due. Expenditure is reviewed and minimised wherever possible. Some planned project work eg Holmes Wharf deck replacement has not yet been completed which creates a significant capital variance.	-
Roading	4,870	5,364	6,291	928	15%	Most road completed with a few small carry overs to next financial year	Nett result for financially assisted activities is equivalent to 65% subsidy. This is due to 85% FAR for LED streetlights and WDC was able to claim subsidy on approx. \$300k Resilience Project. Non-financially assisted has finished under budget which will allow carry overs of \$70k to 2017/18
Utilities_Solid_Waste	301	174	649	475	73%	The delay in closing the Oamaru landfill has meant that a surplus has been generated. This will allow a smoother transition to funding of future solid waste services	-
Utilities_Water	5,561	6,751	11,115	4,364	39%	Separate rate account operating expenditure is reasonable close to budget or within normal operating variances. Oamaru and Waihemo experienced increased reactive works resulting in higher than normal expenditure. Capital expenditure is showing an under spend to budget, largely as a result of the timing of the pipeline project to Hampden.	Increased reactive were actively managed to identify opportunities to increase efficiencies. Reactive expenditure has reduced back down to normal levels following a spike in works over the summer.
Utilities_Sewer	1,007	648	1,853	1,204	65%	Separate rate account operating expenditure is reasonable close to budget or within normal operating variances. The moeraki sewerage scheme is one of the more challenging networks to operate and we are experiencing increasing maintenance costs	-
Utilities_Waste_Water	117	40	464	424	91%	Operating expenditure is well below budget as there have been fewer than normal reactive works required during the year. The redefined Muddy Creek stormwater project was placed on hold pending review of performance of the stormwater system in the north end industrial area.	-

Appendix (e) – Variance Reports and Commentaries (continued)

Roading



WDC 2017 Operating Statement
Wed 09 Aug 2017 6:50 AM

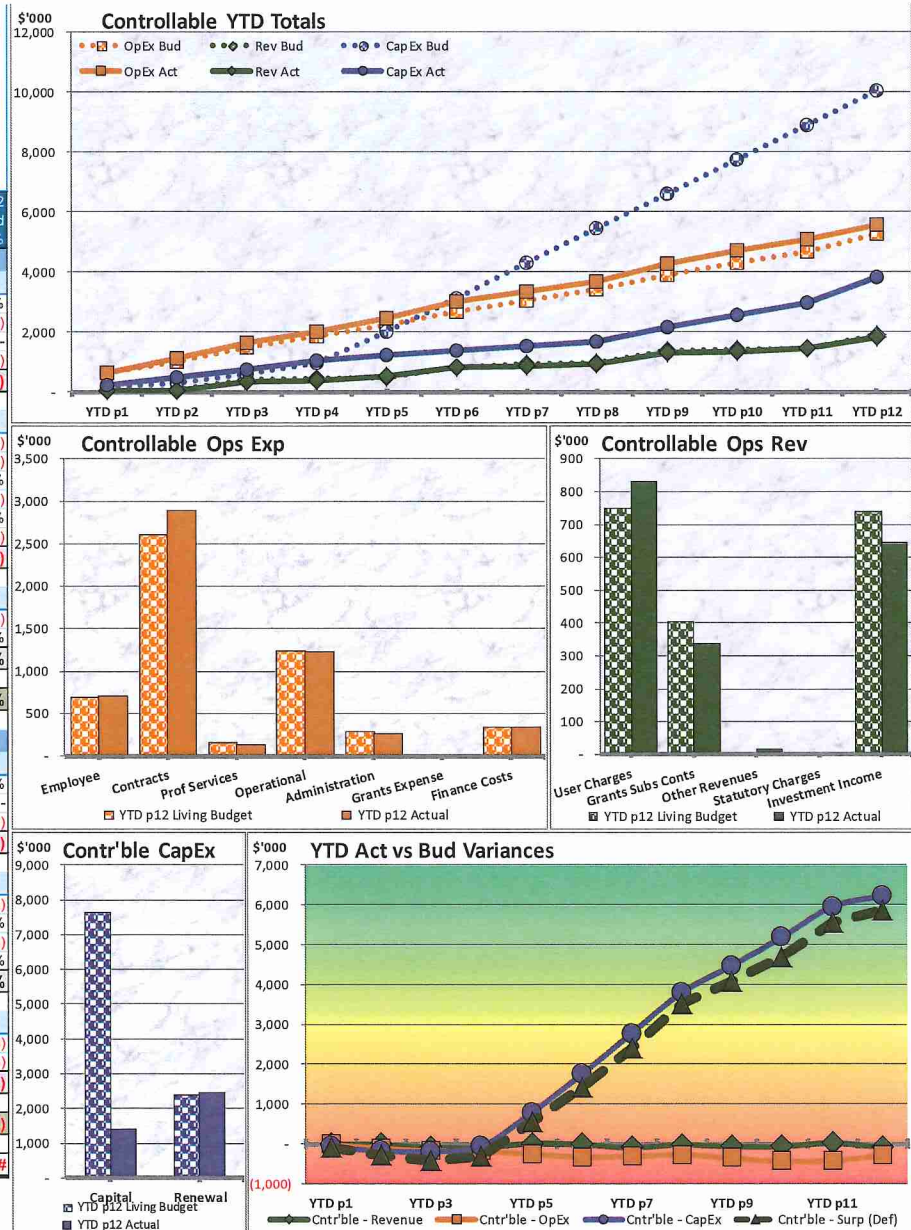
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Management As..., Property, Roading, Solid Waste, Waters

Level_03: Management Wa..., Sewerage, Stormwater, Water

Level_04: Awamoko, Dunback, Duntroon, Enfield

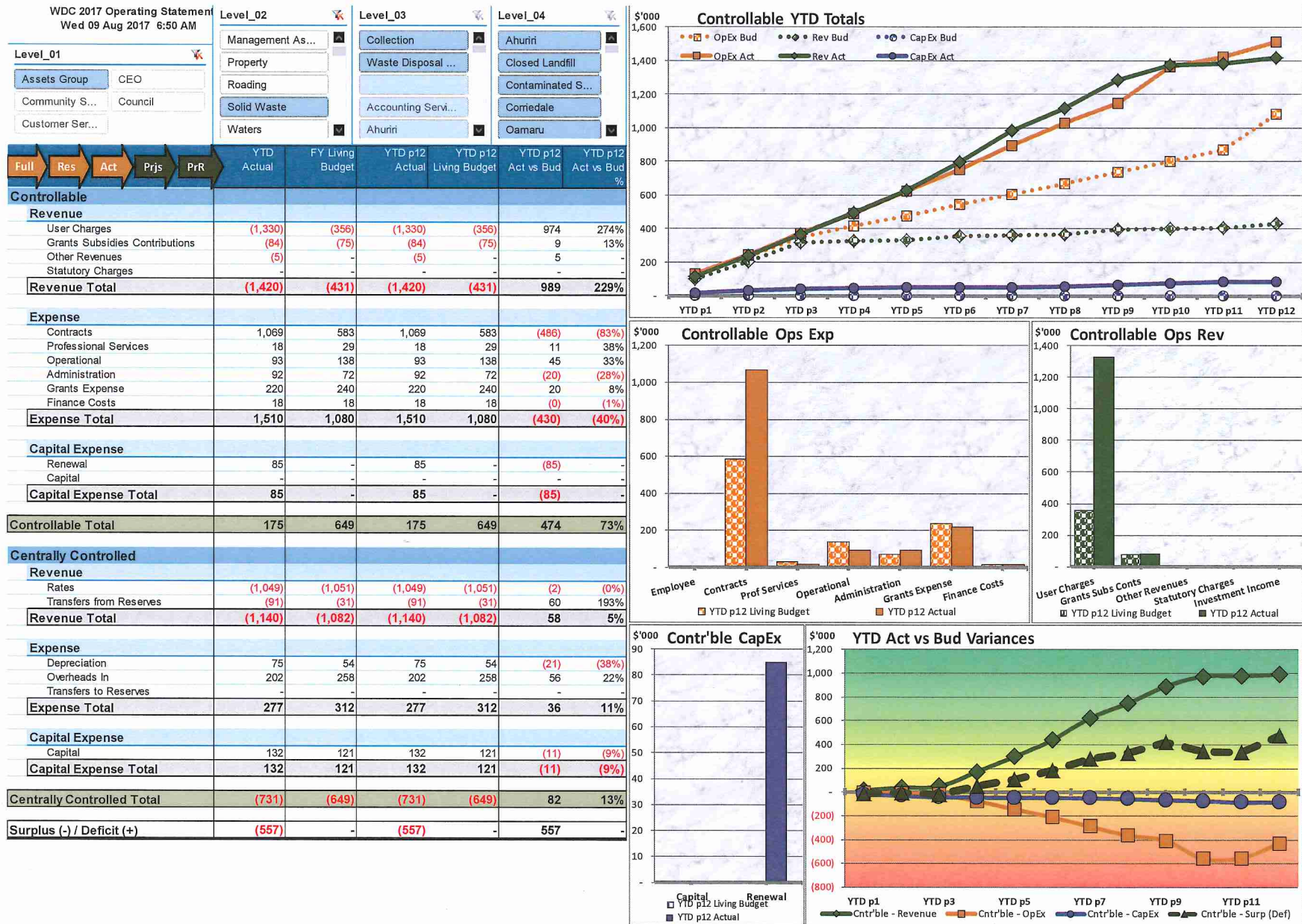
	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p12 Actual	YTD p12 Living Budget	YTD p12 Act vs Bud	YTD p12 Act vs Bud %
Controllable											
Revenue											
User Charges			(830)			(830)	(751)	(830)	(751)	79	11%
Grants Subsidies Contributions			(338)			(338)	(405)	(338)	(405)	(67)	(17%)
Other Revenues			(18)			(18)	-	(18)	-	18	
Investment Income			(645)			(645)	(740)	(645)	(740)	(96)	(13%)
Revenue Total			(1,830)			(1,830)	(1,896)	(1,830)	(1,896)	(66)	(3%)
Expense											
Employee Costs			701			701	685	701	685	(16)	(2%)
Contracts			2,887			2,887	2,608	2,887	2,608	(279)	(11%)
Professional Services			137			137	150	137	150	13	9%
Operational			1,234			1,234	1,230	1,234	1,230	(4)	(0%)
Administration			260			260	275	260	275	15	5%
Finance Costs			340			340	329	340	329	(10)	(3%)
Expense Total			5,558			5,558	5,277	5,558	5,277	(281)	(5%)
Capital Expense											
Renewal			2,443			2,443	2,393	2,443	2,393	(49)	(2%)
Capital			1,389			1,389	7,658	1,389	7,658	6,269	82%
Capital Expense Total			3,831			3,831	10,051	3,831	10,051	6,220	62%
Controllable Total			7,559			7,559	13,432	7,559	13,432	5,873	44%
Centrally Controlled											
Revenue											
Rates			(7,277)			(7,277)	(7,272)	(7,277)	(7,272)	5	0%
Sale Proceeds - Contra Sales			-			-	-	-	-	-	-
Transfers from Reserves			(2,714)			(2,714)	(11,183)	(2,714)	(11,183)	(8,469)	(76%)
Revenue Total			(9,991)			(9,991)	(18,455)	(9,991)	(18,455)	(8,464)	(46%)
Expense											
Depreciation			2,883			2,883	2,867	2,883	2,867	(16)	(1%)
Overheads In			2,620			2,620	2,891	2,620	2,891	271	9%
Overheads Out			(2,147)			(2,147)	(2,218)	(2,147)	(2,218)	(71)	(3%)
Transfers to Reserves			635			635	794	635	794	159	20%
Expense Total			3,991			3,991	4,334	3,991	4,334	343	8%
Capital Expense											
Renewal			278			278	96	278	96	(182)	(190%)
Capital			682			682	593	682	593	(89)	(15%)
Capital Expense Total			960			960	689	960	689	(271)	(39%)
Centrally Controlled Total			(5,040)			(5,040)	(13,432)	(5,040)	(13,432)	(8,392)	(62%)
Surplus (-) / Deficit (+)			2,519			2,519	0	2,519	0	(2,519)	#####



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (e) – Variance Reports and Commentaries (continued)

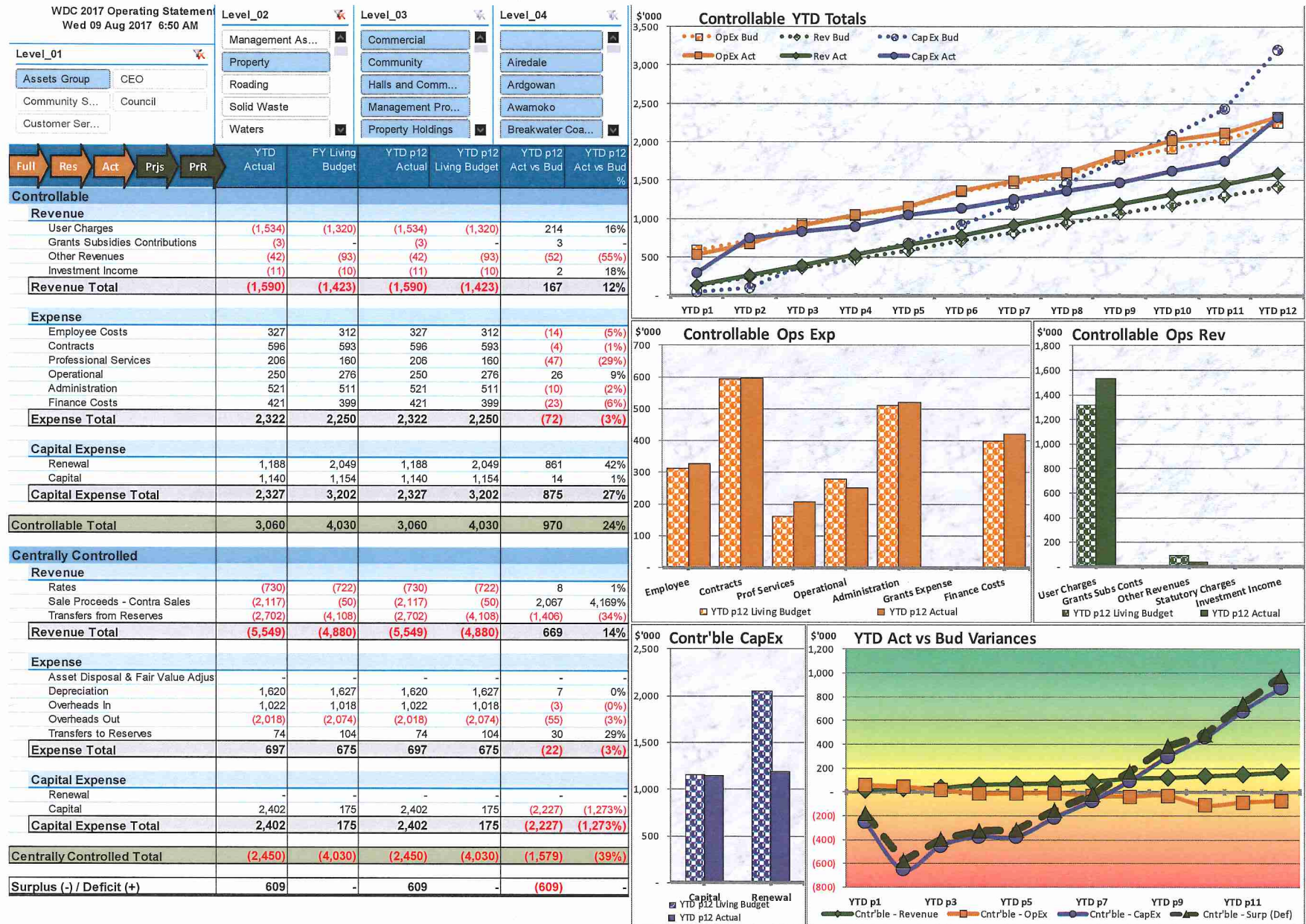
Solid Waste



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (e) – Variance Reports and Commentaries (continued)

Property



Appendix (e) – Variance Reports and Commentaries (continued)

Community Services

WDC 2017 Operating Statement
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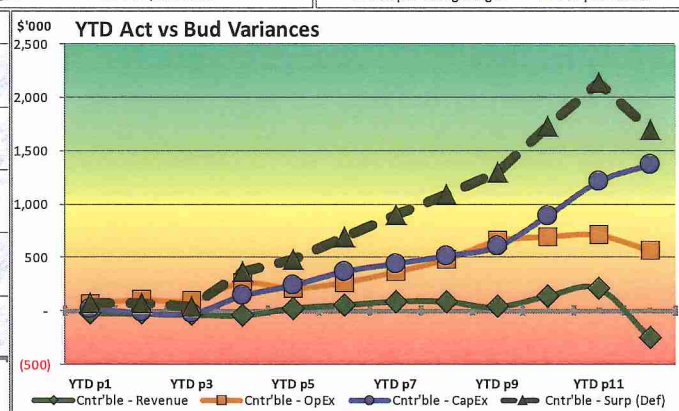
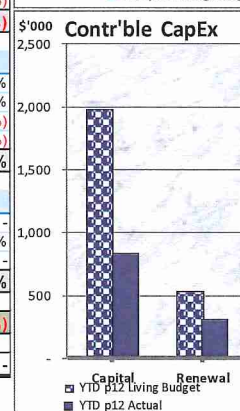
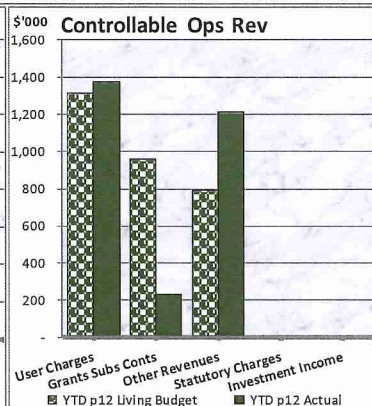
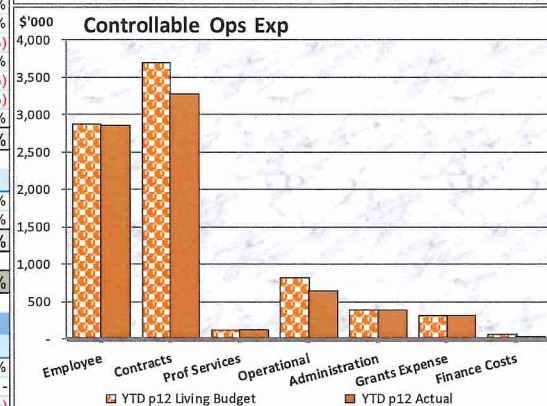
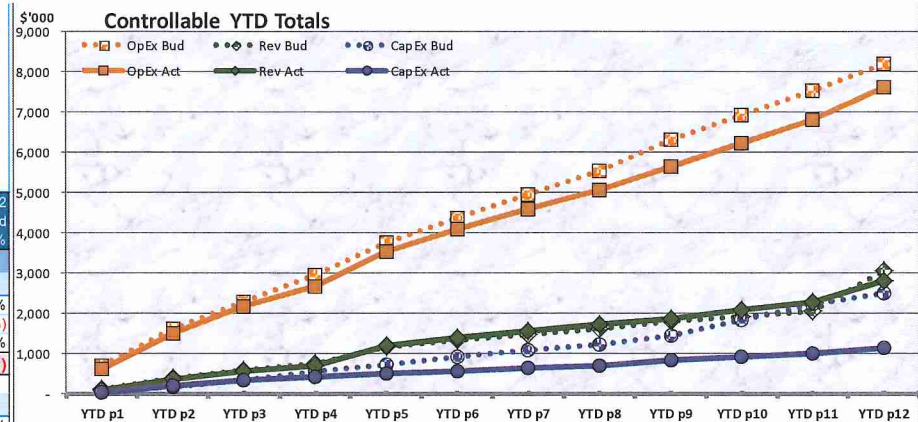
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Community Safety, Gallery & Museum, General Grants, Libraries, Management Co...

Level_03: Archive, Branch Libraries, Cafe, Camping Grounds

Level_04: Ahuriri, Comediale, Harbour Park, Monuments

	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p12 Actual	YTD p12 Living Budget	YTD p12 Act vs Bud	YTD p12 Act vs Bud %
Controllable											
Revenue											
User Charges						(1,375)	(1,315)	(1,375)	(1,315)	60	5%
Grants Subsidies Contributions						(234)	(958)	(234)	(958)	(724)	(76%)
Other Revenues						(1,212)	(793)	(1,212)	(793)	419	53%
Revenue Total						(2,821)	(3,066)	(2,821)	(3,066)	(245)	(8%)
Expense											
Employee Costs						2,857	2,875	2,857	2,875	18	1%
Contracts						3,271	3,696	3,271	3,696	425	11%
Professional Services						120	114	120	114	(6)	(6%)
Operational						643	804	643	804	161	20%
Administration						394	369	394	369	(26)	(7%)
Grants Expense						312	300	312	300	(12)	(4%)
Finance Costs						31	41	31	41	10	25%
Expense Total						7,629	8,198	7,629	8,198	570	7%
Capital Expense											
Renewal						311	532	311	532	222	42%
Capital						832	1,981	832	1,981	1,149	58%
Capital Expense Total						1,142	2,513	1,142	2,513	1,371	55%
Controllable Total						5,950	7,646	5,950	7,646	1,696	22%
Centrally Controlled											
Revenue											
Rates						(8,148)	(8,148)	(8,148)	(8,148)	0	0%
Sale Proceeds - Contra Sales						(3)	-	(3)	-	3	
Transfers from Reserves						(1,378)	(3,157)	(1,378)	(3,157)	(1,779)	(56%)
Revenue Total						(9,529)	(11,305)	(9,529)	(11,305)	(1,776)	(16%)
Expense											
Depreciation						1,126	1,158	1,126	1,158	32	3%
Overheads In						2,282	2,643	2,282	2,643	361	14%
Overheads Out						(787)	(1,104)	(787)	(1,104)	(317)	(29%)
Transfers to Reserves						110	50	110	50	(61)	(123%)
Expense Total						2,731	2,746	2,731	2,746	15	1%
Capital Expense											
Renewal						11	-	11	-	(11)	-
Capital						162	913	162	913	751	82%
Transfers to Reserves						-	-	-	-	-	-
Capital Expense Total						173	913	173	913	740	81%
Centrally Controlled Total						(6,625)	(7,646)	(6,625)	(7,646)	(1,021)	(13%)
Surplus (-) / Deficit (+)						(675)	(0)	(675)	(0)	675	-



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

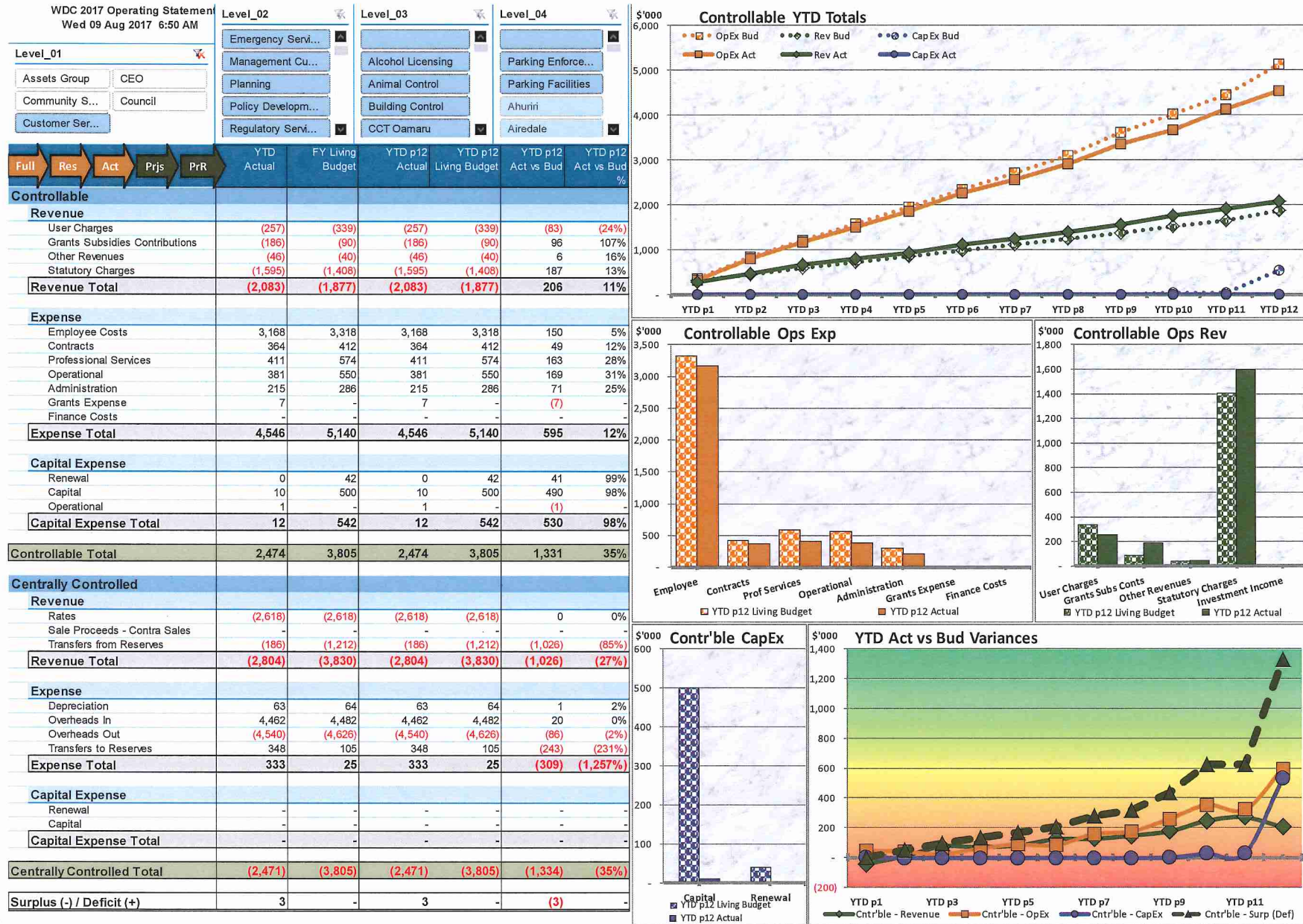
Appendix (e) – Variance Reports and Commentaries (continued)

Community Services – commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Community Services Group	6,394	5,939	7,646	1,707	22%	As a whole Community Services Group performed well this financial year! The 22% positive variance has been mainly influenced by Recreation Units Operational surplus (major contributor - savings on new Parks Maintenance contract) and Capital surplus. Another significant influence was the Cultural Facility Project fundraising that is behind budget (Gallery Museum).	Capital surplusses will be roled over to 2017/18 for completion. Cultural Facility Project fundraising budget will be adjusted to current timeframes.
Community_GM	532	564	551	(13)	(2%)	On target - some small unders and overs that balance out.	No action required
Aquatic_Centre	419	485	569	84	15%	Revenue 39K higher than budget from receiving term 3 revenue for 2017/18 financial year. Operations 23K under budget due to employee savings during closedown and Capital 22K under budget due to deferred replacement of inflatables.	Carry forward revenue received for Term 3 swimming lessons in 2017/18.
Community_Safety	78	67	136	68	50%	A mixture of diligence in managing costs, timing of projects and increased income for projects to be delivered during the 2017/18 year has driven the variance.	No action required.
Gallery_Museum	899	664	80	(584)	(730%)	The majority of variance is related to the Cultural Facility Development Project Fundraising, this will be received in the next financial year.	No action required.
Library	786	955	984	29	3%	Tracked close to target	The reconfiguration and RFID project had some impact on some of the budget lines, but overall we tracked well considering that for a period of at least 6 months, it was not business as usual
Oamaru_Opera_House	339	312	343	30	9%	The Opera House continues to perform well as a meeting hub and is experiencing growth in the number of attendees at meetings and events.	The Opera House will continue to support local community groups and schools providing meeting and performance space, and expertise of event staff. Programme work and meeting opportunities through industry networks. Share promotion and marketing campaign successes with other South Island venues to ensure that promoter audience targets are met. Consistent management of controllable finance to keep operational costs down.
Parks_and_Recreation	3,342	2,891	4,983	2,092	42%	Operational surplus of \$838,000 from; 1) higher than forecast revenues in most areas including lakes camping, leased camp revenues and depot lease. 2) lower than forecast contractor expenses resulting from new contract. 3) 245K surplus from forestry havests due to good log prices. Capital surplus of \$1,254,000 from; 1) Deferred projects such as discharge fields at Falstone and Sailors Cutting (pending camping review). 2) Capital budgets for work planned for 2017/18 such as Dunback and Duntroon toilets and King George Park improvements included ahead of schedule.	Carry forward revenue for term 3 2017/18 swim school (approx \$25,000). Carry forward capital budgets for deferred and planned capital projects.

Appendix (e) – Variance Reports and Commentaries (continued)

Customer Services



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

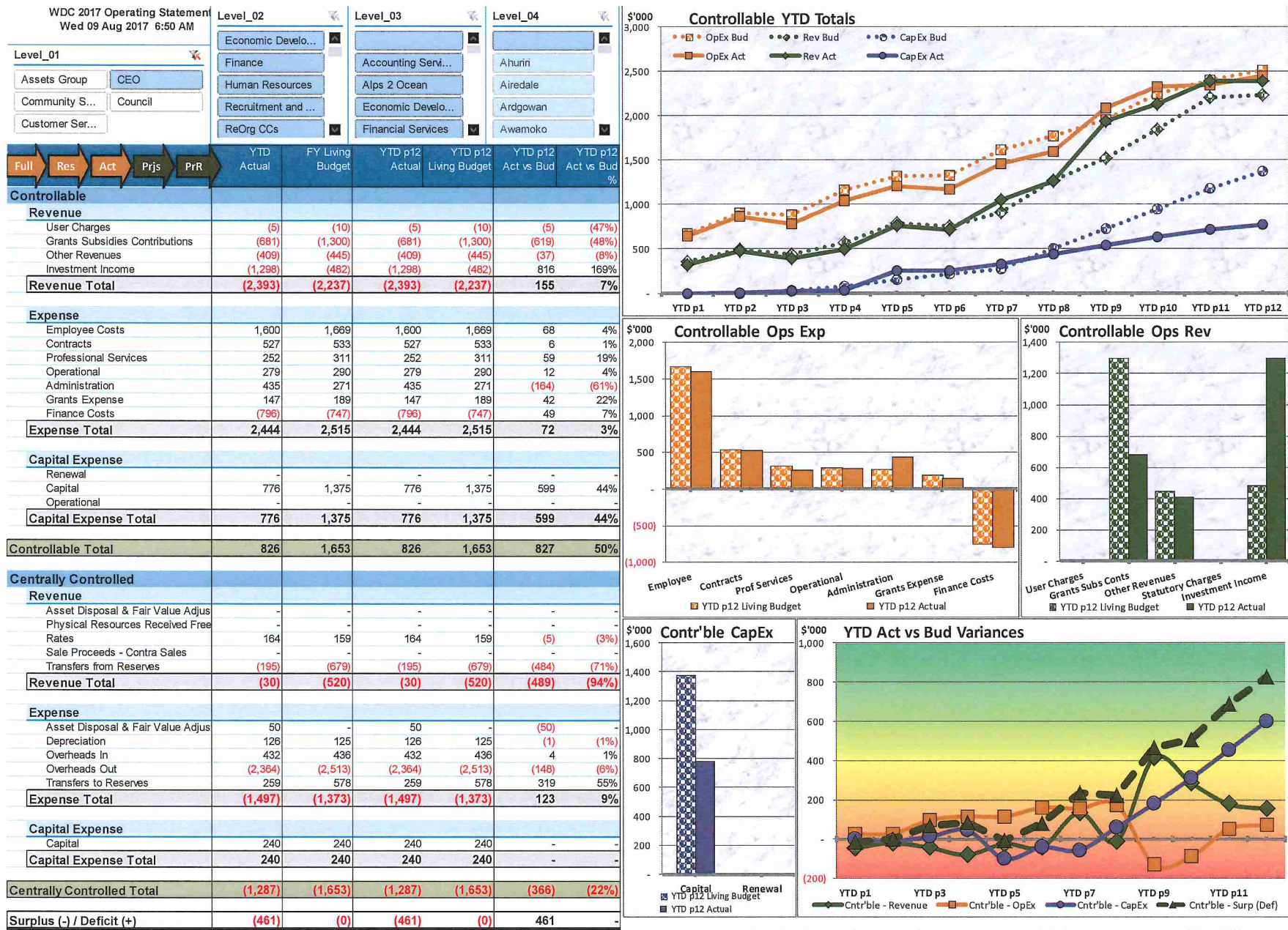
Appendix (e) – Variance Reports and Commentaries (continued)

Customer Services – commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Customer Services Group	2,235	2,447	3,805	1,358	36%	All units operated at or better than budget during this period, resulting in a surplus position. As well as a focus on efficiencies, this surplus has also been due to a number of anomalies in some units eg Customer GM expenses not incurred due to interim restructure; Emergency Services Group regional restructure; Planning reaching a significant surplus due to expected spending in District Planning not incurred this period - although this is likely in the next financial period; Policy underspend related to employment vacancies now filled; Regulatory expenditure underspend which is being carried over to the regulatory project in the next financial period.	
Customer_GM	275	237	311	75	24%	The impact of the restructure meant that the activity recorded during this period varied from the budget set. As expected this reached an end of period surplus position. This was mainly due to reduction in employee costs in this budget, however is slightly offset by an increase in employee costs in the Human Resources budget.	
Customer_Contact	492	509	522	13	2%	Year end position reached as expected with a minor surplus position. The initial increase in expenditure was in relation to the cost of CCT install at the Waihemo Service Centre in period 1 of this budget.	
Emergency_Services	524	490	1,202	713	59%	Costs meet expectations given the change in CDEM structure in the region. Both capital projects were deferred due to legislative and structural changes.	
Planning	251	272	515	243	47%	Increased economic activity is reflected in more consents being processed, as well as significantly lower expenses being incurred in the District Planning function, which in turn has caused a positive variance in the year to date.	
Policy	453	412	477	66	14%	Underspend is due to employee costs. Actual hours for the Corporate Planner and Governance Officer significantly less than budgeted. This has created service delivery pressure that was absorbed via the Policy & Communication Managers fte, Executive Administration fte, and consultants. The staff issues behind this result have, in part, been resolved for the new financial year. Full resolution of matters relating to this underspend is sought and expected in the 2017/18 financial year.	
Regulatory	240	527	777	250	32%	Overall revenue \$61k over budget - this is activity driven by alcohol and building consent applications. The only area under budget is environmental health which has been impacted by the transition of the new Food Act and some businesses transferring registrations to MPI. Expenditure is underspent by \$158K. This is better than previously reported as additional project funding approved in December is now included. Some of this surplus will be carried over to next year as part of the Regulatory Project. Actual amount needs to be worked through.	Confirm project underspend to transfer to next period.

Appendix (e) – Variance Reports and Commentaries (continued)

Chief Executive



Appendix (e) – Variance Reports and Commentaries (continued)

Chief Executive – commentary

		last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
CEO		592	820	1,653	833	50%	Additional distribution from Whitestone Contracting dominates the net position. Operationally matters tracked closely to expectations and various adjustments were made to people roles to allow this to happen. We also made good progress on some long standing issues, especially in the rates collection. Although there are still issues to resolve, there will be a cleaner debtor position to start the next year from.	All the major operating adjustments for the year have been made. The last actions will all relate to the year end adjustments in terms of asset valuations and capitalisation.
CEO		464	502	590	88	15%	Employee costs are slightly over as the CE recruitment cost is sitting in this area. However, this is more than offset by the saving on general contractors and consultants. This activity holds the general recruitment budget which has been utilised in other activities as required.	No action required.
Finance	Economic Development	892	768	795	27	3%	The finance centred functions operated as expected with the only real variance relating to the Business Analyst role which was held open. As reported some of this saving has been utilised to fund the development of the HUBs replacement. The rating based function was impacted by the completion and recognition of the rating sale process. Treasury will be covered by a separate report but reflects the offsetting impact of the WCL distribution and rates penalties write-off.	Most of the large changes were one off and the effect of the others was reflected in the budgets that were set for 2017/18.
	Finance	1,144	1,094	1,181	87	7%		
	Treasury	(2,190)	(1,875)	(1,237)	638	52%		
	ReOrg CCs	3	-	-	-	-		
Human_Resources		279	332	324	(8)	(2%)	The only real variance was created in the employee area. This reflects the extra resourcing brought in to assist meet the additional requirements taken on by the activity during the year.	The 2017/18 budgets reflect the additional responsibility that now sit in the HR activity.

Appendix (e) – Variance Reports and Commentaries (continued)

Council



Finance, Audit and Risk Committee Memorandum

From Chief Financial Officer

Date 16 August 2017

Corporate Group Activity Report to 31 July 2017

Recommendation

That the Committee receives the information.

Summary

This memorandum provides an update to the Committee on various finance, information management and business development related matters.

Introduction

The end of one financial year and start of another has meant the last few weeks have been busy for the corporate team, and finance and rates in particular.

Discussion

Finance – Policy and General

Much of the time focus for the month has been advancing staff and resourcing issues, with a focus on the formal review of the Information Management team structure and the completion of all staff annual performance reviews. The structure review included an opportunity for affected team members to provide feedback prior to the arrangements being finalised. This feedback helped clarify the focus and detail of several roles, which was then included in the positions now being advertised. The number of roles affected to a significant degree did cause more to be advertised than initially anticipated, and highlighted a need to clarify that this was primarily a redesign of existing roles rather than the addition of five new positions.

During the month, the Chief Financial Officer also attended an integrated reporting seminar conducted by the University of Otago and Chartered Accountants Australian and New Zealand (CAANZ). The focus of the seminar was to highlight the potential benefits of formally reporting financial plans, non-financial performance, and financial performance in one easier-to-read document. The benefits of attending were somewhat limited, but presenters did acknowledge the challenge of including this range of information whilst also complying with reporting standards and writing concisely; this is something all Councils have struggled with for some time. The Accounting Manager has started the process of trying to remove some content of limited value from the annual report, particularly some of the accounting policies and notes. This is at the suggestion of Audit New Zealand, and is being advanced with its input.

Finance – Accounting and Transactional

The new financial year has started. This, combined with the earlier than usual start to developing budgets as part of the Long Term Plan process, means that the team is keeping track of issues relating to three financial years.

As part of the build up to the Long Term Plan, we have had the latest version of the LTP budgeting package installed. We are also looking at ways to improve the efficiency of input and reporting into the model through an add-on to Authority via BIS. To advance this, we have booked further time with a Civica specialist to develop these tools and provide onsite training.

Finance – Rates

The setting and calculation of rates for the year went relatively smoothly. Due to the processing capacity required by the calculation and application of rates to individual accounts, this process is performed outside of normal work hours. As part of the planning, extra support was arranged with both the IS team and Civica, to ensure that any issues that did arise could be addressed immediately.

The printing, production, and mailing of invoices produced the usual increased activity for CCT and the rates team, as ratepayers took the opportunity to raise any questions about the notices they received. The general observation from officers is that the first notice is the only rates correspondence many people take note of, especially those with payment arrangements in place. This can lead to a backlog of issues that only come to light at this time of year. Both teams are working on addressing and resolving these issues as quickly as possible.

Information Management

The focus and achievements for the month were a consolidation of the matters noted in the last report.

- The new way to access GIS information was launched internally and generated very positive feedback.
- The Skype for Business proposals have been received and are currently being analysed.
- Some technical issues with the new wireless set up to the separate locations were identified and are currently being resolved.

Opportunities to advance some of these issues were limited by both the structure review process noted above and the disruption created by the Civil Defence event.

Corporate and Business Development

The Promapp team continues to make progress. As the first milestone of 50 processes has now been reached, planning for stage 2 of the roll-out is underway.



Paul Hope
Chief Financial Officer