



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Notice of Meeting

and

AGENDA

of the

Finance, Audit and Risk Committee

in the

**Council Chamber, Third Floor
Waitaki District Council Headquarters
20 Thames Street, Oamaru**

9.00am, Tuesday 20 March 2018

MEMBERSHIP:

Cr Wollstein (Chair)
Cr Dawson
Cr Hopkins

Mayor Kircher (ex Officio)
Cr Garvan
Cr Wheeler

Finance, Audit and Risk Committee

9.00am, Tuesday 20 March 2018

Council Chamber, Third Floor
Waitaki District Council Headquarters
20 Thames Street, Oamaru

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7. RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely agenda items 8 and 9.

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 Previous Meeting Public Excluded Minutes – 13 February 2018 PE	Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned.)
• Rates Collection Update PE	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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|----|-----------------------------------------------------------------|---------|
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| | • 13 February 2018 PE | |
| 9. | Rates Collection Update PE | 26 – 27 |

Resolution to Return to the Public Meeting

That the Finance, Audit and Risk Committee resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

10. Release of Public Excluded Information

In accordance with Waitaki District Council Standing Orders 2016 to 2019, Clause 17.5, and pursuant to Resolution FAR 2018/011 of this meeting, the Committee will consider approving the release of previously public excluded information because there is no longer a need for its continued protection under section 48(1) of the Local Government Official Information and Meetings Act 1987. If so approved for release, the previously public excluded information will appear in the public minutes of this 20 March Finance, Audit and Risk Committee Meeting, under this agenda item.

Waitaki District Council

Finance, Audit and Risk Committee

**UNCONFIRMED MINUTES of a meeting of the
Finance, Audit and Risk Committee of the Waitaki District Council
held in the Council Chamber, Waitaki District Council Headquarters,
20 Thames Street, Oamaru
on Tuesday 13 February 2018 at 9.00am**

Present: Cr Colin Wollstein (Chair), Cr Craig Dawson (Deputy Chair), Cr Jim Hopkins,
Cr Jan Wheeler; Mayor Gary Kircher (partial attendance)

Apologies: Cr Peter Garvan

In Attendance: Cr Jeremy Holding
Cr Hugh Perkins
Cr Guy Percival
Cr Melanie Tavendale
Fergus Power (Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Lichelle Guyan (Heritage, Environment and Regulatory Group Manager)
Bill Chou (Information Services Group Manager)
Lisa Baillie (People and Culture Group Manager) (partial attendance)
Mike Roesler (Policy and Business Improvement Manager)
Ainslee Hooper (Governance and Policy Advisor)

1. Apologies

RESOLVED
FAR 2018/001

Cr Jim Hopkins / Cr Craig Dawson
That the Finance, Audit and Risk Committee accepts an apology for
absence from Cr Peter Garvan, and for unavoidable lateness due to
attending another appointment from Mayor Gary Kircher.

CARRIED

2. Declarations of Interest

There were no declarations of interest.

3. Confirmation of Minutes

RESOLVED
FAR 2018/002

Cr Craig Dawson / Cr Jim Hopkins
That the Finance, Audit and Risk Committee confirms public minutes
of its previous meeting held on 8 November 2017, as circulated, as a
true and correct record.

CARRIED

4. Financial Report – Period 6 / Second Quarter

The financial report, as circulated, covered the first half of the 2017/18 financial year. Indications at this early stage are that most Council activities are operating, as in previous reports, close to or better than budget.

Mr Hope spoke to the report. A key discussion point was the impact of the insurance claims from the July flooding, which Mr Hope said would be reported to the next meeting.

RESOLVED
FAR 2018/003

Cr Jim Hopkins / Cr Craig Dawson
That the Waihemo and Kurow water rates accounts be considered by full Council as part of its deliberations on the 2018-28 LTP.

CARRIED

RESOLVED
FAR 2018/004

Cr Jim Hopkins / Cr Craig Dawson
That the Finance, Audit and Risk Committee receives the information.

CARRIED

5. Treasury Strategy, Third and Fourth Quarters, 2017-18 Financial Year

A cover report, as circulated, discussed Council's proposed Treasury Strategy for the final two quarters of the 2017-18 financial year.

RESOLVED
FAR 2018/005

Cr Jim Hopkins / Cr Wheeler
The Finance, Audit and Risk Committee recommends:
That Council adopts the proposed Treasury Strategy to cover the third and fourth quarters 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, always dependent on consideration of short-term operational cash requirements and on achieving target interest rates.

CARRIED

6. Community Contract Funding Commitments

The memorandum, as circulated, sought to inform the Finance, Audit and Risk Committee of the funding commitments that have been made across a number of community contracts.

RESOLVED
FAR 2018/006

Cr Jim Hopkins / Cr Jan Wheeler
The Finance, Audit and Risk Committee recommends:
That Council reviews its Community Contract Funding Commitments as part of its deliberations during the 2018-28 LTP process.

CARRIED

RESOLVED
FAR 2018/007

Cr Jim Hopkins / Cr Craig Dawson
That Council receives and notes the information.

CARRIED

7. Finance and Corporate Development Group Activity Report for the period 9 November 2017 to 22 January 2018

The memorandum, as circulated, provided an update to the Finance, Audit and Risk Committee on various finance, information management, business development, policy, and health and safety matters that have arisen during the reporting period.

Mayor Gary Kircher joined the meeting at 9.45am.

RESOLVED
FAR 2018/008

Cr Jim Hopkins / Cr Craig Dawson
That the Finance, Audit and Risk Committee receives and notes the information.

CARRIED

The Chair advised his intention to move the meeting into public excluded.
The media representative and members of the public left the meeting.

RESOLVED
FAR 2018/009

Cr Craig Dawson / Cr Jim Hopkins
That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Meeting Minutes 8 November 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: • Confirmation of Public Excluded Meeting Minutes 8 November 2017 PE	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.) 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."

Refer to Public Excluded Minutes

RESOLVED
FAR 2018/012

Mayor Gary Kircher / Cr Craig Dawson
That the Finance, Audit and Risk Committee resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered."

CARRIED

9. Release of Public Excluded Information

In accordance with Waitaki District Council Standing Orders 2016 to 2019, Clause 17.5, and pursuant to Resolution FAR 2018/011 of this meeting, the Committee APPROVED the release of previously public excluded information as set out below because there is no longer a need for continued protection under section 48(1) of the Local Government Official Information and Meetings Act 1987.

8. Confirmation of Public Excluded Meeting Minutes PE

RESOLVED
FAR 2018/010

Cr Jim Hopkins / Cr Craig Dawson
That the Finance, Audit and Risk Committee confirms public excluded meeting minutes of 8 November 2017, as circulated, as a true and correct record.

CARRIED

There being no further business, the Chair declared the meeting closed at 9.52am.

To be confirmed on the 20th day of March 2018 in the Council Chamber, Waitaki District Council Headquarters, 20 Thames Street, Oamaru.

Chairman

Finance, Audit and Risk Committee Memorandum

From

Information Services Group Manager

Date

20 March 2018

Information Services Group Activity Report for the period 23 January to 5 March 2018

Recommendation

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

Summary

This memorandum provides an update to the Finance, Audit and Risk Committee on Information Services Group activities during the reporting period.

Purpose

The purpose of this memorandum is to present information on Information Services Group activities.

1. Service Operations

A Service Management framework was introduced early last year to streamline the delivery of end-to-end information services to Council staff based on best practices. A system was also introduced to log all information services operational jobs and track the performance. 4192 jobs were received in 2017 and there was a 4.9 out of 5 satisfaction rate.

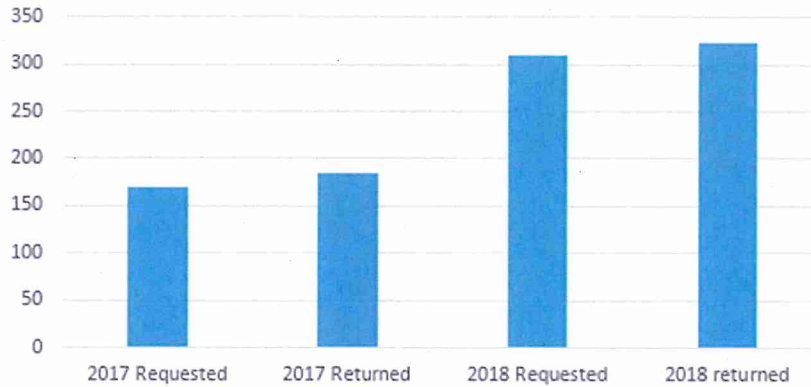
Below is the service desk status report for February 2018. As in previous months, high levels are being reached in the resolution rate (>90%) and customer satisfaction rate (>94%).



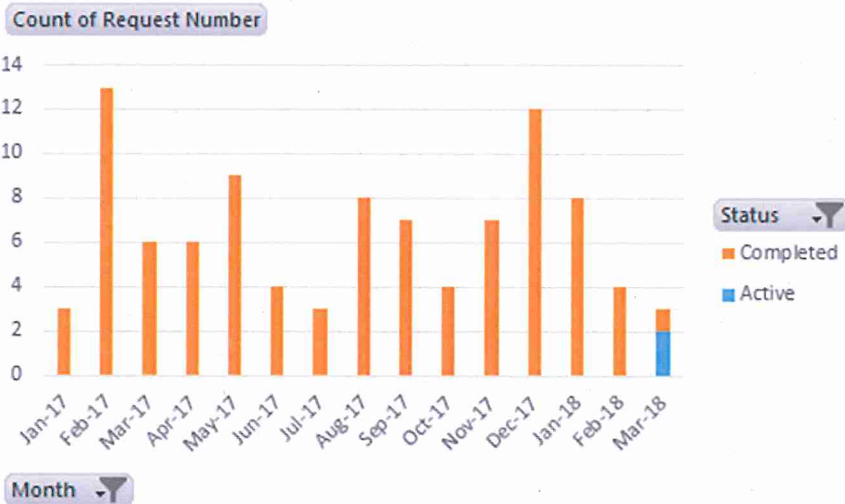
2. Information and Records Management

On information management, Council had 3761 property files requests in 2017, 1661 being public requests. Council is experiencing an almost 50% increase in property file access in the recent few months comparing to the same time in the previous year. This is due to the increasing access by real estate agents and the regulatory team, which indicates the booming of the local real estate market. The diagram below shows the comparison of February property file requests in 2017 and this year.

Property File Requests & Returns
Feb Period

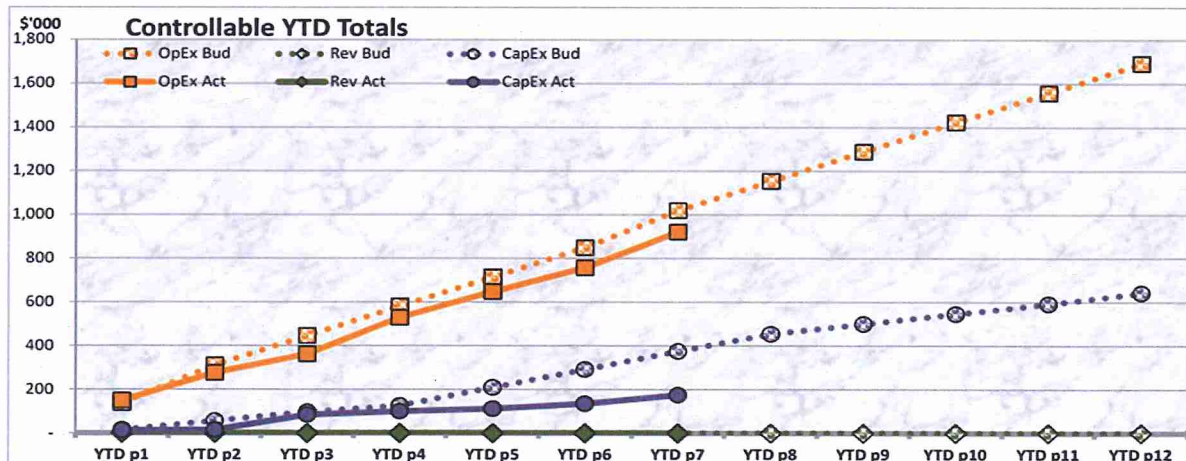


80 LGOIMA requests, more than double the number of 2016, were received in 2017. The Information Management Officer is keeping the Executive Management team and the Mayor updated every week on the number of LGOIMA requests.



3. Financials

Every effort is made to monitor spending to ensure it is achieving the desired results.



The reason for underspending, especially in the Capex budget, is because projects such as Skype for Business are still ongoing and billing has not progressed as initially planned.

4. Programme and Project Status

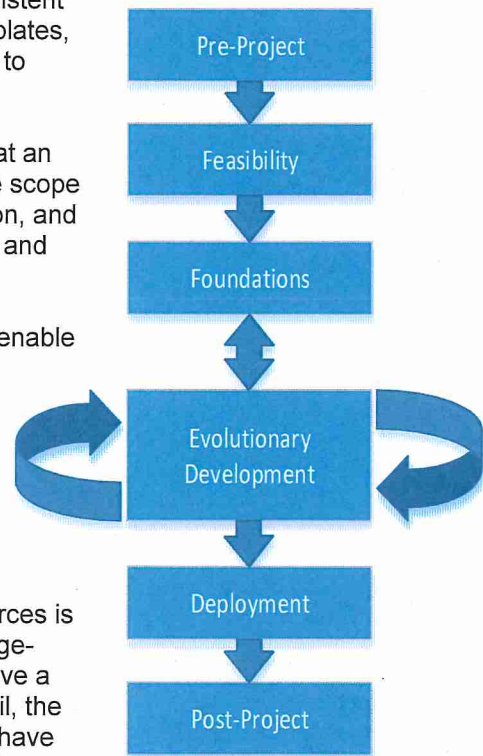
The Information Services Group has embarked on an ambitious journey to implement a programme and project management framework. The framework is tailored to support the Council as it strives to bring new services to the community, improve efficiency, and increase Council capability. A programme and project management framework will support the Council as the framework provides a mechanism to firstly establish a firm foundation for each project, and then enable agility and faster benefits realisation, while maintaining control and monitoring resource utilisation.

The framework provides all Council officers with a consistent and easy to follow set of processes, and a suite of templates, to guide the development of projects from idea through to benefits realisation.

Firstly, the basic foundations of the project are agreed at an early stage. This allows the Business to understand the scope and fundamental characteristics of the proposed solution, and understand the way that the project will be approached and solution implemented.

Secondly, after an agreement is reached, the aim is to enable the project team to deliver the benefits to the Business quickly, with high levels of stakeholder engagement as change is introduced in small, well-controlled increments. By using an iterative approach, the risk of building the wrong solution is significantly reduced, as the solution delivered is more likely to meet the real need.

Thirdly, Council's investment of time, money and resources is carefully managed, as each project passes through stage-gates in order to continue. Where a project does not have a business case or is not aligned with the goals of Council, the project is stopped. Finally, after all project deliverables have been completed, the framework tasks the Business with measuring the project outcomes, to ensure the benefits promised at inception have been realised.



The aim is to bring all active projects into the framework and manage each project consistently to truly focus the team's efforts and to get the most out of limited resources. Over time, the programme of projects will grow and mature, and it is expected to help Council achieve its goals.

Project Status Reports for several of the active projects can be seen in Attachment 1.

5. Risk Management and Information Security

Information is and should be treated as a valuable asset of Council. The Information and Communications Technology (ICT) that supports the storage and access of information therefore plays a critical role in Council businesses. Given that Council has legal obligations in relation to public records and privacy, it is important to identify risks to the Council data and ICT systems, to reduce or manage those risks, and to develop a response plan in the event of an ICT crisis. IT risks include but are not limited to hardware and software failure, human error, information security issues such as spam, viruses and malicious attacks, as well as natural disasters such as fires, earthquake or floods.

The National Cyber Security Centre (NCSC) recently introduced Protective Security Requirements (PSR) that are mandatory for all Central Government organisations. The PSR covers all areas of risk management from governance structure, framework, operational management to investigation/response and reporting. Councils are exempted from the compliance requirement but are suggested to follow the same risk management approach. A recent PSR maturity audit done by Deloitte indicates that Waitaki District Council, even though it

reached sufficient maturity in many areas, is still low in its maturity level in other areas. Due to the success of the foundation work undertaken last year, the most appropriate actions have now been identified to quickly move Council to the next level of maturity.

The following are the key actions that will be undertaken to make this move:

- Approval of ICT Risk Management Policy and ICT risk register
- Establishment of ICT risk ownership in position descriptions.
- Documentation of ICT risk impact analysis
- Approval of ICT Cybersecurity Policy and Incident Response Plan
- Establishment of periodic ICT risk reporting
- Approval of other ICT policies.

With regard to information security, threats that come with the processors that affect all computers in the world, including Council ones, have been dealt with swiftly. In the past year, the Information Services team has developed sophisticated technical defences, and no other significant information security technical issues have been identified.

Most industry reports identify that humans are the weakest link in information security. This means that, while the team will keep developing the technical capabilities, the main focus of Council information security management will be placed on the human factors such as awareness training.



Bill Chou
Information Services Group Manager

Attachment 1 – Project Status Reports

Attachment 1 – Project Status Reports

Project Name	Description	% Completed	Status
Skype for Business	Skype for Business is being implemented to replace the legacy phone system. This will improve telecommunications, video conferencing and collaboration, as well as remove the risks of continuing with the unsupported phone system.	40%	
InfoCouncil	On 15 November 2017, the Business Development Leadership Team agreed to purchase InfoCouncil – an automated agenda management software package, to increase efficiency and drive quality and consistency of report-writing in the governance area.	45%	
ProMapp	The Business Development Leadership Team identified an organisational risk that there was no common place for organisational processes to be stored. It was identified that all organisational processes should be captured, in one common location, in a consistent style/format for ease-of-use and access across the organisation. ProMapp has been introduced as a resource for Council, as a simple-to-use tool to capture the current organisational processes.	10%	
BIS and HUB Replacement	The goal is to replace all reports currently used in the legacy BIS and the HUB reporting tools with a new platform (SSRS). This project phase is the first step towards a complete overhaul of all Council reporting. Deprecating the existing legacy reports is difficult as they are widely distributed and difficult to follow.	15%	
eServices – Phase 1	The goal is to deliver the first round of eServices available to the public (via the Council website) for the online payment of accounts and submission of customer requests. eServices: <ul style="list-style-type: none"> • Enable more payment options for our customers • Enable service delivery beyond standard work hours • Take service delivery to the customer instead of the customer having to come to us • Create efficiencies for Council processing of requests and payments 	80%	
Parcel Data Cleaning	This project accounts for multiple parcel data cleansing projects: Roading Parcel Valuation match, Crown Parcel Valuation Match, Homeless Parcels, Parcel Flag standardisation, Duplicate parcel records, Title errors, Discontiguous Valuations, Place holder and missing parcels, Digitise unreal parcels, Duplicate Address records and display of Historic Valuations. Without addressing these data quality issues, delivery of new eServices will be very difficult, and potentially impossible.	40%	

Finance, Audit and Risk Committee Memorandum

From **Finance and Corporate Development Group Manager**

Date **20 March 2018**

Finance and Corporate Development Group Activity Report for the period 23 January to 5 March 2018

Recommendation

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

Summary

This memorandum provides an update to the Finance, Audit and Risk Committee on various finance, business development, policy, and health and safety matters.

Discussion

This report has been prepared at a time when the changes that have flowed from the new organisational structure are being embedded. It now includes a brief summary of policy and health and safety matters, which will expand and develop over time.

Finance – Policy and General

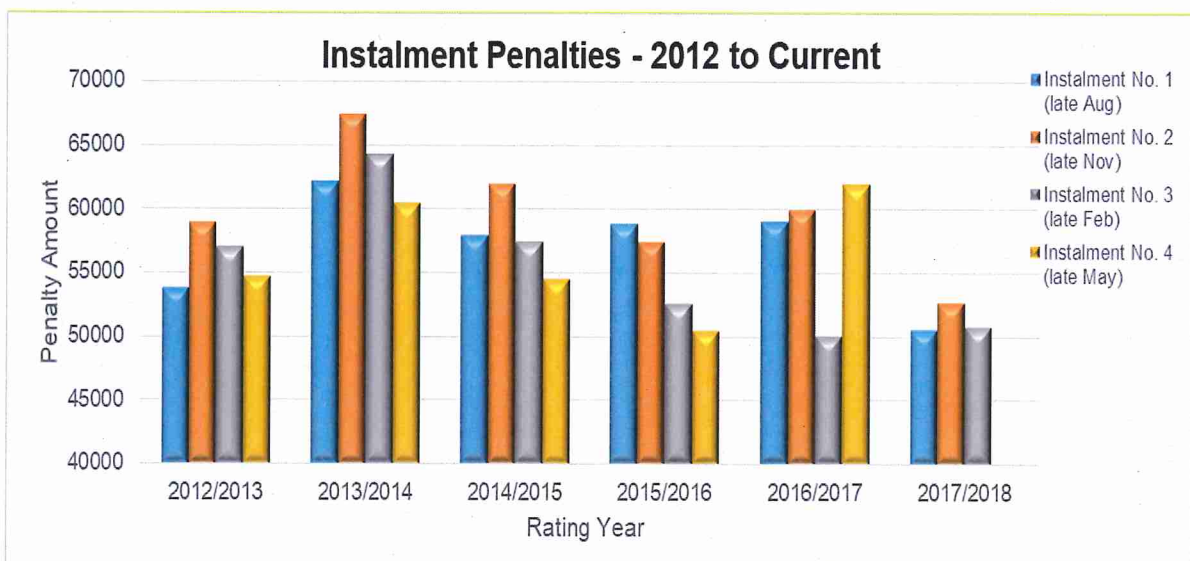
The major work stream has been preparation of the requirements needed to support the Consultation Document. This included the matters presented and discussed at the 27 February workshop and the 6 March Council meeting. These matters are now being considered by Audit New Zealand and will be formally presented as drafts at the 27 March Council meeting.

Finance – Accounting and Transactional

There were no events of note over the last month.

Finance – Rates

Following the resolution of the first batch of accounts with long-term arrears, the amount of the arrears penalty showed a significant reduction compared to 2016/17. This is illustrated with the two tables that follow.



The spike with the 2016/17 fourth quarter penalty has been investigated and confirmed as correct. This was the result of a combination of a number of one-off events and therefore is not likely to be repeated.



Policy

The LTP process is close to reaching its first decision point, with the proposed adoption of the Consultation Document at the 27 March 2018 Council Meeting. This will include the supporting information. There will also be a second consultation process in relation to the Development Contributions Policy and other revenue-related matters.

Corporate and Business Development

The last month was spent progressing matters that were previously reported on, including the last major matter in the flood claims and the Development Contributions Policy review.

Health and Safety

The Health and Safety Summary report for January – February 2018 is included as Attachment 1 to this report.

Paul Hope
Finance and Corporate Development Group Manager

Attachment 1 – Health and Safety Summary Report (January – February 2018)

Attachment 1 – Health and Safety Summary Report (January – February 2018)

Please note that the trend graphs are not included due to the limited data from two months of activity

Health and Safety

The organisation's Health and Safety is currently being maintained by the Corporate Development Officer until a new Health and Safety Officer is appointed. It is hoped that a new person will be in that role by the end of April/early May.

For now, the Health and Safety aspects being focused on are SafeHold; SiteWise; and key Health and Safety Risk Exposures to staff, contractors, and the general public. Wellbeing aspects such as flu jabs are being coordinated by the People and Culture team until a new Health and Safety Officer is appointed.

Significant trends

The total number of reported incidents increased significantly in January, due to the minor aquatics incidents now being reported through SafeHold. All incidents/hazards reported are actioned within 24 hours of receipt, and investigative action required is generally done within the tolerated response time. There are very few incidents that are accelerated due to non-response.

It should be noted that the Aquatic Centre staff required Police intervention on three occasions during January with episodes of aggressive behaviour to staff.

Contractors

There have been only two Contractor incidents reported through SafeHold in the January-February 2018 period. These were both SouthRoads associated incidents. Both incidents were reported appropriately and investigated thoroughly, with corrective measures introduced to eliminate a repeat of the incident.

Staff are working with the contractors who have signed up to the SiteWise contractor management programme, to follow up on their rating and help to identify where they can improve their score to reach Council's target contractor rating. With public works such as the Courthouse contract starting, there is a need to ensure that Council contractors meet the organisation's health and safety requirements.

Vistab was introduced at Council headquarters in January for contractors to use as an onsite sign-in tool. There has been general acceptance of this by contractors, as it is now a requirement of many workplaces.

Public Incidents

Through January/February, there were 17 public incidents reported. These incidents continue to be well investigated and all corrective measures recorded. Controls are implemented where identified.

Near-miss reporting

There has been only one near-miss reported so far in 2018. This is an area where individuals at best do not appreciate the importance of being aware of the "near misses", and it may require some attention.

Current Issues

Staff visiting farms are receiving requests to follow biosecurity measures to eliminate spread of Mycoplasma Bovis. Staff have been advised to adhere to strict biosecurity requirements when these are in place, by cleaning footwear and tyres with specific spray which Council has purchased for this purpose.

Conclusion

Whilst staff incidents remain at a reasonably low level / low risk, improvements can be made to ensure that Council sends "everybody home safe every day" without deterring accurate reporting.

The number of near-miss reports continues at a low level. There was one incident of Lost Time by staff in February following an onsite injury.

Finance, Audit and Risk Committee

Memorandum

From Finance and Corporate Development Group Manager **Date** 20 March 2018

Financial Report – 2018, Period 7 January 2018

Recommendation

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

Financial Overview

This financial report effectively covers results for the seven months to 31 January, period 7 of the 2017/18 financial year. Indications are that the majority of Council activities are operating, as in previous reports, close to or better than budget. This report includes the effect of funding capital expenditure incurred in the second quarter.

Commentary

Revenue

Overall revenue, including the gain on property sale of \$840k, is over budget by \$1.112m, with most revenue categories (except Government Grants, Other Grants & Donations and Finance income) achieving or bettering budget.

Notable variances from budget:

- User Charges are over budget by \$287k, largely as a result of unbudgeted revenue from forestry harvesting, generating gross income of \$299k. Other revenue items, including Rent, Cemetery charges and Camping revenue, are also over budget;
- Both Government Grants and Other Grants & Donations are running under budget by \$607k in total, due largely to timing issues. NZTA subsidy and other Government funding for Roding at \$2.814m is under budget by \$518k. Funds received include the full amount that Council can recover from NZTA in relation to the July flood event;
- Development and Financial Contributions are over budget by \$141k; Roding development contributions are ahead by \$93k and Water by \$60k; RMA contributions are under by \$9k, and Sewer is now \$3k under budget;
- Finance income is under budget by \$46k, reflecting interest rates that are lower than those that were anticipated when setting the budget.

Final claims related to the flood-damaged Roding system of \$537k have now been paid in full, and are included in Government Grant revenue. Insurance reimbursements related to other flood damage have now been largely finalised, and revenue of \$62k will be recognised in February. This will leave payouts related to damaged water infrastructure to be resolved once work to reinstate the equipment has been completed.

Expenditure

Overall expenditure is reported under budget by \$324k.

Notable variances from budget:

- Employee costs are under budget by \$479k. Of this, salaries and wages are \$519k under budget, reflecting savings made while a number of key positions remained vacant. As a consequence of those vacancies, Council's contributions to Kiwisaver are under budget by \$24k, but the cost of contractors required to fill those gaps amounted to \$74k, \$57k over budget.
- Other Expenses are over budget by \$738k. Unbudgeted Forestry harvesting costs account for \$239k of this variance, while Roding flood repairs cost \$1.083m. Many other costs are running under budget.

Capital Expenditure

Overall capital expenditure, at \$7.149m, is under the budget of \$12.212m by \$5.063m.

Notable variances from budget:

- Roading capital expenditure is under budget by \$2.944m, due in part to the essential restoration of flood-damaged infrastructure, and to delays resulting from weather conditions prior to Christmas;
- Water capital expenditure is ahead of budget by \$562k as work on the South Hill improvements and the Hamnak project picks up pace. Whitestone Contracting now has three crews working on the project;
- Sewer capital expenditure is down by \$178k, largely due to work planned for the Moeraki and Otematata schemes not progressing as yet;
- Stormwater capital expenditure is under budget by \$165k, as work scheduled for Oamaru has yet to commence;
- Property capital expenditure is under budget by \$1.665m, as a consequence of delays in starting work on the Courthouse (YTD budget \$325k), the RSA (YTD budget \$350k), Holmes wharf (YTD budget \$555k), and the timing of works on the breakwater meaning that project is behind budget by \$62k.

More detail on the above projects and variances from budget has been provided in group activity reports to other Council Committees.

Ian Wells
Accounting Manager


 Paul Hope
**Finance and Corporate Development
Group Manager**

Attachments

Appendix (a) – Separate Rate Accounts – position at 31 December 2017
 Appendix (b) – Variance Reports and Commentaries for Period 7

Appendix (a) – Separate Rate Account balances 31 December 2017

Council maintains separate rate accounts for each rate levied on particular regions, or for particular purposes, within the district, to provide full transparency and accountability for the use of those rates so levied.

Detailed reports are prepared each quarter, and made available to the Community Boards and the relevant Hall, Water and Sewer committees.

Councillors will recall that previous quarterly reports have detailed separate rate accounts that are being monitored because of issues arising from their overdrawn, or over-funded, status. These are listed below, together with pertinent comments, and the following three pages provide the full detail of movements in, and closing balances of, all separate rate accounts.

Those accounts that are of particular concern at the end of the first quarter:

Water rate accounts		
Kurow	(\$72,972)	Position worsening – consider an internal loan or increased rates in the LTP to clear over time
Oamaru Supply	\$946,030	LTP allows for this balance to reduce over time
Bushy Creek (Otekaieke)	(\$2,132)	Improving position, not material, monitor
Waihemo	(\$96,291)	No significant improvement, already has loans, and Depreciation reserve is in overdraft. Consider an increased rate in LTP to start clearing
Windsor	(\$6,144)	Position improving – continue monitoring
Sewer rate accounts		
Oamaru/Weston	\$793,278	LTP allows for this balance to reduce over time
Community Halls rate accounts		
Macraes	(\$210)	Position improving – continue monitoring
Township Amenity rate accounts		
Shag Point	(\$2,547)	Position improving – continue monitoring

Council credits interest to balances held in Water, Sewer and Hall separate rate accounts, and charges interest on those accounts with overdrawn balances. All those accounts reported as overdrawn are effectively being charged the same amount in interest as they would if an internal loan was established to clear the debt.

Appendix (a) – Separate Rate Account balances 31 December 2017 (continued)

Rate Type	Operating Expenses	Operating Income	Rates Income	Operating Surplus (Deficit)	Depreciation Not Funded	Net Cash Surplus (Deficit)	Net Capital & Renewal Expenses	Reserve Movements	Year to Date Surplus (Deficit)	Rate Account Opening Balance	Cash Movements	31-Dec-17 Rate Account Balance
Water												
Awamoko	(61,693)	5,672	49,314	(6,706)	-	(6,706)	-	4,331	(2,375)	28,639	-	26,264
Duntroon	(36,517)	3,791	15,366	(17,360)	750	(16,610)	-	12,682	(3,928)	7,834	-	3,906
Hampden/Moeraki	(345,254)	140,999	90,378	(113,878)	-	(113,878)	-	98,110	(15,768)	61,651	-	45,883
Herbert/Waianakarua	(99,034)	9,273	83,412	(6,348)	-	(6,348)	-	(14,348)	(20,696)	83,555	-	62,859
Kauru Hill	(52,544)	7,597	34,038	(10,909)	-	(10,909)	-	22,091	11,182	42,927	-	54,109
Kurow	(93,981)	13,915	63,126	(16,940)	430	(16,510)	-	(8,533)	(25,043)	(47,929)	-	(72,972)
Lower Waitaki	(115,377)	5,253	87,120	(23,004)	4,541	(18,463)	-	11,252	(7,211)	22,403	-	15,192
Oamaru Supply	(3,479,041)	350,435	657,210	(2,471,396)	81,062	(2,390,334)	-	2,210,473	(179,861)	1,125,891	-	946,030
Oamaru Reticulation	(1,455,359)	25,208	638,022	(792,129)	-	(792,129)	-	713,772	(78,357)	39,791	(41,037)	(79,603)
Oamaru Treatment Loan	(81,136)	-	312,420	231,284	-	231,284	-	(231,250)	34	1,354,784	-	1,354,818
Ohau	(18,770)	13,629	10,128	4,987	-	4,987	-	(11,100)	(6,113)	55,586	-	49,473
Omarama	(77,473)	13,491	79,512	15,530	2,351	17,881	(2,523)	(14,635)	723	386,644	-	387,367
Omarama Loan	(404)	-	6,714	6,310	-	6,310	-	(6,107)	203	-	-	203
Otekaieke	(5,363)	468	5,580	685	-	685	-	(290)	395	(2,527)	-	(2,132)
Otematata	(98,401)	(3,296)	87,828	(13,869)	5,484	(8,385)	-	(7,035)	(15,420)	139,481	-	124,061
Stoneburn	(38,258)	6,469	41,352	9,563	5,930	15,493	(5,987)	(5,261)	4,245	76,002	-	80,247
Tokarahi	(122,176)	23,173	110,814	11,811	-	11,811	-	(11,659)	152	413,714	-	413,866
Waihemo	(329,158)	22,531	294,612	(12,015)	9,349	(2,666)	-	2,201	(465)	(95,826)	-	(96,291)
Windsor	(29,331)	2,796	27,426	891	-	891	-	(1,087)	(196)	(5,948)	-	(6,144)
Other	(14,568)	-	432	(14,136)	2,023	(12,113)	-	8,334	(3,779)	129,160	-	125,381
Water	(6,553,837)	641,403	2,694,804	(3,217,630)	111,920	(3,105,710)	(8,510)	2,771,940	(342,280)	3,815,832	(41,037)	3,432,515
Sewer												
Duntroon	(727)	215	372	(140)	665	525	-	(70)	455	12,594	-	13,049
Kurow	(45,038)	7,513	26,694	(10,831)	-	(10,831)	-	3,612	(7,219)	108,940	-	101,721
Moeraki	(104,577)	13,625	67,740	(23,212)	17,296	(5,916)	(7,850)	584	(13,182)	33,177	3,900	23,895
Moeraki Construction Loan	(522)	-	8,430	7,908	-	7,908	-	(7,907)	1	-	-	1
Moeraki Reticulation Loan	(873)	-	14,106	13,233	-	13,233	-	(13,212)	21	-	-	21
Oamaru/Weston	(987,326)	281,418	485,838	(220,070)	6,261	(213,809)	(520,035)	575,076	(158,768)	917,046	35,000	793,278
Ohau	(13,395)	4,420	10,098	1,123	-	1,123	-	(1,805)	(682)	26,792	610	26,720
Omarama	(74,724)	15,616	55,830	(3,278)	-	(3,278)	-	(3,667)	(6,945)	100,567	-	93,622
Otematata	(108,085)	15,830	66,558	(25,697)	-	(25,697)	(18,744)	39,238	(5,203)	89,258	-	84,055
Palmerston	(99,086)	13,373	84,048	(1,665)	-	(1,665)	(580)	(4,387)	(6,632)	45,224	-	38,592
Sewer Maintenance	(1,434,353)	352,010	819,714	(262,629)	24,222	(238,407)	(547,209)	587,462	(198,154)	1,333,598	39,510	1,174,954

Appendix (a) – Separate Rate Account balances 31 December 2017 (continued)

Rate Type	Operating Expenses	Operating Income	Rates Income	Operating Surplus (Deficit)	Depreciation Not Funded	Net Cash Surplus (Deficit)	Net Capital & Renewal Expenses	Reserve Movements	Year to Date Surplus (Deficit)	Opening Balance	Cash Movements	31-Dec-17 Rate Balance
Community Halls												
Airedale	(11)	18	246	253		253			253	993		1,246
Ardgowan	(439)	26	1,062	649		649			649	1,485		2,134
Awamoko	(1,194)	82	1,062	(50)		(50)			(50)	5,110		5,060
Dunback	(1,510)	772	1,680	942		942			942	11,579		12,521
Duntroon	(2,193)	236	1,206	(751)		(751)			(751)	14,049		13,298
Enfield	(944)	123	1,164	344		344			344	7,392		7,736
Five Forks	(3,973)	70	642	(3,261)		(3,261)			(3,261)	3,947		686
Hampden	(6,291)	10,777	3,576	8,061		8,061			8,061	27,297		35,358
Kakanui	(2,743)	540	3,180	976		976			976	31,135		32,111
Kurow	(13,672)	10,474	6,630	3,432		3,432			3,432	27,958		31,391
Lower Waitaki	(16,173)	163	4,776	(11,234)		(11,234)			(11,234)	16,127		4,893
Macraes	(1,181)	(6)	1,356	169		169			169	(379)		(210)
Maheno	(711)	222	2,412	1,923		1,923			1,923	12,651		14,574
Moeraki	(5,547)	360	3,756	(1,430)		(1,430)			(1,430)	21,963		20,533
Ngapara	(652)	274	714	335		335			335	17,325		17,660
Omarama	(4,144)	73	7,434	3,363		3,363		(1,192)	2,171	4,489		6,660
Otekaieke	(305)	111	450	255		255			255	6,528		6,784
Otematata	(8,944)	43	8,016	(885)		(885)			(885)	2,985		2,100
Otepopo/Herbert	(5,302)	175	1,446	(3,681)		(3,681)			(3,681)	11,228		7,547
Palmerston	(9,700)	3,098	8,946	2,344		2,344			2,344	9,073		11,417
Pukeuri	(692)	4,067	858	4,234		4,234			4,234	13,165		17,398
Tokarahi	(391)	44	1,422	1,076		1,076			1,076	2,435		3,511
Totara	(1,847)	134	3,774	2,061		2,061		-	2,061	7,826		9,887
Waianakarua	(818)	90	756	28		28			28	5,411		5,439
Waitaki Bridge	(2,470)	366	1,302	(803)		(803)			(803)	2,975		2,173
Weston	(3,291)	368	9,324	6,401		6,401			6,401	20,776		27,177
Windsor	(760)	165	834	238		238			238	9,508		9,746
	(95,899)	32,865	78,024	14,990	-	14,990	-	(1,192)	13,797	295,031	-	308,829
Township Amenity												
Duntroon	-	-	750	750	-	750	(690)	-	60	11,759	-	11,819
Hampden	-	-	15,000	15,000	-	15,000	-	-	15,000	92,009	-	107,009
Herbert	-	-	750	750	-	750	-	-	750	15,002	-	15,752
Kakanui	-	-	2,496	2,496	-	2,496	-	-	2,496	18,793	-	21,289
Kurow	(194)	-	9,090	8,896	-	8,896	(36,372)	(5)	(27,481)	80,582	-	53,101
Maheno	-	-	750	750	-	750	-	-	750	14,999	-	15,749
Moeraki	(60)	-	2,496	2,436	-	2,436	-	-	2,436	30,279	-	32,715
Oamaru	(207,000)	4,834	265,302	63,136	-	63,136	-	(12,063)	51,073	483,019	-	534,092
Ohau	(132)	-	1,734	1,602	-	1,602	-	(90)	1,512	23,235	-	24,747
Omarama	(2,579)	-	9,198	6,619	-	6,619	-	(25)	6,594	58,016	-	64,610
Otematata	(13,480)	-	27,876	14,396	-	14,396	(20,501)	(1,075)	(7,180)	103,831	-	96,651
Palmerston	(7,564)	-	15,558	7,994	-	7,994	-	(335)	7,659	114,646	-	122,305
Shag Point	-	-	750	750	-	750	-	-	750	(3,297)	-	(2,547)
Weston	(9,253)	-	21,126	11,873	-	11,873	-	(3,232)	8,641	27,772	-	36,413
Township Amenity	(240,262)	4,834	372,876	137,448	-	137,448	(57,563)	(16,825)	63,060	1,070,645	-	1,133,705

Appendix (a) – Separate Rate Account balances 31 December 2017 (continued)

Rate Type	Operating Expenses	Operating Income	Rates Income	Operating Surplus (Deficit)	Depreciation Not Funded	Net Cash Surplus (Deficit)	Net Capital & Renewal Expenses	Reserve Movements	Year to Date Surplus (Deficit)	Opening Balance	Cash Movements	31-Dec-17 Rate Balance
Refuse Collection	-	-	-	-	-	-	-	-	-	574,373	-	574,373
Harbour												
Coastal Protection	(70,122)	-	59,859	(10,263)	34,284	24,021	(236,102)	219,181	7,100	(377,453)	-	(370,353)
Harbour Operations	(35,230)	6,079	32,184	3,033	25,021	28,054	-	3,218	31,272	576,864	-	608,136
	(105,352)	6,079	92,043	(7,230)	59,305	52,075	(236,102)	222,399	38,372	199,411	-	237,783
Ward Services												
Ahuriri Ward Services	(254,482)	12,938	249,558	8,014	8,688	16,702	-	8,307	25,008	413,662	-	438,670
Corriedale Ward Services	(128,081)	-	122,256	(5,825)	4,721	(1,104)	-	2,024	919	204,315	-	205,234
Oamaru Ward Services	(614,928)	7,267	486,984	(120,677)	67,130	(53,547)	-	69,261	15,715	388,811	-	404,526
Waihemo Ward Services	(326,584)	9,308	367,314	50,038	22,866	72,904	(604)	(11,711)	60,589	360,536	-	421,125
Ward Services	(1,324,075)	29,513	1,226,112	(68,450)	103,405	34,955	(604)	67,881	102,231	1,367,323	-	1,469,554
Roading & Civil Defence												
Roading & Civil Defence	(6,883,640)	2,695,469	2,963,062	(1,225,109)	1,345,805	120,696	(1,151,114)	942,969	(87,449)	646,895	-	559,446
Roading Dev Contributions	-	217,315	-	217,315	-	217,315	-	(217,315)	-	550,530	-	550,530
	(6,883,640)	2,912,784	2,963,062	(1,007,794)	1,345,805	338,011	(1,151,114)	725,654	(87,449)	1,197,425	-	1,109,976
Oamaru Business (Parking Only)	(114,738)	133,950	(7,278)	11,934	-	11,934	-	(7,500)	4,434	148,617	-	153,051
Total Separate Rate Accounts	(16,752,156)	4,113,438	8,239,357	(4,399,361)	1,644,657	(2,754,704)	(2,001,102)	4,349,818	(405,988)	10,002,255	(1,527)	9,594,740

		YTD Actuals Income	YTD Budget Income	YTD % Variance Income (-variance is unfavourable)	YTD Actuals Expense	YTD Budget Expense	YTD % Variance Expense (-variance is unfavourable)	Actual (Surplus) or Deficit	Budget (Surplus) or Deficit
Assets Group									
		(217,454)	(409,202)	-46.9%	343,517	453,221	24.2%	126,063	44,019
		-	-	0.0%	(24,241)	(578)	-4093.9%	(24,241)	(578)
Property	1	(3,855,701)	(3,466,472)	11.2%	3,060,790	4,556,312	32.8%	(794,911)	1,089,840
Roading	2	(8,290,503)	(11,900,583)	-30.3%	10,125,151	11,622,165	12.9%	1,834,648	(278,418)
Solid Waste		(859,885)	(854,378)	0.6%	930,953	982,165	5.2%	71,068	127,787
Waters	3	(9,517,112)	(9,238,141)	3.0%	9,740,398	10,957,269	11.1%	223,285	1,719,128
Assets Group Total		(22,740,654)	(25,868,776)	-12.1%	24,176,567	28,570,554	15.4%	1,435,913	2,701,778

Comment

- 1 - Property revenue includes gross sale proceeds from the disposal of Boundary Creek property
- 2 - Roading revenue and cost have been impacted by flood-related works and adverse weather affecting the programme of works
- 3 - Waters cost is under budget due to delays with capital projects, which are now progressing

CEO

		-	-	0.0%	6,201	(71,315)	108.7%	6,201	(71,315)
Economic Development		(776,314)	(825,793)	-6.0%	967,398	1,175,193	17.7%	191,084	349,400
Finance	4	(7,548)	(13,706)	-44.9%	(42,613)	6,159	791.9%	(50,161)	(7,547)
Human Resources	4	(16,016)	(20,655)	-22.5%	(12,240)	10,099	221.2%	(28,256)	(10,556)
Recruitment and Retention		-	-	0.0%	11,745	4,000	-193.6%	11,745	4,000
GM Finance & Corporate / Office Manager	4	-	-	0.0%	111,498	-	100.0%	111,498	-
Treasury		556,434	267,239	108.2%	24,221	(81,647)	129.7%	580,656	185,592
CEO Total		(243,444)	(592,915)	-58.9%	1,066,211	1,042,489	-2.3%	822,767	449,574

Comment

- 4 - These departments have been impacted by the recent restructuring of Council business units, which has not yet been fully matched in the Authority system

		YTD Actuals Income	YTD Budget Income	YTD % Variance Income (-variance is unfavourable)	YTD Actuals Expense	YTD Budget Expense	YTD % Variance Expense (-variance is unfavourable)	Actual (Surplus) or Deficit	Budget (Surplus) or Deficit
Community Services Group									
Aquatic Centre		(987,816)	(997,586)	-1.0%	888,789	1,030,258	13.7%	(99,027)	32,672
Community Safety		(90,011)	(98,802)	-8.9%	81,564	108,944	25.1%	(8,447)	10,142
Gallery & Museum		(793,070)	(681,180)	16.4%	787,270	818,737	3.8%	(5,800)	137,557
General Grants		(230,220)	(239,496)	-3.9%	294,598	256,906	-14.7%	64,378	17,410
Libraries		(884,796)	(880,187)	0.5%	943,896	925,831	-2.0%	59,100	45,644
Management Community Services		(105)	(8,394)	-98.7%	(98)	8,256	101.2%	(204)	(138)
Oamaru Opera House		(697,172)	(747,626)	-6.7%	745,201	764,372	2.5%	48,030	16,746
Parks and Recreation		(3,002,340)	(3,160,104)	-5.0%	2,863,517	3,292,459	13.0%	(138,823)	132,355
Community Services Group Total		(6,685,531)	(6,813,375)	-1.9%	6,604,738	7,205,763	8.3%	(80,793)	392,388
Council									
Committees		(27,377)	(23,534)	16.3%	14,922	21,898	31.9%	(12,455)	(1,636)
Community Boards		(261,268)	(260,644)	0.2%	233,822	269,397	13.2%	(27,446)	8,753
Election	5	(23,744)	(20,419)	16.3%	10,176	17,500	41.9%	(13,568)	(2,919)
Reporting	6	(405,006)	(383,187)	5.7%	341,328	384,218	11.2%	(63,678)	1,031
Waitaki District Council	7	(1,621,301)	(1,649,504)	-1.7%	1,346,356	1,686,857	20.2%	(274,945)	37,353
Council Total		(2,338,696)	(2,337,288)	0.1%	1,946,604	2,379,870	18.2%	(392,091)	42,582

Comment

5 - Election revenue is Rates, expense reflects an annual payment to Electionz ahead of the next triennial election. Each quarter, any surplus is transferred to reserves

6 - Reporting includes both the Annual Report and the Long Term Plan, rate funding is ahead of actual costs incurred.

7 - Overheads allocated to Council by various business units are under budget by \$315k largely due to staff vacancies resulting in reduced costs

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

	YTD Actuals Income	YTD Budget Income	YTD % Variance Income (-variance is unfavourable)	YTD Actuals Expense	YTD Budget Expense	YTD % Variance Expense (-variance is unfavourable)	Actual (Surplus) or Deficit	Budget (Surplus) or Deficit
Customer Services Group								
Customer Contact Team	(1,886)	(1,125)	67.7%	8,712	816	-967.7%	6,826	(309)
Emergency Services	(72,220)	(71,274)	1.3%	55,959	71,260	21.5%	(16,261)	(14)
Management Customer Services	(2,920)	-	100.0%	22,828	(8,479)	369.2%	19,908	(8,479)
Planning	(779,335)	(711,175)	9.6%	651,629	729,445	10.7%	(127,706)	18,270
Policy Development	-	-	0.0%	(12,176)	(1,746)	-597.4%	(12,176)	(1,746)
Regulatory Services	(1,982,240)	(2,244,688)	-11.7%	1,948,619	2,195,582	11.2%	(33,621)	(49,106)
Customer Services Group Total	(2,838,602)	(3,028,262)	-6.3%	2,675,571	2,986,878	10.4%	(163,030)	(41,384)
Total	(34,846,926)	(38,640,616)	(9.82%)	36,469,692	42,185,554	13.55%	1,622,766	3,544,938