



# 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 10 July 2018**

#### **MEMBERSHIP:**

Cr Colin Wollstein (Chair)  
Cr Craig Dawson (Deputy Chair)  
Cr Jim Hopkins

Mayor Gary Kircher (ex Officio)  
Cr Peter Garvan  
Cr Jan Wheeler

# Agenda

## Finance, Audit and Risk Committee

9.00am, Tuesday 10 July 2018

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

	Page/s
1. Apologies	–
2. Declarations of Interest	–
3. Confirmation of Previous Meeting Minutes <ul style="list-style-type: none"> <li>12 June 2018 (Public)</li> </ul>	4 – 8
4. Treasury Strategy, First Quarter, 2018/19 Financial Year <ul style="list-style-type: none"> <li>Memorandum and Recommendation</li> </ul>	9 – 11
5. Monthly Financial Report – Period 11 May 2018 <ul style="list-style-type: none"> <li>Memorandum and Recommendation</li> </ul>	12 – 21
6. Information Services Group Activity Report <ul style="list-style-type: none"> <li>Memorandum and Recommendation</li> </ul>	22 – 28
7. Finance and Corporate Development Group Activity Report <ul style="list-style-type: none"> <li>Memorandum and Recommendation</li> </ul>	29 – 30

### 8. RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely agenda items 9 and 10.

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"> <li>Confirmation of Previous Meeting Public Excluded Minutes – 12 June 2018 PE</li> <li>Debtors' Report – 2018, Period 12 Fourth Quarter PE</li> </ul>	<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> <p>To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a)</p>

(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."

- |     |   |         |
|-----|---|---------|
| 9.  | <b>Confirmation of Previous Meeting Minutes (Public Excluded)</b> | 31 – 32 |
|     | • 12 June 2018 PE   |         |
| 10. | <b>Debtors' Report – 2018, Period 12, Fourth Quarter PE</b>       |         |
|     | • Memorandum and Recommendation                                   | 33 – 38 |

### **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.

### **11. Release of Public Excluded Information**

In accordance with Waitaki District Council Standing Orders 2016 to 2019, Clause 17.5, 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 10 July 2018 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 12 June 2018 at 9.00am

- Present:** Cr Colin Wollstein (Chair), Cr Craig Dawson (Deputy Chair), Cr Peter Garvan, Cr Jim Hopkins, Cr Jan Wheeler; Mayor Gary Kircher
- In Attendance:** Cr Jeremy Holding  
Cr Guy Percival  
Cr Melanie Tavendale  
Fergus Power (Chief Executive)  
Neil Jorgensen (Assets Group Manager / Deputy Chief Executive)  
Paul Hope (Finance and Corporate Development Group Manager)  
Bill Chou (Information Systems Group Manager)  
Lichelle Guyan (Heritage, Environment and Regulatory Group Manager)  
Ian Wells (Accounting Manager)  
Richard Maher (Programme Manager)  
Suzanne Butler (Information Systems Team Leader)  
Tracey Marshall (Information Services Team Leader)  
Ainslee Hooper (Governance Advisor)  
Kate Grant (Executive Assistant)

The Chair declared the meeting open at 9.01am, and welcomed everyone present.

#### 1. **Apologies**

There were no apologies.

#### 2. **Declarations of Interest**

There were no declarations of interest.

#### 3. **Confirmation of Minutes**

RESOLVED  
FAR 2018/039

Cr Craig Dawson / Cr Jim Hopkins  
That the Finance, Audit and Risk Committee confirms public minutes of its previous meeting held on 15 May 2018, as circulated, as a true and correct record, with one minor amendment:  
Page 7 – to finish with “as and when required”.

CARRIED

#### 4. **Council Controlled Organisations – Draft Statements of Intent 2018-29**

The report, as circulated, sought comment on the Statements of Intent (SOI) for Council Controlled Organisations (CCOs) for the 2018-28 year.

Many Councillors, including some who were not members of the Finance, Audit and Risk Committee, put forward individual ideas around their expectations of what could be changed or requested to be changed in the various Statements of Intent, based on the copies circulated with the agenda report.

One consensus point was that the resolution should exclude any reference to “formal” and simply note that they were “comments” for passing back to CCOs for consideration.

Mayor Gary Kircher noted that, whilst ideas had been put forward by Councillors, there had been no agreement by the Committee about what was to be passed back to the CCOs by officers. Instead, he suggested that Committee members agree or disagree on each of the points that had been made. This suggestion was AGREED.

Committee members then AGREED the following comments, for Group Manager Paul Hope to pass on to CCOs for their consideration.

#### **Omarama Airfield Limited**

- Under 2.3 – to broaden the objectives to consider all flying activities, with gliding to be a primary activity but also to include reference to recreational flying too.
- A director may attend the half-year report presentation to Council
- Comment about openness to and exploration of new opportunities (eg opportunities for OAL that may arise from the Christchurch-based International Aviation Academy of New Zealand establishing operations at the Oamaru Airport).

#### **Tourism Waitaki**

- Recognise in some way Council’s increased presence in the economic development function
- Emphasise collection of data
- Delete references to “events” in the objectives section
- There is a missing “no” under 4.1 (a), second paragraph, before the phrase “cost-effective internal control systems ....:
- Remove the detailed references to i-site locations; not required

#### **Waitaki District Health Services Limited**

- Under 2.2, there needs to be further explanation about what the inclusion of [the undefined] “medical” means.
- Under 2.2, add “men’s health”.
- Under 2.5, bulletpoint 4, some clarity is required.

#### **Whitestone Contracting Limited**

- Add a new objective – to actively pursue innovation and technology
- Add a reference to potentially using government incentives to grow its business
- Revise the bulletpoints so that the starting words of each flow on from the opening cover statement.

RESOLVED  
FAR 2018/040

Cr Jim Hopkins / Cr Craig Dawson

That the Finance Audit and Risk Committee:

1. provides agreed comments (as recorded above) on the Statements of Intent as presented; and
2. instructs officers to pass the agreed comments provided under 1 above to the relevant Board prior to receiving the final documents.

CARRIED

## **5. Monthly Financial Report – 2018, Period 10 – April 2018**

The report, as circulated, reviewed results for the ten months to 30 April 2018.

Group Manager Paul Hope clarified that Accounting Manager Ian Wells had initiated a revised format for the report, especially on pages 36 and 37, which he hoped was easier to reference and more informative. In response, the Chair thanked Mr Wells for his efforts, and commended him on the very clear commentary that the report now provided.

The following points were clarified and/or highlighted during discussion on the report:

- The \$2.7m planned expenditure on the RSA Building would be discussed when the carry forward report is presented in July / August. At that time, Council could decide to carry it forward, park it for now with the option of resurrection in the future if/when legislation enabled that, or keep it going in the meantime.
- There is a project to do remedial work on the breakwater, but an exact timing for the work had not yet been determined.
- It was suggested that some readers of the report may be confused by the fact that some items have a negative variance (eg property) and yet the commentary states that none is "unfavourable". Mr Hope acknowledged this feedback, and advised that better wording would be used in future reports to ensure the commentary was clear to all.  
ACTION POINT: Accounting Manager
- It was noted that some variances were showing as unfavourable (eg regulatory service) as a result of Council being in a transition phase between the former and new organisational structures. The budgets still reflected the former structure, and the actuals reflected the new one which was implemented in December 2017. The new financial year and associated new budget for it would correct this issue. In the meantime, everything was showing with the relevant organisational group, but there were different categories.

RESOLVED  
FAR 2018/041

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

CARRIED

## 6. Information Services Group Activity Report for the period 1 May to 31 May 2018

The memorandum, as circulated, provided an update to the Finance, Audit and Risk Committee on Information Services Group activities during the reporting period.

The following points were clarified / highlighted during discussion on the report:

- Staff have been busy with project work and as a consequence, there has been less time available for some operational matters. This is a resourcing issue.
- Staffing – the Information Services unit was currently recruiting for two vacancies which have been unfilled for some time. A third potential role is on hold, and remains subject to funding.
- A decision has been made to not proceed with the latest Authority 7.1 upgrade due to some unsuitable changes it would have created. However, staff are considering upgrading to v6.11 as an interim step.
- Work has begun on addressing information security.
- There were indirect opportunity costs associated with the delay in the parcel data cleaning work whilst staff are waiting on the supplier.

RESOLVED  
FAR 2018/042

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

CARRIED

## 7. Finance and Corporate Development Group Activity Report for the period 1 May to 31 May 2018

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



RESOLVED  
FAR 2018/043

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 left the meeting.

## 8. Resolution to Exclude the Public

RESOLVED  
FAR 2018/044

Cr Jim Hopkins / Mayor Gary Kircher  
That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Meeting Minutes 15 May 2018
- Tourism Waitaki Contract Extension PE
- Rates Collection Update PE

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.
9. Confirmation of Public Excluded Meeting Minutes 15 May 2018 PE	Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned.)
10. Tourism Waitaki Contract Extension PE	To enable the Council to carry out commercial negotiations without prejudice or disadvantage.
11. Rates Collection Update PE	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."

CARRIED

**Refer to Public Excluded Minutes**

## Resolution to Return to the Public Meeting

RESOLVED  
FAR 2018/051

Cr Jim Hopkins / 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.

CARRIED

## 11. 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.

### **Agenda Item 8 – Confirmation of Previous Meeting Public Excluded Minutes PE**

RESOLVED  
FAR 2018/045

Cr Jim Hopkins / Cr Craig Dawson  
That the Finance, Audit and Risk Committee confirms public excluded meeting minutes of 15 May 2018, as circulated, as a true and correct record.

CARRIED

There being no further business, the Chair declared the meeting closed at 10.32am.

TO BE CONFIRMED on the 10<sup>th</sup> day of July 2018 in the Council Chamber, Waitaki District Council Headquarters, 20 Thames Street, Oamaru.

\_\_\_\_\_  
Chairman



# Finance, Audit and Risk Committee Report

**From** Finance and Corporate Development Group Manager

**Date** 10 July 2018

## Treasury Strategy, First Quarter, 2018-19 Financial Year

### Recommendation

The Finance, Audit and Risk Committee recommends:

That Council adopts the proposed Treasury Strategy to cover the first quarter of the 2018-19 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.

### Objective of the Decision

To report on Council's proposed Treasury Strategy for the first quarter of the 2018-19 financial year.

### Background

The Investment Policy adopted as part of the 2015-25 Long Term Plan sets out certain reporting and accountability requirements, including regular reporting to Council of outcomes in the treasury area and the adoption of a quarterly Treasury Strategy.

In line with the strategic direction set by the FAR Committee, officers invest surplus funds on a relatively short-term basis unless a special or particularly attractive longer term rate is available. Four banking institutions are currently involved in taking Council investment funds, although approval has been given to use four other "AA" rated banks should the need arise.

Observatory Village Lifecare Limited now owes Council a total of \$11,086,818, made up of \$8,000,000 for stage 1, \$2,837,181 for stage 2 and \$249,637 for the interest-free element related to stage 2, and can only draw down a further \$662,819 before reaching the limit of the second stage borrowings.

### Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Moderate	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

### Discussion

As part of the cash management process, consideration is given to the appropriate mix of term deposit – long- and medium-term as well as extremely short-term – and to holding minimal funds in the call and cheque accounts.

The Official Cash Rate (OCR) is currently 1.75%, with little chance of this changing in the next six months. Interest rates remain static, with very little movement apparent. The LTP allows for an average interest rate on external bank deposits of 3.8%, which is slightly higher than can be achieved at this point.

## Summary of Options Considered in relation to the adoption of the Treasury Strategy

Option One: Adopt the Treasury Strategy, utilising both long- and short-term deposits; making minimal use of the call account; and tailoring term deposits to meet operational and capital requirements (recommended).

Option Two: Direct officers to research and develop an alternative strategy.

Option Two is not recommended.

## Implementation of the Preferred Option

At 30 June 2018, Council had investments of \$3.000m with BNZ (\$3.825m at 31 December 2017), \$1.750m with ANZ (\$3.750m at 31 December), \$1.050m with Westpac (\$2.950m at 31 December), and \$500k with ASB (\$1.0m at 31 December). The decline in bank deposits has resulted from loan drawdowns for Stage 2 of the retirement village development, the purchase of 24 Thames Street, and capital works, particularly related to Roding and the Hamnak water project.

Only ASB and Westpac offer investment options for terms between 7 and 30 days, and even though the available rates are below 2%, they still provide better returns than can be achieved by leaving funds in call accounts at the low rates available from all four banks Council deals with – currently paying only 0.10%.

Currently Westpac offers the best rates for shorter terms (up to 60 days), while BNZ offers the best rates for longer terms. ANZ and ASB offer rates slightly below the BNZ, with ASB lower than ANZ. As a result, as funds available for general investment reduce due to the requirements of capital projects and the Observatory Village, it is likely that the ASB will ultimately not be used.

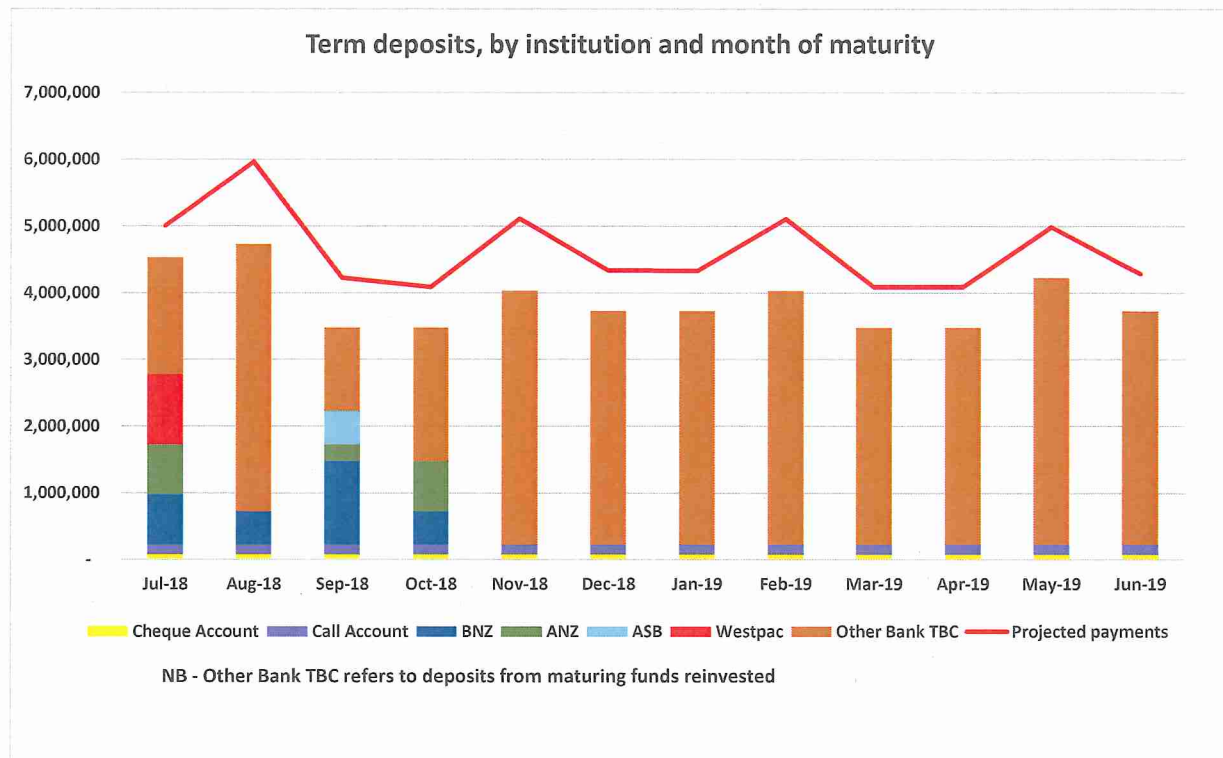
Target ranges have been held at those adopted for the third and fourth quarters, largely because of the lack of movement in the financial markets. Rates offered by some providers actually reduce slightly as terms approach twelve months.

The proposed ranges are as follows:

Term of investment	Target interest rate range	
	Minimum	Maximum
Up to and including 30 days (only 2 banks)	1.75%	>2.00%
Between 30 and 60 days	2.50%	>2.90%
Between 60 and 90 days	2.70%	>3.20%
Between 3 and 6 months	3.10%	>3.60%
Between 6 and 9 months	3.25%	>3.85%
Between 9 and 12 months	3.25%	>3.75%

- Officers will exceed the prescribed minimum levels where possible. If this cannot be achieved, deposits will be placed at rates better than those paid on the call account.
- Minimal use will be made of the call and cheque accounts as fund repositories.
- Deposits will generally be placed for periods between 7 days and 12 months, always having regard to projected cash flow requirements and the need to maintain flexibility.
- Deposits will usually be between \$100,000 and \$1,000,000, but may vary in response to special rates and other considerations, as long as operational requirements are not compromised.
- Deposits for periods over six months will be dependent on assessing cash flow during that period.
- Deposits over \$1,000,000, or for over one year, will only be considered if rates far exceed the target ranges, and the funds are confirmed as surplus to forecast operational requirements.
- Officers may add other banks to those Council already deals with provided they meet Council's criteria in order to benefit from competition for investment funds.
- If, as a consequence of implementing the Treasury Strategy, the main bank account becomes overdrawn, officers will take every practical step to minimise the amount and duration of the overdrawn position while not compromising investment returns.

Projected cash flows over the next twelve months are outlined below.



**Notes:**

- The gap between maturing deposits and projected payments in any month will be met by the use of operational cash flows.
- The graph shows the maturity months and amounts of known term deposits, and the assumed timing and amounts of funds reinvested and new deposits (Bank TBC) – at this time, details of amounts, terms and institutions are not certain.
- Minimal use will be made of the call and cheque accounts, but these facilities still feature as part of Council's overall Treasury Strategy.

**Ian Wells**  
**Accounting Manager**

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

# Finance, Audit and Risk Committee Memorandum

**From** Finance and Corporate Development Group Manager **Date** 10 July 2018

## Monthly Financial Report – 2018, Period 11 – May 2018

### Recommendation

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

### Financial Overview

This financial report reviews results for the eleven months to 31 May 2018.

### Commentary

The GAAP Financial Reports, presented as Appendix (a), show an operating surplus of \$810k against a budget for the same period of \$613k. This result includes both the Whitestone dividend of \$504k (\$384k better than budget) and a net gain of \$435k on sales of assets, offset to an extent by increased depreciation resulting from the roading revaluation, and the effect of writing off both the Otago Rural Fire Authority loan of \$285k and outstanding rates on a Moeraki property of \$77k. Although the loan write-off was funded from the rural fire depreciation reserve, it remains an operating expense for financial reporting purposes.

Please note that Council's budgets for the current financial year assumed grants of about \$2.7m for the cultural facilities project. None have been received to date, and none are now likely. This factor, coupled with the increase in Depreciation expense, means that the budgeted full year surplus of \$3.288m will not be achieved, and it is likely that Council's year-end result will fall significantly short of budget.

### Revaluation gain

As was noted in previous periods, the most prominent feature of the financial report is the recognition of the three-yearly revaluation of Roothing infrastructural assets, which resulted in a notional "gain" of \$84.9m – over \$70m better than budget – and also increased the value of Fixed Assets by a similar amount. The revaluation also resulted in a significant increase in Depreciation expense which is now well above budget, and this variance from budget will continue to grow until year end.

### Financial Operating Results

The GAAP Financial Reports are presented in the format required for Council's external financial reporting, and now carry commentary related to significant variances in line items. They are based on the same information used to provide the summarised activity reports included in Appendix (b). However, the activity reports include transfers to and from reserves and other funding adjustments that are not able to be recognised in the GAAP reports, so the two sets of reports do not precisely align.

Overall revenue, including the gain on asset sales of \$435k and the dividend of \$504k, is over budget by \$2.009m, while Expenditure is reported over budget by \$1.812m. Detail relating to significant variances from budget is now to be found in the Statement of Comprehensive Revenue and Expense appearing in Appendix (a).

### Notes

Council has several large insurance claims outstanding in relation to the July 2017 flood event. As these have only recently been lodged, it is too early to say what amounts will eventually be recovered, and no accruals of revenue or transfers from the disaster fund and other reserves have been made. The annual report will include all appropriate adjustments to ensure that all revenues due, and any other funding issues necessary, are accurately reflected.

Council took a lead role in the transitioning of street lighting to LED technology, and in that role, arranged the supply of materials to Southland District Council. This transaction effectively boosted both revenue and expenditure in this year's financial reports.

Surpluses or deficits arising from forest harvesting or replanting are held in a special fund, and have no impact on Rates. This reserve is used to fund replanting and general forestry management – an activity that produces no income until much later in the forest's life cycle. For the 2017/18 financial year to date, Council's forestry activities have generated a surplus of \$40k, or approximately a 13.25% return.

### Capital Expenditure

Overall capital expenditure, at \$16.444m, is under the budget of \$24,418m by \$7.974m.

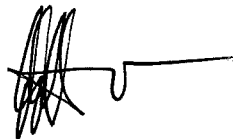
#### Notable variances from budget:

- Roading capital expenditure is under budget by \$2.058m, due to the essential restoration of flood-damaged infrastructure (spent \$1.081m); to delays resulting from adverse weather conditions; and to difficulties securing suitable contractors (in competition with State highway projects). This variance has reduced by over \$775k during May;
- Water capital expenditure is over budget by \$335k. Work on South Hill improvements and the Hamnak project continues, but upgrades budgeted at Lake Ohau have not progressed;
- Sewer capital expenditure is under budget by \$677k; works planned for Moeraki, Palmerston and Otematata have not progressed as budgeted, but Oamaru is over budget by \$84k;
- Stormwater capital expenditure remains under budget by \$383k, primarily related to works scheduled for Oamaru;
- Property capital expenditure is under budget by \$3.770m, as a consequence of delays on the Courthouse (under budget \$438k), the RSA (2017/18 budget \$4.350m, YTD budget \$3.700m), and Holmes Wharf (under budget \$167k), while the timing of works on the breakwater means that project remains under budget by \$59k.
- IT/GIS capital expenditure is under budget by \$336k due to delays in various projects.

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) – Period 11 Financial Reports  
Appendix (b) – Variance Reports by activity



# Statement of Comprehensive Revenue and Expense

for the eleven months ended 31 May 2018

	2018 11 Months Actual \$000	2018 11 Months Budget \$000	2018 Annual Budget \$000	2017 12 Months Actual \$000	Variance from YTD Budget		Commentary	\$000
					\$000	%		
<b>Revenue</b>								
Rates Revenue	28,118	28,032	30,717	30,303	86	0.3%		
User Charges	4,555	3,650	3,907	5,909	905	24.8%	Forestry harvest (unbudgeted, costs below)	+ 304
							LED lighting on-sold (see Other Expenses)	+ 196
							Corbett Road works - private contribution	+ 88
							Landfill charges (Oceana - Palmerston)	+ 81
							Insurance claims	+ 62
							Water supply, connection charges	+ 238
							Tradewaste under budget	- -101
Regulatory Charges	1,469	1,437	1,557	1,508	32	2.2%		
Development and RMA Contributions	938	634	692	738	304	48.0%	Roading	+ 92
							Water	+ 149
							Sewer	+ 28
							RMA financial contributions	+ 35
Government Grants and Subsidies	6,663	6,818	7,163	6,339	(155)	-2.3%	NZTA subsidy - capital works	- -1470
							NZTA subsidy - operational (floods = \$537)	+ 1375
							MBIE for Dunback toilets (unbudgeted)	+ 85
							MBIE for A2O (other grants sourced)	- -165
Other Grants and Donations	398	322	2,388	900	76	23.6%	Trust Aoraki for A2O construction	+ 143
							North Otago Rugby	+ 32
							Kurow Hall committee	+ 10
							Hampden Hall committee	+ 9
							Duntroon Hall committee	+ 9
							Donation for Craig Fountain restoration	+ 10
							Donations for gallery acquisitions	+ 10
							Non-financially assisted roading	- -148
Finance Revenue	1,125	1,233	1,354	1,184	(108)	-8.8%	Funds & Interest rates remain below budgeted levels	
Petrol Tax	189	180	196	193	9	5.0%		
Infringements and Fines	94	53	57	86	41	77.4%		
Dividend and Subvention Payments	504	120	120	790	384	320.0%		
Assets vested in Council	-	-	-	726	-			
Other gains and Losses	435	-	-	(1,618)	435	100.0%		
<b>Total Revenue</b>	<b>44,488</b>	<b>42,479</b>	<b>48,151</b>	<b>47,058</b>	<b>2,009</b>	<b>4.7%</b>		



# Statement of Comprehensive Revenue and Expense

for the eleven months ended 31 May 2018

	2018 11 Months Actual \$000	2018 11 Months Budget \$000	2018 Annual Budget \$000	2017 12 Months Actual \$000	Variance from YTD Budget		Commentary	\$000
					\$000	%		
<b>Expenses</b>								
Personnel costs	9,817	10,340	11,314	10,652	(523)	-5.1%	Wages & salaries	- 562
							Kiwisaver contributions	- 31
							Backfill	+ 81
							Variance arises largely from Roding revaluation	
Depreciation and amortisation	12,220	11,109	12,119	11,887	1,111	10.0%		
Finance Costs	-	-	-	1	-			
Other expenses	21,641	20,417	21,286	22,987	1,224	6.0%	Forestry harvest costs (unbudgeted)	+ 248
							Roding flood repairs	+ 1083
							LED lighting purchases (onsold)	+ 196
							Bad Debts (ORFA loan, Baptiste rates)	+ 200
							Connection expenses	+ 135
							Recruitment costs	+ 83
							Insurance premiums	+ 82
							Preventive maintenance	- 632
<b>Total Expenses</b>	<b>43,678</b>	<b>41,866</b>	<b>44,719</b>	<b>45,527</b>	<b>1,812</b>	<b>4.3%</b>		
<b>Surplus / (Deficit) before Tax</b>	<b>810</b>	<b>613</b>	<b>3,432</b>	<b>1,531</b>	<b>197</b>	<b>32.1%</b>		
<b>Other Comprehensive Revenue and Expense</b>								
Gain/(Loss) on revaluation of Infrastructural Assets	84,924	14,315	14,315	-	70,609	493.3%	Refer commentary	
Gain/(Loss) on revaluation of Properties	-	-	-	9,741				
Other Comprehensive Revenue	-	-	-	-				
<b>Total Other Comprehensive Revenue and Expense</b>	<b>84,924</b>	<b>14,315</b>	<b>14,315</b>	<b>9,741</b>				
<b>Total Comprehensive Revenue and Expense</b>	<b>\$85,734</b>	<b>\$14,928</b>	<b>\$17,747</b>	<b>\$11,272</b>				

## Appendix (a) – YTD Financial Reports at May 2018 (continued)

## Statement of Financial Position

As at 31 May 2018

	2018 Actual At 31 May \$000	2018 Budget year end \$000	2017 Actual year end \$000
<b>Public Equity</b>			
Ratepayers' Equity	310,208	310,208	310,208
Revaluation Reserve	499,859	426,746	415,187
Operating Reserve	23,382	25,448	21,932
Other Reserves	14,457	15,648	14,842
<b>Total Public Equity</b>	<b>\$847,906</b>	<b>\$778,050</b>	<b>\$762,169</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	808,198	740,550	719,240
Intangible Assets	498	820	681
Forestry	226	100	226
Assets held for Sale	1,150	1,150	1,150
Other Financial Assets			
- Investments in CCO's	4,912	4,912	4,912
- Investments in other entities	145	145	145
- Loans to other entities	28,524	25,032	25,060
	843,653	772,709	751,414
<b>Current Assets</b>			
Cash and Cash Equivalents	4,209	2,150	4,483
Receivables	2,705	3,275	3,470
Prepayments	278	285	233
Inventory	11	14	26
Other Financial Assets			
- Term deposits	4,250	6,750	9,425
- Loans to other entities	16	1	16
Assets held for Sale	-	-	369
	11,469	12,475	18,022
<b>Total Assets</b>	<b>855,122</b>	<b>785,184</b>	<b>769,436</b>
<b>Non-Current Liabilities</b>			
Provisions	766	390	788
	766	390	788
<b>Current Liabilities</b>			
Trade and Other Payables	5,408	5,620	5,272
Employee Entitlement Liabilities	1,042	1,050	1,074
Provisions	-	74	133
	6,450	6,744	6,479
<b>Total Liabilities</b>	<b>7,216</b>	<b>7,134</b>	<b>7,267</b>
<b>Net Assets</b>	<b>\$847,906</b>	<b>\$778,050</b>	<b>\$762,169</b>

## Appendix (b) – Variance Reports YTD May 2018

### Notes to assist with interpretation

#### “Funding” includes:

- Income from external sources, whether received or accrued as owing, including
  - Rates
  - Government and other Grants
  - User charges
  - Interest
  - Proceeds of asset sales
- Transfers from Reserves, including
  - Depreciation reserves
  - Special funds
- Adjustments for the unfunding of Depreciation
- Funding derived from new or additional Internal Loans

#### “Expenditure” includes:

- Payments, whether made during the period or due at period end, including
  - Salaries and Wages
  - Other operating costs
  - Capital expenditure
- Depreciation charged for the period
- Transfers to Reserves, including
  - Development and Financial Contributions to Special Reserves
  - Other transfers to Special Reserves
- Internal Loan principal repayments

### Percentage variances

#### Funding

- Positive variance is Favourable, and occurs when actual funding exceeds budget
- Negative variance is Unfavourable, and occurs when actual funding is below budget

#### Expenditure

- Positive variance is favourable, and occurs when expenditure is below budget
- Negative variance is Unfavourable, and occurs when expenditure exceeds budget

		FUNDING YTD Actuals	FUNDING YTD Budget	FUNDING YTD % Variance	EXPENDITURE YTD Actuals	EXPENDITURE YTD Budget	EXPENDITURE YTD % Variance	Actual Surplus or (Deficit)	Budget Surplus or (Deficit)
<b>Assets Group</b>									
Alps 2 Ocean	1	301,115	348,261	-13.5%	346,531	429,098	19.2%	(45,416)	(80,837)
Aquatic Centre		1,563,091	1,584,778	-1.4%	1,420,679	1,617,630	12.2%	142,412	(32,852)
CDEM Liaison	2	116,457	112,002	4.0%	70,558	111,980	37.0%	45,899	22
GM Assets	3	-	-	0.0%	(17,441)	(917)	1802.0%	17,441	917
Parks and Recreation	4	4,741,550	4,941,971	-4.1%	4,699,000	5,441,156	13.6%	42,550	(499,185)
Property	5	6,001,855	6,912,196	-13.2%	5,947,662	9,523,600	37.5%	54,192	(2,611,404)
Roading	6	18,352,645	19,568,856	-6.2%	20,108,429	19,440,148	-3.4%	(1,755,784)	128,708
Solid Waste		1,353,871	1,317,344	2.8%	1,385,510	1,409,822	1.7%	(31,640)	(92,478)
Vehicles General		164,609	171,000	-3.7%	167,874	171,250	2.0%	(3,265)	(250)
Waters	7	14,989,737	15,596,923	-3.9%	15,196,119	17,406,102	12.7%	(206,382)	(1,809,179)
<b>Assets Group Total</b>		<b>47,584,929</b>	<b>50,553,331</b>	<b>-5.9%</b>	<b>49,324,920</b>	<b>55,549,869</b>	<b>11.2%</b>	<b>(1,739,992)</b>	<b>(4,996,538)</b>

## Comment

- 1 - Construction spending has slowed in recent months, leading to a reduction in matching funding
- 2 - 2017/18 budgets were set without much knowledge of how civil defence would operate under ORC control, hence resulting variances
- 3 - Departments affected by Council reorganisation - budgets have not been updated to reflect the changes
- 4 - Parks and Recreation costs variance due to timing of capital projects
- 5 - Property variances due to improved rental income, reduced expenditure on preventive maintenance and delayed capital projects
- 6 - Roading variances result from an initial focus on flood repairs after the July 2017 weather event, and final funding arrangements have still to be resolved. Also delays in projects more recently from adverse weather and other factors
- 7 - Waters variances due to delays with capital projects, which are now progressing, and to final resolution of funding related to the restoration of the Regina Lane sewer pumping facility

## CEO

CEOs Office	3	-	-	0.0%	(10,161)	(7,212)	40.9%	10,161	7,212
Economic Development	8	958,288	915,128	4.7%	1,041,219	856,234	-21.6%	(82,931)	58,894
<b>CEO Total</b>		<b>958,288</b>	<b>915,128</b>	<b>4.7%</b>	<b>1,031,058</b>	<b>849,022</b>	<b>-21.4%</b>	<b>(72,770)</b>	<b>66,106</b>

## Comment

- 3 - Departments affected by Council reorganisation - budgets have not been updated to reflect the changes
- 8 - Economic Development costs include elements related to interns and set up for the Geopark project

		FUNDING YTD Actuals	FUNDING YTD Budget	FUNDING YTD % Variance	EXPENDITURE YTD Actuals	EXPENDITURE YTD Budget	EXPENDITURE YTD % Variance	Actual Surplus or (Deficit)	Budget Surplus or (Deficit)
<b>Council</b>									
Committees		43,021	36,982	16.3%	31,303	32,865	4.8%	11,718	4,117
Community Boards	9	411,064	423,457	-2.9%	367,532	430,177	14.6%	43,532	(6,720)
Election		37,312	32,087	16.3%	30,528	26,250	-16.3%	6,784	5,837
Reporting	10	636,438	599,651	6.1%	571,926	610,330	6.3%	64,512	(10,679)
Waitaki District Council	11	2,524,362	2,590,292	-2.5%	2,189,707	2,604,499	15.9%	334,655	(14,207)
<b>Council Total</b>		<b>3,652,197</b>	<b>3,682,469</b>	<b>-0.8%</b>	<b>3,190,995</b>	<b>3,704,121</b>	<b>13.9%</b>	<b>461,202</b>	<b>(21,652)</b>

## Comment

9 - Community Boards' expenditure on grants is under budget

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

11 - Overheads allocated to Council by various business units are under budget by over \$300k largely due to staff vacancies resulting in reduced costs

**Finance & Corporate Group**

Finance	3	13,695	21,538	-36.4%	(47,897)	19,225	349.1%	61,592	2,313
GM Finance & Corporate Development	3	-	-	0.0%	42,283	-	0.0%	(42,283)	-
Policy Development	3	-	-	0.0%	(18,089)	(362)	4896.9%	18,089	362
Treasury	12	642,255	(370,170)	273.5%	662,202	(102,791)	-744.2%	(19,947)	(267,379)
<b>Finance &amp; Corporate Group Total</b>		<b>655,950</b>	<b>(348,632)</b>	<b>288.1%</b>	<b>638,498</b>	<b>(83,928)</b>	<b>-860.8%</b>	<b>17,451</b>	<b>(264,704)</b>

## Comment

3 - Departments affected by Council reorganisation - budgets have not been updated to reflect the changes

12 - Treasury includes the net gain on asset sales of \$435k, being \$855k of gains reflected in Actual Funding, and \$420k of losses, reflected in Actual Expenditure

12 - Treasury Funding, as well as including property gains, reflects the offset of interest paid on special funds and separate rate accounts, and reduced interest revenue

		FUNDING YTD Actuals	FUNDING YTD Budget	FUNDING YTD % Variance	EXPENDITURE YTD Actuals	EXPENDITURE YTD Budget	EXPENDITURE YTD % Variance	Actual Surplus or (Deficit)	Budget Surplus or (Deficit)
<b>Heritage, Planning &amp; Regulatory Group</b>									
Building Control	3	1,641,719	1,667,975	-1.6%	1,929,314	1,600,144	-20.6%	(287,596)	67,831
Community Safety		148,333	157,166	-5.6%	152,331	168,396	9.5%	(3,998)	(11,230)
GM Heritage Planning & Regulatory	3	2,920	-	0.0%	18,328	(1,707)	-1173.7%	(15,407)	1,707
Health Admin and Inspection	3	1,373,268	1,466,072	-6.3%	1,074,441	1,475,383	27.2%	298,827	(9,311)
Planning	13	1,296,469	1,141,775	13.5%	991,215	1,142,655	13.3%	305,254	(880)
Regulatory Services	3	970	63,350	-98.5%	11,389	32,636	65.1%	(10,420)	30,714
<b>Heritage, Planning &amp; Regulatory Group Total</b>		<b>4,463,679</b>	<b>4,496,338</b>	<b>-0.7%</b>	<b>4,177,017</b>	<b>4,417,507</b>	<b>5.4%</b>	<b>286,661</b>	<b>78,831</b>

Comment

3 - Departments affected by Council reorganisation - budgets have not been updated to reflect the changes

13 - Increased fee revenue, cost reduced due staff vacancies and timing of expenditure on District Plan review has not been as budgeted

**Information Services Group**

GIS/IT	14	166,761	473,093	-64.8%	265,321	550,378	51.8%	(98,561)	(77,285)
GM Information Services		-	-	0.0%	3,199	-	0.0%	(3,199)	-
<b>Information Services Group Total</b>		<b>166,761</b>	<b>473,093</b>	<b>-64.8%</b>	<b>268,520</b>	<b>550,378</b>	<b>51.2%</b>	<b>(101,760)</b>	<b>(77,285)</b>

Comment

14 - Cost reduced due to staff vacancies, capital expenditure in IT/GIS is behind budget by \$336k, results in reduced Funding



		FUNDING YTD Actuals	FUNDING YTD Budget	FUNDING YTD % Variance	EXPENDITURE YTD Actuals	EXPENDITURE YTD Budget	EXPENDITURE YTD % Variance	Actual Surplus or (Deficit)	Budget Surplus or (Deficit)
<b>People and Culture Group</b>									
Customer Contact Team	3	3,965	1,875	111.5%	(22,970)	1,434	1701.8%	26,935	441
Executive Support	3	-	-	0.0%	63,322	-	0.0%	(63,322)	-
Gallery, Museum & Archives	15	1,204,970	1,320,247	-8.7%	1,138,106	1,301,330	12.5%	66,865	18,917
General Grants		358,403	365,140	-1.8%	450,339	383,164	-17.5%	(91,935)	(18,024)
GM People and Culture	3	105	12,591	-99.2%	36,077	14,304	-152.2%	(35,971)	(1,713)
Human Resources	3	16,016	20,655	-22.5%	(9,228)	18,543	149.8%	25,244	2,112
Libraries		1,380,680	1,379,058	0.1%	1,431,102	1,400,762	-2.2%	(50,422)	(21,704)
Oamaru Opera House	16	1,141,062	1,153,091	-1.0%	1,197,970	1,157,424	-3.5%	(56,908)	(4,333)
Recruitment and Retention		-	-	0.0%	11,793	4,000	-194.8%	(11,793)	(4,000)
<b>People and Culture Group Total</b>		<b>4,105,203</b>	<b>4,252,657</b>	<b>-3.5%</b>	<b>4,296,511</b>	<b>4,280,961</b>	<b>-0.4%</b>	<b>(191,308)</b>	<b>(28,304)</b>
<b>Comment</b>									
3 - Departments affected by Council reorganisation - budgets have not been updated to reflect the changes									
15 - Gallery capital expenditure is under budget by \$84k, resulting in reduced funding. Salaries & Wages are also under budget by \$55k due to vacancies									
16 - Opera House revenue and expenditure includes the results of the inaugural Waitaki Arts Festival which incurred a deficit of \$19k									
<b>Total</b>		<b>61,587,006</b>	<b>64,024,384</b>	<b>-3.8%</b>	<b>62,927,521</b>	<b>69,267,930</b>	<b>9.2%</b>	<b>(1,340,515)</b>	<b>(5,243,546)</b>

# Finance, Audit and Risk Committee Memorandum

From **Information Services Group Manager**

Date **10 July 2018**

## Information Services Group Activity Report for the period 1 June to 30 June 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.

### Service Operations

The Service Desk has continued to remain busy, with 484 jobs received in June, compared to 425 in May. The customer satisfaction remains high, even with resourcing shortages, with 100% of customers ratings being above 3 star, and the majority of resolved jobs being rated a 5 star.

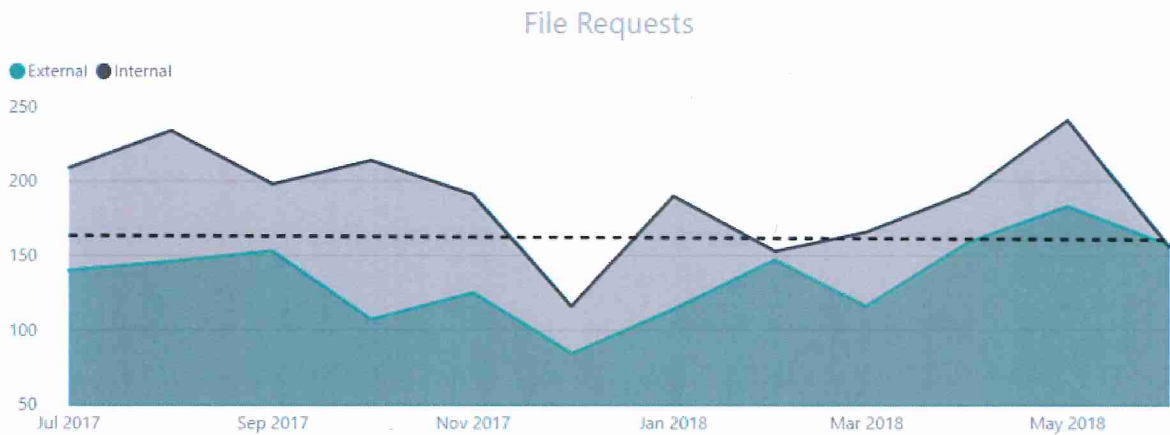
Project work has continued to consume most of the Services Team's time, with little time being spent on BAU. As a result, the total number of active services requests increased compared to the same time last year. A recruitment for a two-year fixed term IT Engineer is underway to cover a current vacancy. This new staff member will enable better project delivery and help the team cover day-to-day operations.



**Information and Records Management**

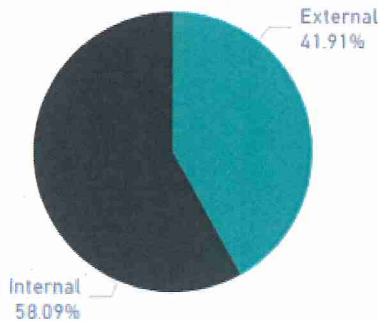
A part-time Information and Records Management contractor has been taken on to cover a staff vacancy while recruitment is taking place.

The diagram below shows the number of property file requests for the past 12 months.

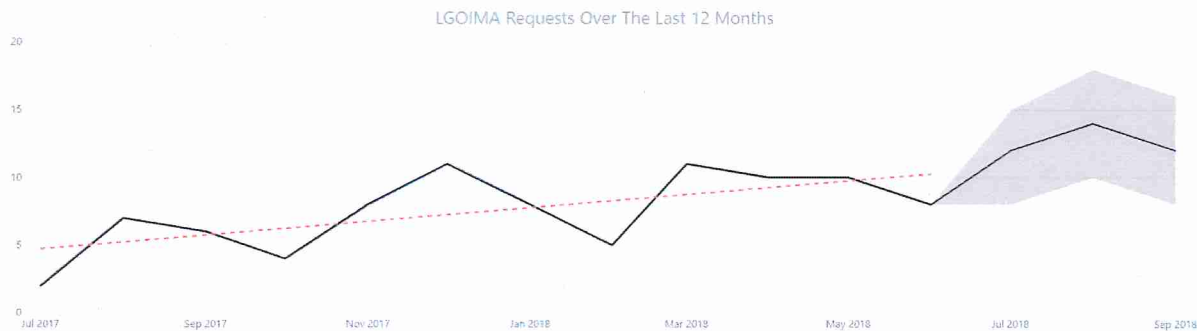


With the majority of property file requests (58.09%) being for internal staff, work is being done to improve the property file request process to make it more efficient. A report is ready to present to the BOLT group.

Internal VS External

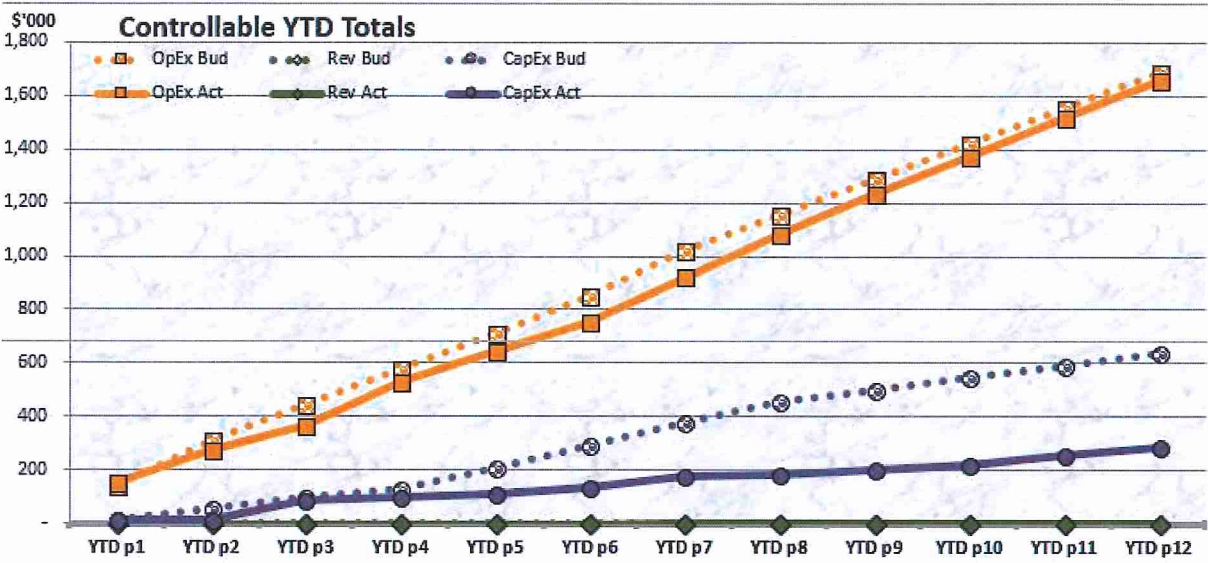


All LOGIMA requests were completed within the legally required time. The Information Management Officer is keeping the Executive Management team and the Mayor updated every week on the LGOIMA requests. The diagram below shows the number of LGOIMA requests over the last 12 months.



# Financials

Every effort is made to monitor spending to ensure the healthy financial position of the Information Services Group. Details of Capex and Opex spending vs budgeted can be found below.



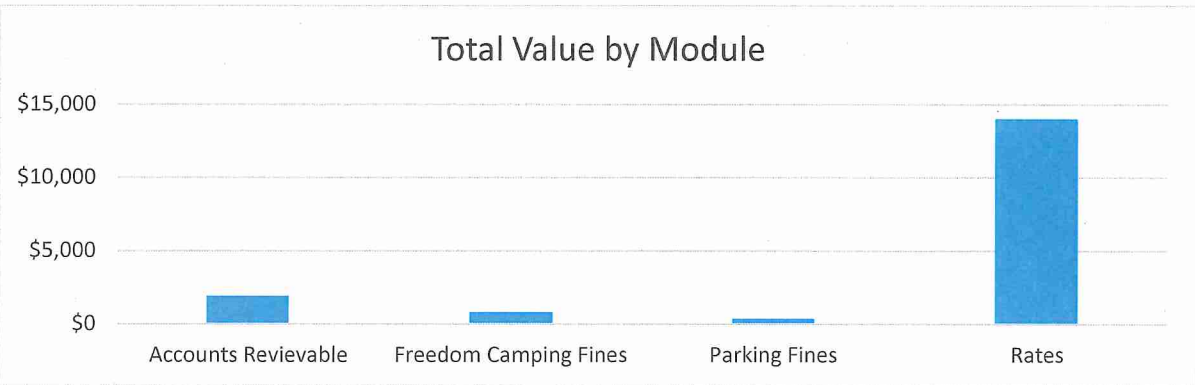
As per previous months, the reason for underspending especially in the Capex is because projects such as Skype for Business are still ongoing and the vendors have not been paid.

## Information Systems

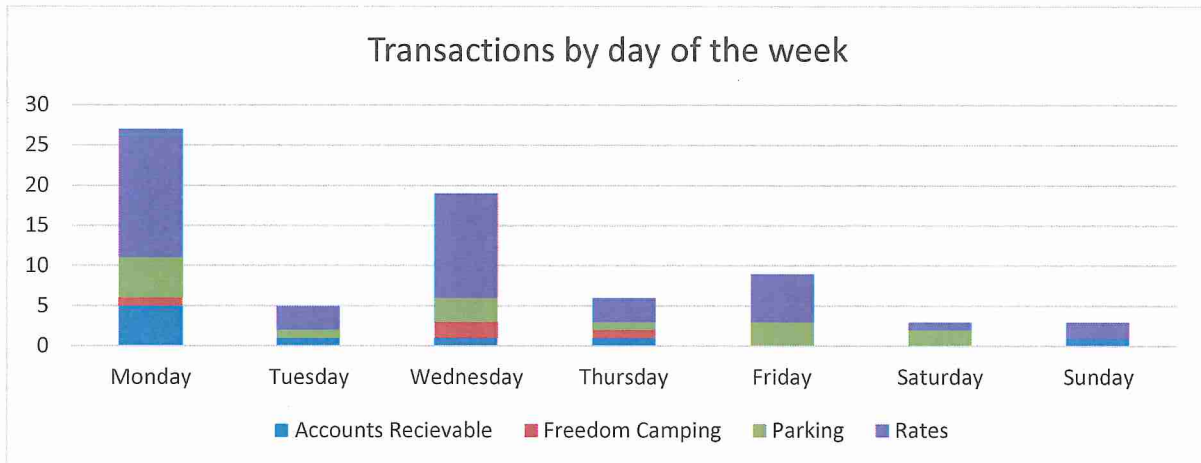
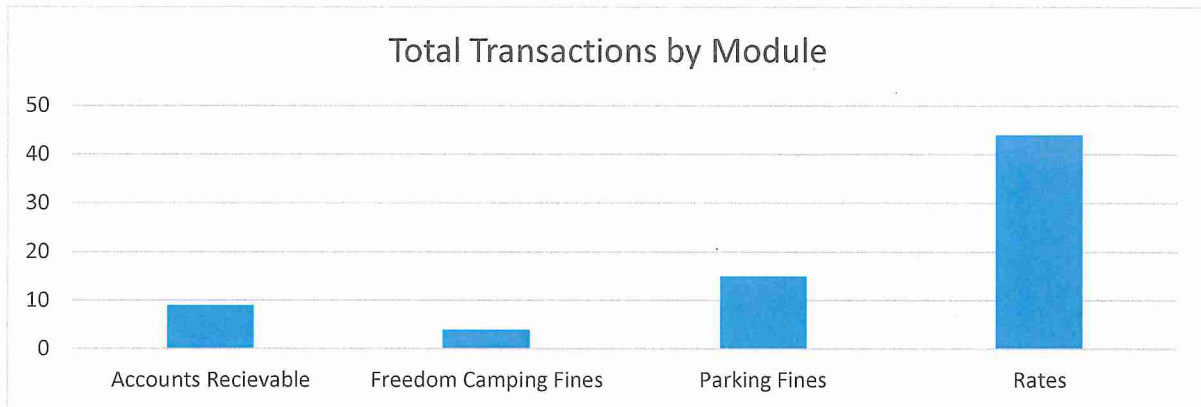
This has been a busy period as IS supports Council teams with their end of year processes and carries out a number of end of year operational tasks as well as the ongoing major projects – Authority Upgrade, BIS and HUB replacement, and Parcel Data Cleansing.

3 Waters has reviewed a number of facilities, creating a large amount of updates for the asset register held in Hansen. The team is working hard to process these as well as other general asset updates for the end of the financial year. Operationally, for 3 Waters, officers have also carried out work on the asset register resulting from the water contract claim, dataloggers have been downloaded, and the water meter reading run was performed.

The grace period for waiving the 2% merchant fee in eServices ended on 30 May. Officers received 72 payments totalling \$17,108 for the 16 week period, and will compare the impact of the 2% fee on the amount of payments following the next rates penalty date in August.







Some major support work has been completed for the Recreation team – supplying data for the Yardstick Report and producing the Contract Variation. A significant amount of support has also been provided to enable the production of the annual Ministry for the Environment (MfE) report on the activity of the Planning department.

Having moved offices last week, the Information Systems team is benefitting from a much quieter office area. Shortlisting is underway for the BA/GIS vacancy with some promising applicants, and the department's intern Remco Cloudt is wrapping up his time leaving substantial documentation with insights helpful to Council reporting management.

### Programme and Project Status

Skype for Business (replacement for the aging phone system) is continuing in the deployment phase and this remains on track with more than half of Council staff migrated to the new platform. The issues that have recently slowed the progress of the call recording software have been resolved, and this portion of the project will now gain momentum once more. This project is certainly on the home-straight now, with only a few deliverables remaining.

The BIS and HUB (legacy reporting tool) replacement continues to make progress. Since the last status report, a small number of reports have passed testing and are ready for Council staff to use day-to-day. These are the first batch, and hopefully this is the beginning of many more to come. There are several other reports in the queue, some requiring testing, while others still need further development. After another batch of reports passes testing, the team will give Council staff access to the new system and begin to remove the old reports.

The contract to engage Civica for the upgrade to V6.11 of the Authority platform has been signed and returned, and the team is now awaiting confirmation of the upgrade date. In the meantime, the team will work closely with each of the business areas to ensure each area is prepared for the upgrade and can complete their testing when the time comes. It is very important that each area of the business is poised and ready for testing as Civica only allows the Council a small amount of time for testing, and if testing fails because of Council's actions, there are time and cost implications.

Phase Two of the Council eServices project continues. The business requirements document has been completed, and this will be distributed to potential vendors as part of a Request for Information (RFI). The intention of the RFI is to identify the most appropriate combination of software and services necessary to achieve the vision and goals of the Building Services team. This phase of the project is very important as it lays the foundations for the future. A Business Case document will be delivered to close this phase of the project.

More information about the current, upcoming, and completed projects can be found in Appendices One, Two and Three.

### **Risk Management and Information Security**

Little progress has been made on further developing National Cyber Security Centre (NCSC)'s Protective Security Requirements (PSR)'s areas of risk management due to staff workload caused by project and operational work.

On information security, the online self-paced phishing awareness programme second phase was started in June with posters encouraging staff to take the training without delay. 83 staff, or 48% of all staff, have completed the training in less than two weeks. The training take-up rate is much higher compared to other organisation taking the similar approach.

No other significant risk or information security technical issues have been identified. An activity plan is being developed for the financial year to continue to elevate Council's information security capability. Proposed work includes continued development and approval of IS policies, finishing introducing the risk management framework, conducting a Council-wide IS risk stocktake, assessing and prioritising risks and mitigations, and upgrading Council's firewall and other IS infrastructure.



Bill Chou  
**Information Services Group Manager**

#### **Attachments:**

Appendix One – Current Projects

Appendix Two – Upcoming Projects

Appendix Three – Completed Projects

### **Appendix One – Current Projects**

Project Name	Status Update	% Completed	Status
Authority 6.11 Upgrade	The contract with Civica to upgrade Authority to V6.11 has been signed and returned. We await the confirmation of the proposed upgrade date. The team are now focussing on preparing the business for the upgrade.	7%	
Council eServices – Phase 2	The Business Requirements Document has been completed and a Request for Information to suitable vendors has now commenced.	5%	
Digital Asset Management <sup>1</sup>	A Business Case and recommendation has been completed to implement the WebDam Digital Asset Management system. The Business Case is with the Chief Executive for consideration.	40%	

<sup>1</sup> Digital asset management (DAM) enables the Council to get more value from creative assets like images and videos by making them easy to organise, access and distribute. As a result, activities such as marketing is streamlined.



Skype for Business	The project is currently in the final stage of deployment. The project team started to deploy users into Skype for Business from Mid-May via a staged rollout approach. The project team has completed Skype for Business roll out for all Staff in Headquarters Building and Cucina except Customer Liaison Team. The project team is the process of deploying Staffs to Skype for Business in the Museum, Opera House, Library, and HQ Customer Liaison team. In the next phase of the project, the project team will deploy Call centre software for the Customer Liaison Team and call recording software for all staff.	80%	
ProMapp (Process Mapping)	Jesse has submitted the draft of the Recommendations Report to the Programme Manager, and has uploaded his audit document as the internship has concluded. The Recommendations Report will be reviewed prior to being submitted to the BOLT for their consideration.	80%	
BIS and HUB Replacement (Development of a new Council reporting system)	Steady progress is still being achieved, and overall the results are good. A small number of reports are ready or the customer. A production-line of reports now await testing and or development. When the next batch of reports are ready for customers, the legacy reports will be removed on a case-by-case basis.	40%	
Parcel Data Cleaning (Cleaning of backbone Authority data to make it more meaningful and presentable) <sup>2</sup>	The project continues to progress but the hold-up with Civica updating data as requested is creating a backlog of subsequent tasks.	50%	
Infocouncil (Council Meetings and Governance Management system)	The Infocouncil project made comparatively slower progress in the last period, due to project resources needing to be redirected to other, critical organisational work (eg support for the LTP, office reconfigurations). The diversion of project resources and the consequential delay to the Infocouncil project were approved by the Project Sponsor Lisa Baillie. Despite constraints, IT project team members have resolved system bugs and new settings issues; purchased and successfully tested LG Hub's integration with Infocouncil; and produced some draft user guidelines. With other organisational work mostly completed by end June, diverted resources will be redirected to Infocouncil during July. Work will include finalising user guidelines (initial review and testing has started), testing templates and systems procedures, and then user acceptance testing and final/refresher training for report-writers, authorisers, and administrators will be completed.  (continued next page)	80%	

<sup>2</sup> Please refer to the Systems Team section for details.

	A Councillor workshop on the use and benefits of Infocouncil and LG Hub is planned for late July. It will be followed by pilot tests of the integrated Infocouncil / LG Hub system, starting with the FAR Committee Meeting of 14 August, then the Committees Day Meetings (four) on 28 August, and finally the Council Meeting of 11 September.		
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### Key

No Issues reported or exceptions within tolerance – no action required	Project performance outside tolerance level or a number of minor issues reported – attention required	Project performance outside tolerance, more than one issue reported, high probability of project failure – Intervention required
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## Appendix Two – Upcoming Projects

Project Title	Brief Description
WDC Web Presence and Community App	The Information Services team have developed a good understanding of the Web and Online needs of Council, and this has reached a point where a project is required to ensure momentum is maintained. Although the project is only just beginning, there are some clear options for an updated web site, community app and social media management system to help Council and the Community. The website, social media and community app must complement one-another, and work together.
Recreation and Parks	The Recreation team has a number of challenges related to the booking of facilities and management of assets. Team members are working with the Programme Manager to develop a proposal to improve their business functions. There are several opportunities to make improvements that can benefit Council and the Community.
Property Management	Similar to the Recreation team, the Property team has some asset management challenges and also some potential for improvements in its leasing management system. The Programme Manager is working closely with the Property team to develop a proposal to improve their business functions. Ideally, there will be commonality across the asset management systems.
Recruitment System	A proposal for the implementation of an online recruitment tool has now been developed, and is awaiting internal review. The goal is to remove much of the manual labour required to manage the application and interview process.

## Appendix Three – Completed Projects

Project Title	Brief Description
Council eServices – Phase 1	The first phase of eServices has been completed. Payments to Council, such as Rates, can now be fulfilled online.
Authority LTP Submission and Reporting	LTP Submissions have closed. A significant amount of reporting has been developed to support the LTP process. The scope was extended to include the Development Contributions Consultation and Revenue and Financing Policy Consultation as well.

# *Finance, Audit and Risk Committee*

## *Memorandum*

From **Finance and Corporate Development Group Manager** Date **10 July 2018**

### **Finance and Corporate Development Group Activity Report for the period 1 June to 30 June 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 various finance, business development, policy, and health and safety matters.

#### **Discussion**

June is the financial year end and most of the keys tasks and priorities are on preparing for the end of one year and the start of another. To add a little further excitement, the finance and rates teams were relocated during the month.

#### **Finance – Policy and General**

The key objective for the month was completing all of the financial components for the Long Term Plan and working with Audit New Zealand to get a clear audit opinion. This was successfully completed, with the adoption of the LTP and issuing of an unmodified audit opinion on 26 June. The finalised budgets have been distributed to all budget holders in preparation for the new financial year.

#### **Finance – Accounting and Transactional**

As noted above, the finance team relocated to the second floor during the month. This was quite a change as the finance function had been located on the ground floor of the building since it opened. Although the timing was not ideal, it did prove to be a good opportunity to start the year-end tidy up a little earlier than usual.

#### **Finance – Rates**

Unlike most of the other finance-related functions – where the end of the financial year is really just another month end – in the rates area, this is the most critical time of the year. There are specific deadlines set in the Local Government (Rating) Act 2002 that must be followed if the rates are to be set correctly. Ensuring all maintenance has been performed and updated is a key task during the month. This maintenance includes not only all sales notices but all other changes to the property including the attachment of the correct rates and charges. Due to the size and complexity of the rates database, the process to close off one year and start another must be done outside of normal work hours. The rates team completed this work before the year end, and is now finalising the setting of the rates prior to the distribution of the first instalment information.

#### **Policy**

The adoption of the Long Term Plan and supporting policies represents a significant milestone in every Council cycle. As the Mayor noted at the Council Meeting on 26 June, this is a whole of Council process and is the conclusion of more than 12 months of sustained effort. However, there are a few matters that still need to be completed.

The first of them is getting the document finalised and making it and all the supporting information available through the website. The next matter is drafting the letters to respond to submitters, and the last is to debrief the whole process. It is proposed that Council's debrief be undertaken after the Policy and Strategy Manager has attended the sector-wide debrief in mid-August, as the latter is usually a valuable source of information as to what worked and what did not work at other councils.



**Corporate and Business Development**

Once again, there were no major developments in this area during the month, as all available resources were directed to the LTP. It would be useful to have guidance from the Committee as to what its' priority areas to help develop a work programme for the coming year.

The Corporate Planner role is expected to be re-advertised in the near future.

**Health and Safety**Safehold Incidents June 2018

There were four incidents and three corrective measures reported for action.

Three of the four incidents were reported at the pool, all of which were minor in nature. One incident was from a staff member working off-site who slipped in the mud and sprained an ankle.

Other

Wellness checks were completed in June for staff who opted to do this, and workplace assessments were completed for most of the staff whose work stations were relocated in the recent change.

The Health and Safety Officer's position interviews are taking place this week.



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