



AGENDA

RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

FINANCE, AUDIT AND RISK COMMITTEE

to be held on Thursday 23 May 2019 commencing at 9.00 am
in the Council Chambers, 36 Weld Street, Hokitika

Chairperson: Cr Martin (Deputy)

Members: His Worship the Mayor

Cr Carruthers

Cr Havill ONZM

Cr Olson

Kw Tumahai (or Representative)

Cr Lash (Deputy)

Cr Eatwell

Cr Neale

Cr Routhan

Kw Rochford (or Representative)



Council Vision:

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. KARAKIA TĪMATANGA OPENING KARAKIA

Kia hora te marino
Kia whakapapa pounamu te moana
Hei hurahai mā tātou
I te rangi nei
Aroha atu, aroha mai
Tātou i a tātou katoa
Hui e! Tāiki e!

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Give love receive love
Let us show respect for each other
Bind us all together!

2. NGĀ WHAKAPAAHA APOLOGIES

(includes leave of absence notification)

3. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

4. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –
- (a) the local authority by resolution so decides, and
 - (b) the presiding member explains at the meeting at a time when it is open to the public, –
 - (i) the reason why the item is not on the agenda; and
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- (7A) Where an item is not on the agenda for a meeting, –
- (a) that item may be discussed at the meeting if –
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

5. NGĀ MENETI O TE HUI KOMITI MINUTES OF COMMITTEE MEETING

Pages 6-9

6. PŪRONGO KAIMAHI STAFF REPORTS

Pages 10-35

7. WORKPLAN

Page 36

8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

The general subject of the matters to be considered while the public are excluded, the reason 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 the resolution are as follows:

| Item No. | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|-----------------|--|--|--|
| 1. | Confidential Minutes –18 April 2019 | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |
| 2. | Quarterly Report on Whistleblower Services | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |
| 3. | Health and Safety Initiatives - Report | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |

| Item No. | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|-----------------|--|--|--|
| 4. | Fraud Questionnaire | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public area as follows:

| Item No. | Interest |
|-----------------|---|
| 1 | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)) |
| 2 | Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)) |
| 3 | Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)) |
| 4 | Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)) Maintain legal professional privilege (Schedule 7(2)(g)) |

**DATE OF NEXT MEETING – 27 JUNE 2019
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA**



FINANCE, AUDIT AND RISK COMMITTEE MINUTES

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 18 APRIL 2019 COMMENCING AT 9.00 AM

PRESENT

Chairperson: Cr Martin (Deputy)
Members: His Worship the Mayor
Members: Cr Lash (Deputy) Cr Carruthers
Cr Eatwell Cr Havill ONZM
Cr Neale Cr Olson
Kw Tumahai (from 9.06 am)

1. KARAKIA TĪMATANGA OPENING KARAKIA

The Opening Karakia was read by the Chair, Deputy Mayor Martin.

2. NGĀ WHAKAPAAHA APOLOGIES

- Kw Tumahai for lateness
- Cr Routhan for the full meeting.

Moved Cr Olson, seconded Cr Neale and **Resolved** that the apologies from Kw Tumahai for lateness and Cr Routhan for the full meeting be received and accepted.

ABSENT

Kw Rochford

STAFF PRESENT

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services; T. Cook, Regulatory Services Manager; D. Inwood, Group Manager District Assets; D. Tharandt, Capital Projects Manager; E. Rae, Strategy and Communications Advisor; J. Kagigi, Accountant; D.M. Maitland, Executive Assistant and Committee Secretary.

3. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register was circulated and no amendments were received.

4. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

There were no urgent items of business that were not on the Committee Agenda.

5. NGĀ MENETI O TE HUI KOMITI MINUTES OF COMMITTEE MEETING – 28 FEBRUARY 2019

Moved Cr Havill, seconded Deputy Mayor Lash and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting, held on the 28 February 2019 be confirmed as a true and correct record of the meeting, subject to the following amendment:

Page 7 – “Ross” Water Treatment Plant
Amended to “Fox Glacier” Water Treatment Plant.

6. PŪRONGO KAIMAHI STAFF REPORTS

6.1 Quarterly Performance Report to 31 March 2019

The Group Manager: Corporate Services advised that the purpose of the report is to inform the Committee of its financial and service delivery performance for the three months ended 31 March 2019.

The Accountant and Strategy and Communications Officer introduced the report and opened the report for any questions:

Kw Francois attended the meeting at 9.06 am.

- Operating costs are \$364,000 above budget.
- Total operating expenditure is \$850,000.
- Operating costs were forecast to be higher.
- Forecast Expenditure – Noted that there had been higher expenditure and that there has also been quite a few savings in areas.
- Claim Back of Costs – noted that there will be some costs in the report that Council will be able to claim back, one of which will be the grant money for the West Coast Wilderness Trail.
- Forecast of recovery of salary for HR due to transfer to the West Coast Regional Council.

- Noted that for the vehicle costs, there is more travel and vehicle operations that have been increased in the budget.
- Condition Assessments – there are some condition assessment budgets that have not been fully expended.

Moved Cr Havill, seconded Cr Olson and **Resolved** that the Committee receives the Quarterly Performance Report to 31 March 2019.

7. WORKPLAN

The Group Manager Corporate Services advised that Audit New Zealand will be here the week beginning 13 May 2019 to undertake the Interim Audit, with the Final Audit in September 2019.

Moved Cr Olson, seconded Kw Tumahai and **Resolved** that the Committee receives the Rolling Workplan.

8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

Moved Deputy Mayor Lash, seconded Kw Tumahai and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987, at 9.18 am.

The general subject of the matters to be considered while the public are excluded, the reason 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 the resolution are as follows:

| Item No. | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|----------|---|---|--|
| 1. | Confidential Minutes – 28 February 2019 | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |
| 2. | Risk Register | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information |

| | | | |
|-----------|-------|--|--|
| | | | for which good reason or withholding exists. Section 48(1)(a) |
| 3. | Rates | Good reasons to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a) |

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public area as follows:

| Item No. | Interest |
|----------|---|
| 1 & 2 | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i)) |
| 3 | Protect information where the making available of the information: (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b)). |

Moved Deputy Mayor Lash, seconded Cr Olson and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed, and accordingly, the meeting went back to the open part of the meeting at 10.02 am.

MEETING CLOSED AT 10.02 AM

Confirmed by:

Deputy Mayor Latham Martin
Chair – Finance, Audit and Risk Committee

Date

Report



DATE: 23 May 2019

TO: Finance, Audit and Risk Committee

FROM: Finance Manager

FINANCIAL PERFORMANCE: APRIL 2019

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for ten months to 30 April 2019.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Finance, Audit and Risk Committee receive the financial performance report to 30 April 2019, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 The committee receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2018-28.

3 CURRENT SITUATION

- 3.1 The committee now receives a monthly financial summary report in a consistent format.
- 3.2 The Financial Performance Report to 30 April 2019 is attached as **Appendix 1** and contains the following elements:
 - 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual amounts.
 - 3.2.2 Update on Rates Debtors.
 - 3.2.3 Whole of Council Cost of Service Statement.
 - 3.2.4 Variance analysis
 - 3.2.5 Unbudgeted expenditure
 - 3.2.6 Debt report including budgeted debt, forecast debt and actual debt.
 - 3.2.7 Capital Expenditure 2018-19
 - 3.2.8 Carryover Schedule 2018-19
 - 3.2.9 Balance Sheet

4 OPTIONS

- 4.1 The committee can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

6 RECOMMENDATION

- A) **THAT** the Finance, Audit and Risk Committee receive the Financial Performance Report to 30 April 2019.

Lavinia Hamilton
Finance Manager

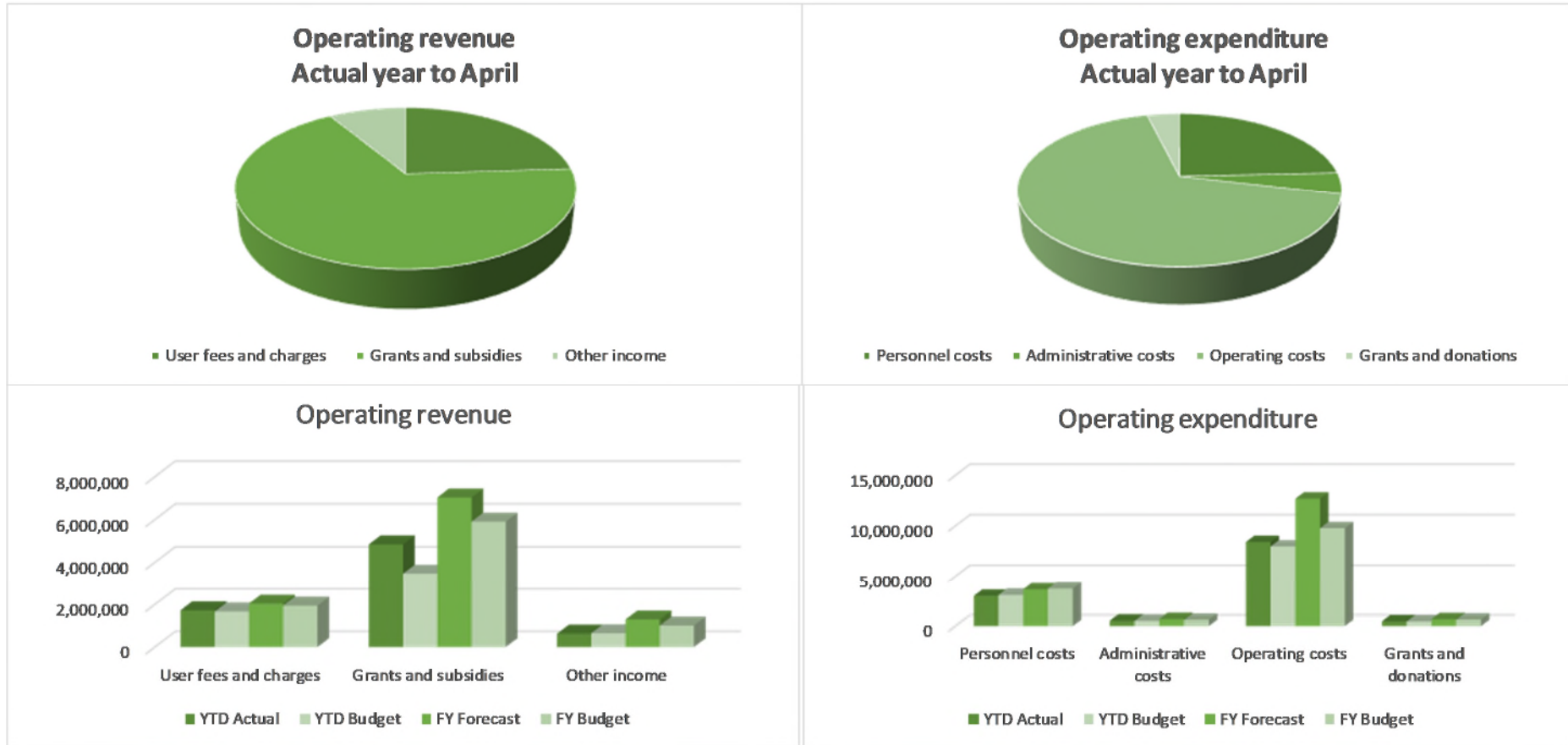
Appendix 1: Financial Performance April 2019

Appendix 1



Financial Performance April 2019

Graphs: Operating Revenue and Expenditure



| | User Fees & Charges | Grants & Subsidies | Other Income |
|-------------|---------------------|--------------------|--------------|
| Actual YTD | 1,724,871 | 4,840,611 | 628,238 |
| Budget YTD | 1,669,529 | 3,468,522 | 643,064 |
| Variance | 55,343 | 1,372,089 | (14,826) |
| FY Forecast | 2,038,184 | 7,032,410 | 1,293,293 |
| FY Budget | 1,945,649 | 5,904,264 | 1,009,013 |

| | Personnel | Administration | Operating | Grants & Donations |
|-------------|-----------|----------------|------------|--------------------|
| Actual YTD | 3,033,483 | 560,151 | 8,422,547 | 481,779 |
| Budget YTD | 3,120,947 | 546,248 | 7,980,132 | 480,101 |
| Variance | (87,464) | 13,903 | 442,415 | 1,678 |
| FY Forecast | 3,674,671 | 713,303 | 12,709,292 | 703,182 |
| FY Budget | 3,749,231 | 638,465 | 9,786,009 | 656,620 |

Rates Debtors as at 30 April 2019

| | | |
|---|-----------|------------------|
| Rates Debtors at 31 March 2019 | | 871,079 |
| Rates instalment | 3,578,895 | |
| Less payments received | (469,853) | |
| Paid in advance change | (682,597) | |
| Previous years write off's | | |
| Write off's | (15,831) | |
| Penalties | (4,887) | |
| Discounts | 131 | |
| Court costs awarded | | |
| | | 2,405,859 |
| Total Rates Debtors at 30 April 2019 | | 3,276,937 |
| Arrears included above at 30 April 2019 | 3,276,937 | |
| Arrears at 30 April 2018 | 3,302,416 | |
| Increase/(decrease) in arrears | | (25,479) |

Debt Management April 2019

| FY Year | Apr-19 | Apr-18 | Mar-19 |
|----------------|------------------|------------------|----------------|
| Pre 2015 | 107,412 | 149,483 | 108,199 |
| 2015-16 | 37,822 | 54,788 | 40,109 |
| 2016-17 | 48,429 | 120,317 | 51,041 |
| 2017-18 | 97,140 | 2,977,827 | 118,003 |
| Current | 2,986,134 | | 553,727 |
| Total | 3,276,937 | 3,302,416 | 871,079 |

Cost of Service Statement

| WESTLAND DISTRICT COUNCIL | Year to April | | | Full Year 2018-2019 | |
|---|-------------------|-------------------|------------------|---------------------|-------------------|
| | Actual | Budget | Variance | FY Forecast | Budget |
| Operating revenue | | | | | |
| Rates (includes targeted rates and metered water) | 14,827,946 | 14,806,506 | 21,440 | 15,596,071 | 15,595,906 |
| User fees and charges | 1,724,871 | 1,669,529 | 55,343 | 2,038,184 | 1,945,649 |
| Grants and Subsidies | 4,840,611 | 3,468,522 | 1,372,089 | 7,032,410 | 5,904,264 |
| Other income | 628,238 | 643,064 | (14,826) | 1,293,293 | 1,009,013 |
| Overhead recoveries | 5,579,739 | 5,979,623 | (399,884) | 6,775,664 | 7,175,548 |
| Total revenue (A) | 27,601,406 | 26,567,244 | 1,034,162 | 32,735,622 | 31,630,380 |
| Operating expenditure | | | | | |
| Personnel costs | 3,033,483 | 3,120,947 | (87,464) | 3,674,671 | 3,749,231 |
| Administrative costs | 560,151 | 546,248 | 13,903 | 713,303 | 638,465 |
| Operating costs | 8,422,547 | 7,980,132 | 442,415 | 12,709,292 | 9,786,009 |
| Grants and donations | 481,779 | 480,101 | 1,678 | 703,182 | 656,620 |
| Overheads | 5,572,099 | 5,932,400 | (360,301) | 6,757,833 | 7,118,134 |
| Total operating expenditure (B) | 18,070,059 | 18,059,828 | 10,232 | 24,558,282 | 21,948,459 |
| Net operating cost of services - surplus/(deficit) (A - B) | 9,531,347 | 8,507,416 | 1,023,930 | 8,177,341 | 9,681,921 |
| Other expenditure | | | | | |
| Interest and finance costs | 566,431 | 630,558 | (64,127) | 692,543 | 756,670 |
| Depreciation | 5,154,578 | 4,940,679 | 213,899 | 6,209,680 | 5,928,815 |
| (Gain)/loss on investments | - | - | - | - | - |
| (Gain)Loss on swaps | 209,651 | 163,144 | 46,507 | 242,280 | 195,773 |
| (Gain)Loss on disposals | (148,200) | - | (148,200) | (148,200) | - |
| Total other expenditure (C) | 5,782,460 | 5,734,382 | 48,079 | 6,996,302 | 6,881,258 |
| Total expenditure (D = B + C) | 23,852,519 | 23,794,209 | 58,310 | 31,554,584 | 28,829,717 |
| Net cost of services - surplus/(deficit) (A - D) | 3,748,887 | 2,773,035 | 975,852 | 1,181,038 | 2,800,663 |

Variance Analysis

| | |
|------------------------------|---|
| Operating Revenue | |
| Rates revenue | Overall currently a positive variance, some negative variances to budget for remissions, discounts, offset by positive variances for both penalties and metered water. However, metered water is expected to meet budget as expected reduction in usage due to the significantly less visitors specifically within the Franz Josef and Fox areas. |
| User fees and charges | Building Control below budget by \$53K, across all fees, however on par with the prior financial year. Refuse site fees above budget by due to correction of the posting period. Vehicle operations are above budget by \$29k due to additional vehicles and more travel. Animal control, while under budget by \$32k, is higher by \$17k on last year's fees & charges as now inhouse. |
| Grants and Subsidies | \$962K of grant funding received for WCWT grant, \$946k of this budgeted in previous financial year. \$546k for responsible camping, this grant was unbudgeted and is offset by operational and capital expenditure. No claim can be made for the remaining grant as Council did not proceed with several of the projects. NZTA Grant \$94k below budget, reforecast above budget due to the large amount of works required by the March flooding event. |
| Other Income | Interest Revenue below budget \$14K, loan funded capital expenditure is currently being funded by cash flow reducing interest income and loan interest expenditure. There is a reduction in cost recoveries income, this reduction in income is offset by reduction in recoverable expenditure. |
| Operating Expenditure | |
| Personnel costs | Lower personnel costs due to unfilled vacancies, offset by increased expenditure on recruitment, contractors and consultants costs. A number of positions have recently been filled. |
| Administrative costs | Software Licencing above budget by \$70K, mostly due to the unbudgeted IBIS financial reporting system, however offset by lower computer operating costs through savings of \$40K. Reduction in photocopying and printing costs across all departments of \$25k due to a drive to reduce printing. |
| Operating costs | Transport maintenance costs over budget by \$79k, however likely to significantly increase due to the storm damage at the end of March. Waste water is \$161K above budget due to plant requiring repairs and maintenance as well as unbudgeted condition assessments. There are also \$125K to date of unbudgeted responsible camping operational expenditures offset by grant. Parks and Reserves \$64K above budget YTD, as maintenance costs are higher than budgeted over all areas. |
| Grants and Donations | Grants are mostly on budget with some slight variations with phasing, however this has increased with \$8.5k being spent on the Chinese delegation and \$1.3k on the War memorial for Westland Soldiers in France. |
| Other Expenditure | |
| Depreciation | Depreciation is above budget as budgeted depreciation was lowered by audit through the LTP process. Depreciation is forecasted to be above budget at the end of the financial year. |
| (Gain)/Loss on Swaps | Swap values are based on market factors and are difficult to predict. Any gain or loss on swaps would not materialise unless swaps were cashed in before maturity. |
| (Gain)/Loss on Disposal | Unbudgeted sale of reserve land at the variance between the sale and book value. The variance is significant as reserves are not valued at market rate due to the fact that they are not easily saleable. The sale price is transferred to reserves for specific use within the community with which it was from. |

Unbudgeted Expenditure

Council Approved

| Dated Approved | Description | Amount Approved \$ | Amount Spent \$ | Status |
|----------------|---|--------------------|-----------------|---|
| Aug-18 | Purchase of Land for Wastewater treatment plant | 285,000 | 285,000 | Sale and Purchase agreement being drafted |
| Aug-18 | Funding of War memorial in France | 1,300 | 1,300 | \$100 per soldier approved |
| Aug-18 | Policy on Mining Conservation Land | 20,000 | | |

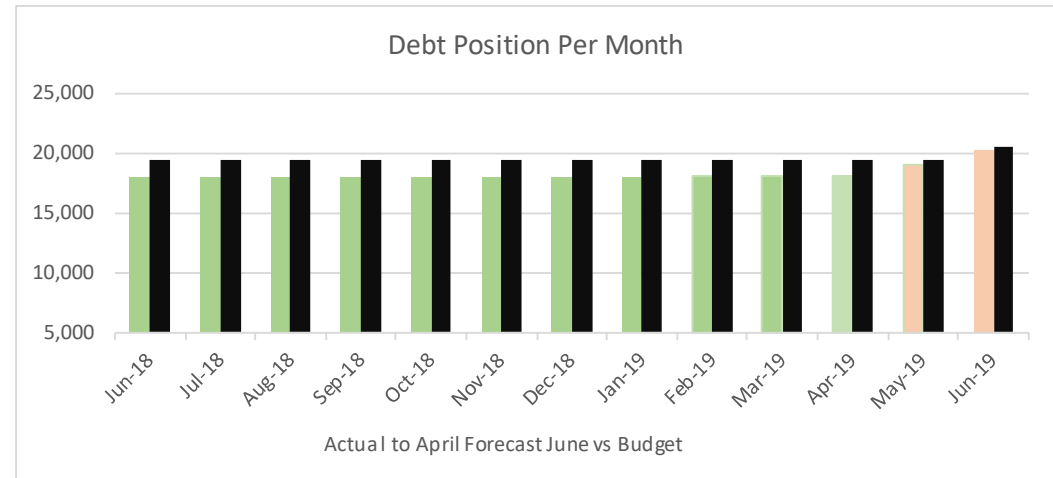
Management Approved

| | | | |
|------------------------------------|----------------|----------------|--|
| IBIS Financial Reporting Software | 70,000 | \$76,570 | Approved amount is \$60,000 AUD, savings in MagiQ Performance \$20,000 |
| Employment of Mayors PA | 38,388 | 32,306 | Started Employment 10th September |
| Kumara Visitor Experience (TIFF) | 61,350 | 2,092 | Total is Our contribution Only |
| Whataroa Toilets (TIFF) | 100,250 | 2,092 | Total is Our contribution Only |
| Ross Toilets (TIFF) | 106,750 | 2,092 | Total is Our contribution Only |
| ELMO - HR Software | 31,018 | 31,018 | 50/50 Split with WCRC |
| Street Decorations | 24,000 | 32,892 | Cost of installing Christmas lights |
| HR and Health & Safety Contractors | 123,600 | 92,800 | Total is Council's contribution only |
| Huanggang Sister City Project | 10,000 | 8,454 | China delegation- partnership visit to include WFF. |
| March Flood Event | | 11,346 | This will be significant expenditure but yet as unknown as expenditure is yet to come through the financials |
| Total | 871,656 | 566,616 | |

April Debt Position

Forecast Debt Position per Long Term Plan for the 2018-19 Financial Year

| Forecast as at | Jul-18 | Apr-19 |
|-----------------------------------|---------------|---------------|
| Opening Balance | 18,018 | 18,018 |
| Loan funded capex forecast | 3,998 | 3,905 |
| Forecast repayments 2018-19 | (1,571) | (1,753) |
| Forecast balance June 2019 | 20,446 | 20,170 |



| | Debt Position per month | | | | | | | | | | | | |
|---|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
| Budget | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 19,402 | 20,446 |
| Forecast at 1 July 2018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 19,401 | 19,401 | 19,401 | 19,401 | 19,401 | 19,401 | 20,446 |
| Actual + Forecast | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,018 | 18,959 | 20,170 |
| Waste Management loan | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,307 | 2,672 |
| Water Supply loan | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,178 | 2,122 | 2,534 |
| Wastewater loan | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 1,485 | 2,100 | 2,304 |
| Structured Infrastructure loan for Council assets | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 | 7,845 |
| Stormwater loan | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 702 | 1,065 |
| Transportation | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 685 | 718 |
| Vehicle loan | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 34 |
| Cass Square | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 123 |
| Conveniences | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 446 | 659 |
| Other | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 486 |
| Hokitika Water supply upgrade | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 2,538 | 1,729 |

Capital Projects

| Capital Projects 2019-20 | | 30/04/2019 | Forecast on Budget | Forecast over Budget | Legend - Key | | |
|--|----------------|------------------|--------------------|----------------------|------------------|--|--|
| | | | | | | | Project Delayed - Will not be completed by 30th June 2019 |
| | | | | | | | Project on-Track - Will be completed by 30th June 2019 |
| | | | | | | | Project Complete - 100% Progress |
| Project / Activity | YTD E | 2018-19 Budget | Forecast | Budget Track | Progress / Track | | Progress Comments |
| LEADERSHIP | | | | | | | |
| Information Management - DMS | 25,739 | 50,000 | 50,000 | | | | This is a project that spans 2 years, therefore will not be expected to be completed by the end of this financial year. Planning is taking place therefore costs will materialise throughout the year. |
| IT Equipment renewals - Annual Network | 4,586 | 32,000 | 15,000 | | | | This should be below budget due to the new servers however there is still some work to be done between the floors |
| IT Equipment renewals - Upgrades to workstations | 23,151 | 12,000 | 32,000 | | | | Increased the forecast for workstation upgrades but reduced the network upgrades forecast correspondingly |
| IT Equipment renewals - Webcam replacement | | 2,500 | 2,500 | | | | Quote received, evaluating options, will be purchased before EOY |
| IT Equipment renewals - Disaster recovery servers | | 40,000 | 0 | | | | Delayed this year, due to obtaining suitable offsite location |
| Council HQ - Refurbishment | | 100,000 | 100,000 | | | | stage of project to be completed this year |
| IT Equipment renewals - Civil Defence Laptop | | 5,000 | 5,000 | | | | |
| Civil Defence - Civil defence Kits | 5,663 | 4,800 | 5,663 | | | | Ongoing |
| IT Equipment renewals - Councillors Tablets | 1,618 | | 1,618 | | | | Completed |
| | 60,757 | 246,300 | 210,163 | | | | |
| LIBRARY | | | | | | | |
| Library - Electrical upgrade | 28,375 | 29,300 | 29,000 | | | | Almost complete. Smaller IT purchases outstanding, likely to be slightly underbudget. |
| Library - Audio/Visual Resource | 1,470 | 4,324 | 4,324 | | | | |
| Library - Books | 29,210 | 45,403 | 45,403 | | | | |
| Library - Large Print Books | 4,817 | 6,486 | 6,486 | | | | |
| | 63,872 | 85,513 | 85,213 | | | | |
| WATER SUPPLY | | | | | | | |
| Kumara - Mains upgrade programme | | 15,000 | 15,000 | | | | site visit with contractor 17/05, only investigative work to be completed this financial year |
| Kumara - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | Components purchased |
| Kumara - Disinfection upgrades programme | | 2,222 | 0 | | | | provision for chlorination in place, only needed if legislation changes, carry over |
| Kumara - Telemetry | 5,279 | 3,333 | 5,279 | | | | in progress |
| Arahura - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | To be completed with new plant, carry over |
| Arahura - Disinfection upgrades programme | | 2,222 | 0 | | | | provision for chlorination in place, only needed if legislation changes, carry over |
| Arahura - Telemetry | | 3,333 | 0 | | | | To be completed with new plant, carry over |
| Arahura - Water treatment plant | 16,431 | 365,000 | 265,000 | | | | Water testing completed successfully, option studies in progress to present to land owners, remainder of budget will be carried over to next year to complete project |
| Hokitika - Mains upgrade programme | 3,208 | 300,000 | 300,000 | | | | Hampden Street, Contract awarded to Westroads & kick-off meeting on 15/05/2019 |
| Hokitika - Pumps Upgrade Brickfield | 9,419 | 25,000 | 25,000 | | | | Pumps arrived and installation planned |
| Hokitika - Water meter replacements | 1,698 | 90,000 | 50,000 | | | | Contractor has scoped work & pricing of instruments received; options now reviewed |
| Hokitika - Generator | 41,203 | 45,000 | 45,000 | | | | Completed |
| Hokitika - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | Components purchased |
| Hokitika - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Hokitika - Telemetry | | 3,333 | 3,333 | | | | in progress |
| Ross - Mains upgrade programme | | 120,000 | 70,000 | | | | Forecast works are expected in the last quarter, some money to be carried over and project to be completed next year |
| Ross - Building Repairs and Stabilisation | 6,622 | 15,000 | 15,000 | | | | Physical work completed |
| Ross - Water Source | 237 | 20,000 | 20,000 | | | | Underway, DoC to approve work methodology before it can start |
| Ross - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | Components purchased |
| Ross - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Ross - Telemetry | 380 | 3,333 | 3,333 | | | | in progress |
| Hari Hari - Mains upgrade programme | 2,102 | 15,000 | 15,000 | | | | Currently being investigated, awaiting costing from contractor |
| Hari Hari - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | Components purchased |
| Hari Hari - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Hari Hari - Telemetry | | 3,333 | 3,333 | | | | in progress |
| Whataroa - Treatment Components upgrade programme | 3,760 | 2,778 | 0 | | | | Components purchased |
| Whataroa - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Whataroa - Telemetry | 3,624 | 3,333 | 3,624 | | | | in progress |
| Franz Josef - Mains upgrade programme | 317 | 90,000 | 0 | | | | carried forward to next financial year |
| Franz Josef - Raw Water Source | 110,339 | 220,000 | 220,000 | | | | Work nearly complete, intake break tank required (too high pressure) which will be extra work |
| Franz Josef - Blower Electrics & SCADA | 39,016 | 32,000 | 39,016 | | | | Completed |
| Franz Josef - Treatment Components upgrade programme | 7,082 | 2,778 | 7,082 | | | | Components purchased |
| Franz Josef - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Franz Josef - Telemetry | 380 | 3,333 | 3,333 | | | | in progress |
| Fox Glacier - Plant upgrade | | 400,000 | 100,000 | | | | Tender out on GETS, tender award only end June, majority of work to be carried over until next year |
| Fox Glacier - Mains upgrade programme | | 80,000 | 80,000 | | | | site visit with potential contractor 16/05, requirements clearly defined so work could progress quickly |
| Fox Glacier - Treatment Components upgrade programme | | 2,778 | 0 | | | | To be completed with new plant, carry over |
| Fox Glacier - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Fox Glacier - Telemetry | | 3,333 | 0 | | | | To be completed with new plant, carry over |
| Haast - Treatment Components upgrade programme | 2,135 | 2,778 | 0 | | | | Components purchased |
| Haast - Disinfection upgrades programme | | 2,222 | 0 | | | | Provision for chlorination in place, only needed if legislation changes, carry over. |
| Haast - Genset project (March Flood Event) | 2,322 | | | | | | |
| Haast - Telemetry | 380 | 3,333 | 3,333 | | | | in progress |
| | 266,607 | 1,907,000 | 1,291,667 | | | | |

| | | | | | | |
|--|------------------|------------------|------------------|--|--|--|
| WASTEWATER | | | | | | |
| Hokitika - WWTP upgrade | | 275,000 | 275,000 | | | Plant components arrived and working well, ponds are recovering, design being finalised for further work |
| Hokitika - Mains upgrade programme | | 60,000 | 60,000 | | | Work in progress, contractor site visit 16/05 |
| Hokitika - Pump upgrade | | 20,000 | 20,000 | | | on West Drive, should be completed this year |
| Hokitika - Pump upgrade (Kaniere) | | 130,000 | 130,000 | | | Should be completed this year |
| Hokitika - Kaniere Road catchment | 10,566 | 50,000 | 50,000 | | | In progress |
| Hokitika - WW Network Growth | | 2,500 | 2,500 | | | |
| Franz Josef - WWTP upgrade | 1,274,026 | 2,250,000 | 1,000,000 | | | in progress, delays due to weather but all else is going well |
| Franz Josef - WW Network Growth | | 2,500 | 2,500 | | | |
| Fox Glacier - Mains upgrade programme | | 32,000 | 32,000 | | | Network investigation underway |
| Fox Glacier - WWTP upgrade | | 100,000 | 100,000 | | | Aerators and intakes on order |
| Fox Glacier - WW Network Growth | | 2,500 | 2,500 | | | |
| Haast - WW Network Growth | | 2,500 | 2,500 | | | |
| | 1,284,592 | 2,927,000 | 1,677,000 | | | |
| STORMWATER | | | | | | |
| Hokitika - Mobile generator | 23,809.76 | 30,000 | 30,000 | | | Completed |
| Hokitika - Mains upgrade programme | 39,975.90 | 25,000 | 35,000 | | | Completed |
| Hokitika - Pump upgrade (Tancred) | 225.00 | 200,000 | 0 | | | Consultant working on final design, carry over until next year |
| Hokitika - Pump upgrade (Sewell) | 83,281.72 | 100,000 | 100,000 | | | Pump purchased and installed |
| Hokitika - Pump upgrade (Rolleston) | | 20,000 | 0 | | | to be carried forward to next year, delays in input data |
| Hokitika - Pump upgrade (Hoffman) | | 50,000 | 0 | | | to be carried forward to next year, delays in input data |
| Hokitika - Extension Weld St | | 130,000 | 0 | | | to be carried forward to next year, delays in input data |
| Hokitika - Realignment Beach St | | 20,000 | 20,000 | | | Waiting on construction works |
| Hokitika - Extension Jollie St | 37,881.26 | 240,000 | 240,000 | | | Consultant scoping project, CCTV undertaken to finalise design |
| Hokitika - Mains upgrade new developments | 5,549.80 | 10,000 | 10,000 | | | May be a carryover, investigations not complete |
| | 190,723 | 825,000 | 435,000 | | | |
| SWIMMING POOLS | | | | | | |
| Swimming Pool Ross - EQ strengthening | | 10,000 | 10,000 | | | |
| Hokitika Swimming Pool ventilation System | 20,000 | 20,000 | 20,000 | | | Project moved forward from year 2 of the LTP |
| | 20,000 | 10,000 | 10,000 | | | |
| COMMUNITY SERVICES DEVELOPMENT | | | | | | |
| Footpath upgrades - Kokatahi | | 27,000 | 27,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Kumara | 12,000 | 10,000 | 12,000 | | | Costs split between current year and carry over project, finished |
| Footpath upgrades - Fox Glacier | | 3,000 | 3,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Kaniere | | 1,000 | 1,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Ross | | 3,000 | 3,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Franz Josef | | 20,000 | 20,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Whataroa | | 1,000 | 1,000 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Hari Hari | | 1,500 | 1,500 | | | Surfacing of footpaths included in resealing contracts |
| Footpath upgrades - Haast | | 1,500 | 1,500 | | | Surfacing of footpaths included in resealing contracts |
| | 12,000 | 68,000 | 70,000 | | | |
| RESPONSIBLE CAMPING | | | | | | |
| Toilets, Motor Vehicles, Refuse & Recycling Bins and Signage | 142,104 | 0 | 142,000 | | | Installation well underway, three sights operational. Expenditure to be fully subsidised by MBIE |
| | 142,104 | 0 | 142,000 | | | |
| NEW TOILET & ASSOCIATED FACILITIES | | | | | | |
| Franz Josef Toilets | 58,631 | 0 | 58,631 | | | Completed |
| Whataroa Toilets | 2,092 | 0 | 100,250 | | | Currently being Designed |
| Ross Toilets | 2,092 | 0 | 106,750 | | | Currently being Designed |
| Kumara Visitor Experience | 21,370 | 0 | 61,350 | | | Currently being Designed |
| Okarito Toilets | 9,893 | 0 | 9,893 | | | Completed |
| Fox Toilets | 57,344 | 0 | 57,344 | | | Completed |
| | 151,421 | 0 | 394,217 | | | |
| ANIMAL CONTROL | | | | | | |
| Motor vehicles | 33,594 | 0 | 33,594 | | | Animal control vehicle, completed. |
| | 33,594 | 0 | 33,594 | | | |
| ELDERLY HOUSING | | | | | | |
| Revell St roofing project | 21,420 | 20,000 | 0 | | | Glazing & insulation project rescheduled for the next financial year |
| | 21,420 | 20,000 | 0 | | | |
| WCWT | | | | | | |
| West Coast Wilderness Trail - Enhancement | 256,105 | 0 | 256,105 | | | Cost has been recovered from MBIE |
| West Coast Wilderness Trail - Enhancement | | 70,000 | 70,000 | | | |
| | 256,105 | 0 | 256,105 | | | |
| SOLID WASTE | | | | | | |
| Haast - Preparation for new cell | | 10,000 | 10,000 | | | |
| Butlers - Site Shed | | 15,000 | 15,000 | | | Completed, costs yet to come in. |
| Carbon credits | 76,500 | 0 | 76,500 | | | Completed |
| | 76,500 | 25,000 | 101,500 | | | |
| LAND & BUILDINGS | | | | | | |
| Buildings - Greypower windows | | 8,000 | 8,000 | | | project with Destination Westland |
| Carnegie Building Upgrade | 32,686 | 0 | 32,686 | | | |
| | 32,686 | 8,000 | 8,000 | | | |
| ISITE & MUSEUM | | | | | | |
| Museum - Photo booth | | 2,400 | 0 | | | To be carried forward into next financial year |
| i-Site - Booking Computers | | 7,500 | 7,500 | | | |
| i-Site - Interactive mapping | | 11,780 | 11,780 | | | Not sure if able to proceed due to no longer having the in-house qualifications. |
| i-Site - Self service computers | | 4,900 | 4,900 | | | |
| i-Site - Website development | 10,000 | 10,000 | 10,000 | | | |
| i-Site - Replacements of equipment | | 3,000 | 0 | | | any replacements to be under IT renewals |
| | 10,000 | 39,580 | 34,180 | | | |

| PARKS & RESERVES | | | | | | |
|---|------------------|------------------|------------------|--|--|---|
| Reserves - Waterfront development | | 50,000 | 50,000 | | | |
| Reserves - Cass Square - Demolish Grandstand | | 15,000 | 15,000 | | | |
| Reserves - Cass Square - Building improvements Pavilion | | 20,000 | 20,000 | | | |
| Reserves - Cass Square - Rubber matting | | 20,000 | 20,000 | | | Completed, costs paid in previous financial year |
| Reserves - Haast | | 10,000 | 10,000 | | | community project, carry over |
| | 0 | 115,000 | 115,000 | | | |
| TRANSPORTATION | | | | | | |
| Unsealed Road Metalling (3030) | 331,705 | 286,500 | 331,705 | | | Work completed |
| Sealed Road Resurfacing (3031) | | 850,000 | 850,000 | | | Awarded to Fulton Hogan, Work well under way to be invoiced |
| Maintenance - Drainage Renewals (3032) | 9,114 | 159,000 | 159,000 | | | Ongoing Programme. Within Maintenance contract |
| Structures Component Replace (3033) | 227,384 | 212,500 | 227,384 | | | Ongoing Programme. Currently Sharing large costs for William Stewart with GDC |
| Traffic Services Renewals (3034) | 69,758 | 127,500 | 127,500 | | | Ongoing programme, pavement Marking yet to come out of this. Awarded to Fulton Hogan as part of Reseal contract |
| Sealed Road Pavement Rehabilitation | 43,274 | 80,000 | 80,000 | | | Ongoing Programme. Within Maintenance contract |
| Sealed Road Resurfacing (3070) | | 159,000 | 159,000 | | | Awarded to Fulton Hogan, Work has started yet to be invoiced |
| Maintenance - Drainage Renewals | | 27,000 | 27,000 | | | |
| Structures Component Replace (3072) | 62 | 53,000 | 53,000 | | | |
| Traffic services renewals | 9,452 | 11,000 | 11,000 | | | Ongoing Programme. Within Maintenance contract |
| Sealed Road Pavement Rehabilitation | | 150,000 | 150,000 | | | Ongoing Programme. Within Maintenance contract |
| Low Cost Low Risk - Local | 14,625 | 545,000 | 545,000 | | | 2 Projects this year, Cauldron Creek & Fox Creek. Likely to be lower cost options than originally scoped |
| Low Cost Low Risk - SPR | | 35,000 | 35,000 | | | Project Yet to be fully scoped. |
| Total | 705,374 | 2,695,500 | 2,755,589 | | | |
| | 3,327,755 | 8,971,893 | 7,619,227 | | | |

Carryover Schedule to 2018-19

| Activity | Detail | Funded by | Requested Amount \$ | Actual \$ | Forecast \$ | Notes |
|-----------------------|---|--------------|---------------------|-----------|-------------|--|
| Township Development | Upgrade footpaths and driveways over next three years | Depreciation | 5,000 | 5,000 | 5,000 | Repairs and maintenance footpaths, Kumara. Planned early 2019 |
| Township Development | Repairs and Maintenance to Hokitika Statues | Depreciation | 5,000 | 0 | 5,000 | Statue upgrades of lighting etc. commenced -Budget required for this. 2018 - 19. |
| Water Supply | Kumara - Water treatment plant - seismic valves | Depreciation | 30,000 | 0 | 30,000 | To be carried over to next year (2019-20) |
| Water Supply | Whataroa - Water treatment plant | Depreciation | 153,008 | 323,169 | 315,000 | Overspend, almost completed, will finish this year (2018-19) |
| Water Supply | Whataroa - Seismic valves | Depreciation | 20,000 | | 20,000 | To be carried over to next year (2019-20) |
| Wastewater | Hokitika - Mains upgrade | Depreciation | 126,856 | 55,946 | 126,856 | One project completed (Z-line)- others underway - completions march 2019. |
| Wastewater | Haast - Mains upgrade | Depreciation | 20,000 | 0 | 20,000 | |
| Wastewater | Haast - De-sludge oxidation ponds | Depreciation | 150,000 | 0 | 150,000 | Planned for March / April 2019 |
| Township Development | New footpaths - Franz | Depreciation | 25,000 | 0 | 25,000 | Cron Street - planned 2019 |
| Township Development | Footpath upgrades - Hokitika | Depreciation | 27,000 | 37,758 | 37,758 | Completed |
| Township Development | Footpath upgrades - Kumara | Depreciation | 5,000 | 5,000 | 5,000 | Repairs and maintenance footpaths, Kumara. Planned early 2019 |
| Township Development | Footpath upgrades - Franz | Depreciation | 15,000 | 0 | 15,000 | Business area development, Cron Street upgrade. DOC/Ngai Tahu. April 2019 |
| Parks & Reserves | Reserves - Cass Square - Repairs to Statues | Depreciation | 5,000 | 0 | 5,000 | Lighting & upgrades of Cass Squ. statues & bases. - mid- 2019 |
| IT Equipment Renewals | IT Equipment Renewals | Depreciation | 86,848 | 86,848 | 86,848 | Server upgrade. Project completed |
| Water Supply | Hokitika - Mains Upgrades | Depreciation | 81,507 | 17,867 | 81,507 | To be completed this year (2018-2019) |
| Water Supply | Ross - Water Treatment Plant - Seismic Valves | Depreciation | 30,000 | 0 | 30,000 | To be carried over to next year (2019-20) |
| Water Supply | Whataroa - Pump Upgrades | Depreciation | 35,000 | 0 | 35,000 | planned with Plant upgrade |
| Water Supply | Fox Glacier - Seismic Valves | Depreciation | 30,000 | 2,934 | 30,000 | To be carried over to next year (2019-20) |
| Cemeteries | Cemetery - Hokitika Upgrade & Expansion | Depreciation | 10,000 | 0 | 10,000 | Forward works planned. |
| Township Development | Township Maintenance - Kumara Rubbish Bins | Depreciation | 3,000 | 0 | 3,000 | To be completed this year (2018-2019) |
| Township Development | Township Maintenance - Hokitika Rubbish Bins | Depreciation | 7,000 | 0 | 7,000 | To be completed this year (2018-2019) |
| Township Development | Township Maintenance - Fox Rubbish Bins | Depreciation | 3,000 | 0 | 3,000 | To be completed this year (2018-2019) |
| Township Development | Township Maintenance - Haast Rubbish Bins | Depreciation | 2,000 | 0 | 2,000 | To be completed this year (2018-2019) |
| Reserves | Reserves - Cass Square - Repairs To Statues | Depreciation | 5,000 | 0 | 5,000 | See previous notes. - works planned. |
| Reserves | Reserves - Lazar Park Upgrade | Depreciation | 45,000 | 22,569 | 45,000 | Funds needs retaining for community project |

| | | | | | | |
|----------------------|--|--------------------------|------------------|------------------|------------------|--|
| Township Development | Footpath Upgrades | Depreciation | 45,000 | 0 | 45,000 | Works now scoped - ready to proceed. |
| Buildings | Council HQ Refurbishment | Loan Funding | 104,767 | 74,326 | 104,767 | Works underway need to retain funds. |
| Township Development | Bruce Bay Toilets | Loan Funding | 23,024 | 0 | 23,024 | |
| Township Development | Haast Township- New Toilet Facilities, Dump Station, Shelter, Bus Depot & Carpark | Loan Funding | 262,880 | 391,485 | 262,880 | Planning underway - programmed to start in Dec 2018. |
| Township Development | Sunset Point - New Toilets, Shelter & Carparks | Loan Funding | 500,000 | 0 | 500,000 | Works now progressing - design being finalised. |
| Solid Waste | Franz Josef Landfill | Loan Funding | 25,000 | 0 | 25,000 | Expected to occur in March 2019 |
| Solid Waste | Intermediate Capping for Butlers | Loan Funding | 50,000 | 60,048 | 50,000 | Completed |
| Solid Waste | Landfill- Haast - Digout new Cell | Loan Funding | 3,740 | 0 | 3,740 | |
| Solid Waste | Haast intermediate cap current cell | Loan Funding | 10,000 | 0 | 10,000 | Development scoping underway with new team / Mgr. |
| Water Supply | Kumara - Water treatment plant | Loan Funding | 346,004 | 304,769 | 346,004 | Completed |
| Wastewater | Franz Josef - New WWTP | Loan Funding | 60,836 | 60,836 | 60,836 | Project in tendering / design process |
| Transportation | Hokitika Gorge & Whitcombe Valley Road - Upgrade Of Existing Toilet Facilities, Carparks, Road Widening, Seal & Extension. | Loan Funding | 68,056 | 956,639 | 68,056 | Work now nearing completion - weather dependent |
| Water Supply | Hokitika - River Water Intake Upgrade | Loan Funding | 25,322 | 259,024 | 259,024 | Completed |
| Water Supply | Fox Glacier - Water Treatment Plant Upgrade | Loan Funding | 50,000 | 5,014 | 50,000 | Planned for new year |
| Wastewater | Hokitika - WWTP Upgrade | Loan Funding | 298,333 | 138,451 | 298,333 | Items on order - works underway |
| Wastewater | Fox Glacier - WWTP upgrade | Loan Funding | 100,000 | 7,487 | 100,000 | Items again on order - need to retain funds |
| Township Development | Franz Josef Urban Revitalisation Plan | Reserves | 100,000 | 0 | 100,000 | Awaiting further study / work with community, regional council and central government on a "master plan" for the township before this streetscape / revitalisation work takes place. |
| Reserves | Reserves - Marks Road Reserve | Reserves | 10,000 | 0 | 10,000 | Works planned in this financial year. Prior to June 2019 |
| Reserves | Reserves - Hokitika Waterfront Development | Recreation Contributions | 72,045 | 20,443 | 72,045 | Works planned in this financial year. Prior to June 2019 |
| Reserves | Reserves - Hokitika Heritage Trail signs | Reserves | 3,500 | 0 | 3,500 | Works planned in this financial year. Prior to June 2019 |
| Total | | | 3,083,725 | 2,835,611 | 3,490,177 | |

Statement of Financial Position as at 30 April 2019

| Balance Sheet as at 30 April 2019 | Actual Apr-19 \$'000 | Council Budget as at 30th June 2019 \$'000 | Actual as at 30th June 2018 \$'000 |
|---|-------------------------------------|---|---|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3,895 | 5,570 | 2,021 |
| Debtors and other receivables | 4,718 | 2,354 | 5,277 |
| Other financial assets | 27 | 0 | 310 |
| Inventory | 0 | 0 | 0 |
| Work in progress | 0 | 0 | 0 |
| <i>Total current assets</i> | 8,640 | 7,923 | 7,609 |
| Non-current assets | | | |
| Property, plant and equipment | 426,440 | 459,716 | 429,889 |
| Intangible assets | 62 | 81 | 143 |
| Derivative financial instruments | 0 | 0 | 5 |
| Council Controlled Organisations | 8,695 | 8,695 | 8,695 |
| Other Financial Assets | 525 | 401 | 302 |
| Investment property | 0 | 0 | 0 |
| Term inventory | 0 | 0 | 0 |
| Assets under construction | 8,881 | 0 | 2,698 |
| <i>Total non-current assets</i> | 444,603 | 468,893 | 441,732 |
| Total assets | 453,243 | 476,816 | 449,340 |
| Liabilities | | | |
| Current liabilities | | | |
| Creditors and other payables | 1,275 | 2,087 | 2,604 |
| Derivative financial instruments | 0 | 0 | 1 |
| Borrowings | 0 | 1,701 | 3,000 |
| Employee entitlements | 202 | 182 | 358 |
| Provisions | 0 | 0 | 0 |
| Tax payable | 3 | 3 | 3 |
| Other current liabilities | 252 | 377 | 461 |
| <i>Total current liabilities</i> | 1,732 | 4,351 | 6,428 |
| Non-current liabilities | | | |
| Derivative financial instruments | 751 | 500 | 545 |
| Borrowings | 18,018 | 18,745 | 15,018 |
| Employee entitlements | 35 | 20 | 35 |
| Provisions | 2,179 | 2,089 | 2,179 |
| Deferred Tax | 32 | 28 | 32 |
| <i>Total non-current liabilities</i> | 21,016 | 21,382 | 17,810 |
| Total liabilities | 22,748 | 25,733 | 24,238 |
| Net assets | 430,495 | 451,084 | 425,104 |
| Equity | | | |
| Retained earnings | 151,474 | 151,581 | 148,031 |
| Restricted reserves | 9,570 | 7,347 | 7,622 |
| Revaluation reserves | 269,387 | 292,091 | 269,387 |
| Other comprehensive revenue and expense reserve | 64 | 64 | 64 |
| Net assets | 430,495 | 451,084 | 425,104 |

Report



DATE: 23 May 2019

TO: Finance, Audit and Risk Committee

FROM: Group Manager: Corporate Services

UPDATE ON AUDIT RECOMMENDATIONS YEAR ENDED 30 JUNE 2018

1 SUMMARY

- 1.1 The purpose of this report is to present the Committee with an update on the actions being taken on recommendations in the Audit Management Report for the year ended 30 June 2018 by Audit NZ.
- 1.2 Under the terms of reference part (f) the Finance, Audit and Risk Committee are responsible for the review of the external audit recommendations and any actions that staff are taking to address the recommendations.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the next Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receive the Update on Audit Recommendations for the year ending 30 June 2018.

2 BACKGROUND

- 2.1 Audit Management Reports are provided annually from the Interim Audit and also final Audit to Council, and provide commentary and recommendations on observations made by the audit team during the Annual Report audit process.
- 2.2 In the first instance, the CE and Group Manager: Corporate Services receives a draft report for staff to provide a response to the comments. This then enables elected members to receive a full report on the issues and recommendations and the action to be taken by staff to address them.

3 CURRENT SITUATION

- 3.1 The recommendations cover all areas of Council, from IT services through to mandatory KPI reporting.
- 3.2 Staff have been addressing these recommendations throughout the year, however some may require longer term solutions.
- 3.3 The Audit recommendations with staff actions to date are attached as **Appendix 1**.

4 OPTIONS (WITH ANALYSIS)

- 4.1 The Committee can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information and deemed to be of low significance. No consultation is required.

6 RECOMMENDATION

- A) **THAT** the Committee receives the update on Audit recommendations for the year ended 30 June 2018.

Lesley Crichton
Group Manager, Corporate Services

Appendix 1: Audit recommendations and staff action for Audit Management Report 30 June 2018

| # | Audit recommendation | Staff action to date | Status |
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| 2.3 | Preparation for audit | | |
| | <ul style="list-style-type: none"> A quality review of the draft annual report be performed before it is provided for audit. | <p><i>It was accepted by audit that due to staffing shortages throughout Council information was not received in a timely manner to enable a review. These vacancies have now been filled, this should allow for information for the report to be received earlier and the report prepared earlier allowing for a full review to be carried out.</i></p> <p><i>A new reporting tool has been procured which will assist finance to prepare the statements with little manual intervention which will also allow for the report to be prepared earlier and allow for review time.</i></p> <p><i>This reporting system is currently progressing through implementation</i></p> | In Progress |
| | <ul style="list-style-type: none"> A complete substantiation file be produced to support the information in the Annual Report. | <p><i>A file was prepared, however Audit have been proactive in the last 12 months and have now produced a Substantiation file toolbox which staff will be referring to for the preparation of the file for the financial year audit.</i></p> <p><i>This provides clear guidance of what Audit expect to see in the file.</i></p> | In Progress |
| | <ul style="list-style-type: none"> Review year-end adjustments and the completeness and accuracy of accruals and changes to provisions. | <p><i>Comment as per the first point under 2.3 above</i></p> | In Progress |
| 3 | Asset condition information | | |
| | <ul style="list-style-type: none"> The Council continues to improve its asset information; and | <p><i>This process has been in progress throughout the year. There are financial constraints to get all information completed in this financial year, therefore will not fully be completed by the end of this year.</i></p> | In Progress |

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| | <ul style="list-style-type: none"> ensure the condition information is considered at part of the 2018/19 infrastructure valuations. | <p><i>The 3 waters engineer is working with the contractor on this.</i></p> <ul style="list-style-type: none"> <i>- For the 2018/19 infrastructure asset valuation there are normal processes that are followed for the roading assessment.</i> <i>- The condition assessment of assets is still in its early stages and as such the benefit of using the data for these valuations is limited and we are not confident of the value of using the current information. It is expected that this information will be much improved in 3 years in time for the next round of valuations.</i> <i>- The condition valuations can be considered and included for 2018/19, and we can do one with the condition valuations and one without.</i> | In Progress |
| 3 | Service request system | | |
| | Implement systems and controls to ensure the information recorded in the service request system is complete and accurate. | <p><i>The current service request system is very cumbersome in entering a response time, arrival on site and close off time.</i></p> <p><i>The Assetfinda system is being developed for use in this area, however this will take some time and is not yet available.</i></p> | In Progress |
| 3.1 & 6.2 | Assets and asset revaluation | | |
| | <ul style="list-style-type: none"> That all assets within a class should be revalued to ensure compliance with accounting standards. This includes assets in subsidiaries. | <p><i>The reserve land was not included in the land and buildings revaluations as this land is difficult and costly to sell, therefore the assumption is that any revaluation benefit would be lost on disposal of the land.</i></p> <p><i>This treatment is consistent with other West Coast Councils, however it is agreed that WDC has significantly more of this land than other WC councils, and will consider reclassing into reserve land for future revaluations.</i></p> | In Progress |

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| | <ul style="list-style-type: none"> The Council consider aggregating and revising the existing asset classes for land and buildings. | <i>Not yet progressed this due to no revaluations taking place on this asset class for financial year 2018/19</i> | Not Started |
| | <ul style="list-style-type: none"> That management carry out regular reviews of the fixed assets register (FAR) to confirm the existence and ownership of assets. | <i>Finance staff have been reviewing the fixed asset register, however some assets are only identified as existing/ownership during the 3 yearly revaluation cycle. One entry during the current financial year has been identified as being incorrectly entered into Councils FAR and an amendment will be made for the end of year accounts, depending on total materiality with determine whether a prior year adjustment is required.</i> | In Progress |
| | <ul style="list-style-type: none"> Management need to improve the in-house fair value assessment in 2019. | <i>Revaluations taking place this year will supersede FV assessments. Land and Building revalued previous year will not likely have changed significantly in value to need formal valuations.</i> | Completed |
| | <ul style="list-style-type: none"> Infrastructure assets be revalued in 2019. | <i>This is currently in progress and should not have been included as an issue, as these revaluations were not due until financial year 2018/19.</i> | In Progress |
| | <ul style="list-style-type: none"> Capitalisation policy | <i>A policy has been prepared and has been provided to staff</i> | Completed |
| 4.1 | Rates | | |
| | <ul style="list-style-type: none"> The Council put processes in place to ensure compliance of its rates setting and collection processes with legislation. | <i>Council now uses the IBIS rates modelling system to provide rates calculations and checks against the MagiQ system. This current year rates resolution was reviewed by Audit NZ after using this system and agreed correct.</i> | Completed |
| | <ul style="list-style-type: none"> An independent check of rates calculations be performed to ensure that they are accurate. | <i>An independent review is always carried out, however errors in the MagiQ system provided incorrect data to review against. The IBIS rates modelling system provides for a check on the data</i> | Completed |

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| | <ul style="list-style-type: none"> • A control be put in place to ensure that the rates levied are consistent with the rates resolution. | <i>The IBIS rates modelling system provides for a check on the data used for the rates resolution.</i> | Completed |
| 4.2 | Landfill provision | | |
| | The Council should change its accounting policy of recognising landfill assets at revaluation to the cost method. Revaluing landfill assets creates a high level of accounting complexity that is not necessary | <i>Management agree, and the policy has been changed so that the landfill assets are not revalued.</i> | Completed |
| 4.3 | Traffic counts | | |
| | As part of the new arrangements with BECA, the Council put in place an appropriate, formal traffic count programme for calculating smooth travel exposure reporting. | <i>Beca have created a cyclic program for traffic counting that we have been working through with Westroads. We have also purchased 4 new Counters that will enhance and replace some of our aging unit.</i> | Completed |
| 4.4 | NZTA claim process | | |
| | <ul style="list-style-type: none"> • Improve the process for compiling NZTA subsidy claims to ensure they align to the GL. | <i>Work in this area is progressing after the issues found through this audit process and also NZTA audit. A project lead has been appointed and will working to put in place a workable solution that incorporates both findings here and from the NZTA audit.</i> | In Progress |

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| | <ul style="list-style-type: none"> Introducing an independent, evidenced review of the claim before it is submitted | <i>See comment above</i> | In Progress |
| 4.5 | Super-user access | | |
| | The current super user access rights should be reviewed and employees who do not require system admin access removed | <i>This has been reviewed, only 2 IT staff have super user access rights and the system providers have 2 logins to enable system support. No other logins have a super user access.</i> | Completed |
| 5 | Increase the maturity of the information systems management framework and supporting processes by: | | |
| | <ul style="list-style-type: none"> Developing an information systems strategic plan. | <i>It is expected this will be completed and ready for review within the next 2 months</i> | In Progress |
| | <ul style="list-style-type: none"> Developing an information security policy. | <i>This has not yet been started, IT staff need to complete the Information systems Strategic plan before they can begin work on this.</i> | Not Started |
| | <ul style="list-style-type: none"> Documenting user account security criteria and improve password strength. | <ul style="list-style-type: none"> - Enforce password history - 8 passwords remembered - Maximun password age - 90 Days - Minimum password age - 0 days - Minimum password length - 7 characters - Password must meet complexity requirements - Enabled - Store passwords using reversible encryption - Disabled | Completed |
| | <ul style="list-style-type: none"> Reviewing vendor support accounts and ensure access is required. | <i>These have been reviewed and no issues found on review. When a vendor requires access, it would be set up with the specific access they require. This is then removed once the requirement has gone.</i> | Completed |

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| | <ul style="list-style-type: none"> Improving change management processes – perhaps through the use of SpiceWorks. | <i>Spiceworks now being used much more proactively to manage changes. Currently investigating what other software available for this propose.</i> | Completed |
| | <ul style="list-style-type: none"> Tracking and managing incidents – perhaps through the use of SpiceWorks. | <i>Spiceworks is now being utilised as an IT helpdesk and has been rolled out to staff</i> | Completed |
| | <ul style="list-style-type: none"> Periodically testing back-ups. | <i>In place. IT has a weekly set of health checks done on the servers. Part of this checkup is to randomly restore something from backup as a quality test on a backup set</i> | Completed |
| | <ul style="list-style-type: none"> Updating the Disaster Recovery and IT Business Continuity Plans. | <i>This will begin in conjunction with the Information security policy above</i> | Not Started |
| 6.2 | Inconsistent group accounting policy | | |
| | That the Council ensures consistency in group accounting policies going forward. | <i>Council policy is to use the revaluation model and it is expected that CCO's will use this same policy, Westroads do revalue assets however Destination Westland do not. The Chair of Westland Holdings limited has written to the Chair of Destination Westland requiring that they use the same revaluation accounting methodology as Council.</i> | In Progress |
| 6.3 | Appointment of directors to subsidiaries | | |
| | <ul style="list-style-type: none"> Consideration should be given to whether ratification of historic appointments are required. | <i>The historic appointments have been ratified by the board of Westland Holdings Limited as suggested by Audit NZ.</i> | Completed |

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| | <ul style="list-style-type: none"> • The Group needs to review its procedures around meetings and ensure the rights to participate and vote on matters at the meetings comply with the constitutions. | <p><i>The constitutions have been reviewed by the CCO's to ensure that meetings comply with the constitutions. Westroads constitution has been amended to be consistent with other CCO's.</i></p> | Completed |
| Risk Management | | | |
| | <ul style="list-style-type: none"> • Ensure continual review and update of the risk register and implementation of any mitigating actions identified. <p>We encourage the Council to ensure that the new risk management system Quantate is fully implemented to help better identify, evaluate, monitor and manage risk.</p> | <p><i>The risk management software Quantate is now fully up to date and the structure in the system has been changed to reflect the current structure in council.</i></p> <p><i>Training is still needed for risk managers before they can manage the risks in their areas.</i></p> <p><i>The risk register itself is reviewed by the FAR Committee every quarter.</i></p> | Completed |
| Staff Interest Register | | | |

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| | <ul style="list-style-type: none"> • The Council should ensure that the completion of the staff conflict of interest declarations is mandatory and non-completion should be followed up. | <p><i>The Councillor interest register is circulated at every meeting, it is the responsibility of Councillors to update the register.</i></p> <p><i>A follow up process for staff has been implemented, and the process now provides for the staff interest register to be circulated twice yearly. The intention is that this process can be managed through the HR system once implementation is complete.</i></p> <p><i>A new Staff Conflict of interest policy has been developed and adopted by FAR Committee to support the register. Staff had to acknowledge that they had received and read the policy.</i></p> <p><i>WDC already has a risk strategy however this will be updated going forward to current standards.</i></p> | Completed |
| | Fixed Asset capitalisation policy | | |
| | <ul style="list-style-type: none"> • Develop a formal asset capitalisation policy. | <i>A policy has been developed.</i> | Completed |
| | Legislative requirements on CCO's | | |
| | <ul style="list-style-type: none"> • The Council should work with its CCOs to ensure compliance with the significant legislative requirements. | <i>The new board of WHL have been proactive in ensuring that the CCO's have complied with legislation and have provided the draft SOI's within the legislative deadlines</i> | Completed |

FINANCE, AUDIT AND RISK COMMITTEE ROLLING WORK PLAN

| Item | May-19 | June-19 | July-19 | Aug-19 | Sept-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | April-19 |
|-----------------------------------|--|---------|----------------------|---------------------------------|--|--|--------------------------------------|-----------------------------------|----------------------|---------------------------------|--------|--------------------------------|
| External Audit | Interim Audit 2018/19 Confirmed Audit NZ Update on Management actions on Audit NZ recommendations Audit management report 2017/18 | | | | Note - Final Audit Annual Report 2018/19 begins (Over month end) Interim Audit Management Report 2018/19 – review action to be taken by management | Cont, Final Audit Annual Report 2018/19 | | | | Audit Management Report 2018/19 | | |
| Financial Reporting | | | | Verbal update on year end | | Quarterly Report to September 2019 Review Audited Annual Report 2018/19 – for recommendation of adoption to Council | | Quarterly Report to December 2019 | | | | Quarterly Report to March 2019 |
| Insurance | | | | | | | Valuation Information Renewal | | | | | |
| Risk Management Framework | Health & Safety Report | | Review Risk Register | Health & Safety Report | | Review Risk Register | Health & Safety Report | | Review Risk Register | Health & Safety Report | | Review Risk Register |
| Internal Control Framework | Quarterly Protected Disclosure report from PwC. (Confidential) | | | Update – Fraud Control Progress | | | Update – Fraud Control Progress | | | Update – Fraud Control Progress | | |