

AGENDA:

Meeting of the
FINANCE & AUDIT COMMITTEE

Wednesday 11 May 2016
commencing at 5:00pm

at the:

Upstairs Meeting Room, Brougham House
Brougham Street, Westport

Finance & Audit Committee Members:

- His Worship the Mayor Garry Howard
- Cr S Roche (Chair)
- Cr R Nahr
- Cr P Rutherford
- Cr L Brooks

Terms of Reference

Finance & Audit Committee

PURPOSE:

The Finance and Audit Committee will monitor and assess the following:

- The correct level of service is being delivered within the approved financial parameters.
- Capital projects are progressing to the agreed timelines and to budget.
- External financial funding is on track to be received within the budgeted financial year.
- Council's level of borrowing is financially sustainable and intergenerational equity requirements are achieved.
- Council's investments are growing as predicted and invested as per Treasury Management policy and that all breaches of policy are reported and approved by Council.
- Rates are being collected and that debt recovery is under control.
- Monitoring of Council's fiscal prudence indicators.
- Both external and internal audit requirements are met.

DELEGATED POWERS:

The Finance and Audit Committee has authority to undertake the following functions and to make recommendations to Council as required:

Financial and Performance Monitoring

- Monitoring financial performance to budgets.
- Monitoring service level performance to key performance indicators.
- Monitoring of Council's CCTO through review of their Quarterly Reports, Annual Reports and Annual Statements of Intent.
- Annual Reports and Annual Statements of Intent
- Monitoring of Rates and General Debt collection.

Council Grants

- Monitoring of Tourism and Promotion Council grants greater than \$10,000 per annum.

External Reporting and Accountability

- Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management.
- Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation), and recommend signing of the financial statements by the Chief Executive and Mayor and adoption by Council.

External Audit

- Confirm the terms of the appointment and engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.
- Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised
- Enquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risks. Internal Audit
- Review the internal audit coverage and annual work plans.

FREQUENCY OF MEETINGS:

Monthly

REPORTING TO:

Council

REPORTING TIMELINE:

Quarterly to Council, monthly dashboard report.

MEMBERSHIP: Chair: - Sharon Roche

Members: - Garry Howard
- Lynn Brooks
- Robyn Nahr
- Phil Rutherford

FINANCE & AUDIT COMMITTEE MEETING
FOR THE MEETING OF 11 MAY 2016
INDEX

ITEM:	PAGE:
Apologies	
1. Members Interest.....	1
2. Confirmation of Minutes.....	2
3. Action Point List.....	6
4. Financial Performance.....	8
5. Investments and Borrowings Report	15
6. Shared Services for Internal Audit	20
7. Significant Projects Report	24
8. Quarterly Capital Report.....	34
9. Audit Management Report: Action Points.....	26

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016

Report for Agenda Item No 1

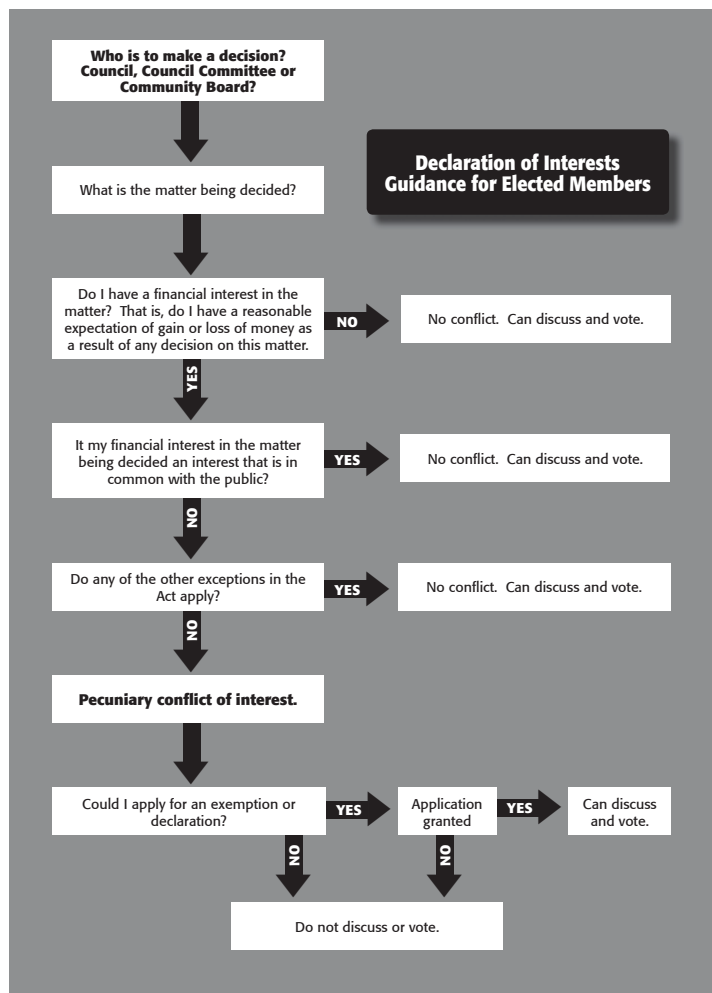
Prepared by - Wendy Thompson (Operational Accountant)
- Dean Phibbs (Financial Accountant)

MEMBERS INTEREST

Councillors are encouraged to consider the items on the agenda and disclose whether they believe they have a financial or non-financial interest in any of the items in terms of Council's Code of Conduct.

Councillors are encouraged to advise the Personal Assistant, Corporate Services, of any changes required to their declared Members Interest Register.

The follow flowchart may assist Councillors in making that determination (Appendix A from Code of Conduct).



DRAFT RECOMMENDATION

That Councillors disclose any financial or non-financial interest in any of the agenda items.

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 2

**Prepared by - Wendy Thompson (Operational Accountant)
- Dean Phibbs (Financial Accountant)**

CONFIRMATION OF MINUTES

Minutes of the meeting held 13 April 2016.

DRAFT RECOMMENDATION

That the minutes from the meeting held 13 April 2016 are confirmed.

MEETING OF THE BULLER DISTRICT COUNCIL FINANCE AND AUDIT COMMITTEE, COMMENCED AT 5:00pm ON 13 APRIL 2016 AT THE BRIDGE CLUBROOMS, LYNDHURST STREET, WESTPORT

PRESENT:

Mayor Garry Howard, Councillor's S Roche (Chair), L Brooks, P Rutherford and R Nahr.

IN ATTENDANCE:

Operational Accountant (W Thompson), Financial Accountant (D Phibbs) and PA Corporate Services (MS Wilson).

Councillor Graham Howard.

APOLOGIES:

No apologies were received.

1. MEMBER'S INTEREST

No members interests were declared.

2. MINUTES

Amendment required to Councillor Nahr's members interest, move from item 7 to item 1.

It was requested that Action Points (AP) show the position and full name of the person responsible.

RESOLVED that the minutes of the 16 March 2016 meeting be accepted.

**L Brooks/R Nahr
CARRIED UNANIMOUSLY**

3. ACTION POINTS

96. Change date to May 2016. Reply has been received, will be presented to May F&A Meeting.

99. Completed.

102. Change date to May 2016.

103. Change date to May 2016. Mayor Howard will discuss at the Mayor and CEO meeting. Councillor Roche and Operations Accountant (W Thompson) to provide further information.

105. Change date to May 2016.

106. Completed.

107. Verbal update given. Completed.

108. Completed.

RESOLVED that the report be received for information and discussion.

**S Roche/Garry Howard
CARRIED UNANIMOUSLY**

4. FINANCIAL PERFORMANCE

AP: Financial Accountant (D Phibbs) to report on derivatives in the March quarterly report.

RESOLVED that the report be received for information and discussion.

**P Rutherford/R Nahr
CARRIED UNANIMOUSLY**

5. INVESTMENTS AND BORROWINGS

RESOLVED that the report be received for information and discussion.

**L Brooks/P Rutherford
CARRIED UNANIMOUSLY**

6. DEBT RECOVERY

RESOLVED that the report be received for information and discussion.

**Garry Howard/R Nahr
CARRIED UNANIMOUSLY**

7. SIGNIFICANT PROJECTS REPORT

Finance report to Council's Agenda is to advise that very good progress has been made on the project report, and that Elected Members should view their F&A Agenda for further information.

AP: Operations Accountant (W Thompson) to work with the senior management team about continuing the work completed to-date by further populating the report.

RESOLVED that the report be received for information and discussion.

**S Roche/L Brooks
CARRIED UNANIMOUSLY**

8. AUDIT MANAGEMENT REPORT: ACTION POINTS

Remove completed items. Insert a note at the bottom of the report showing how many actions were on original report, and how many have been completed.

RESOLVED that the report be received for information and discussion.

**P Rutherford/L Brooks
CARRIED UNANIMOUSLY**

FINANCE WORK PLAN

Discussed, verbal update given.

There being no further business the meeting concluded at 6:14pm

NEXT MEETING: Wednesday 11 May 2016 at 5:00pm

Confirmed: **Date:**

Name:

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 3

**Prepared by - Wendy Thompson (Operational Accountant)
- Dean Phibbs (Financial Accountant)**

ACTION POINT LIST

DRAFT RECOMMENDATION

That the report be received for information.

FINANCE & AUDIT COMMITTEE: CURRENT ACTION POINTS

No.	Meeting of:	Action Point	Responsible?	Progress:	Date required by:	Completed
96	9 Dec 2015	Blacks Point Museum – Tourism Grant KPI's: Not being met. Mayor to write to committee and express concern.	Garry Howard	Letter sent. Response received and will be presented to May F&A.	May 2016	
102	17 Feb 2016	Internal Audit – Risks: provide potential areas of risk to be addressed by Internal Audit program.	Dean Phibbs Wendy Thompson		May 2016	
103	17 Feb 2016	Internal Audit - Shared Services: to be discussed with other West Coast Council's	Sharon Roche Garry Howard	Mayor Howard will discuss at the Mayor and CEO meeting. Sharon and Wendy to provide data.	May 2016	
105	16 Mar 2016	Coaltown Rental: Provide breakdown of balance not written-off.	Wendy Thompson		May 2016	
109	13 Apr 2016	Financial Performance Report: report on derivatives in the March quarterly report (produced in May).	Dean Phibbs		May 2016	
110	13 Apr 2016	Significant Projects Report: work with senior management team about continuing the work completed to-date by further populating the report.	Wendy Thompson		May 2016	

BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016

Report for Agenda Item No 4

Prepared by – Dean Phibbs
– Financial Accountant

FINANCIAL PERFORMANCE - MARCH 2016

1. PURPOSE OF THE REPORT

To provide the Council with a financial performance update on the operational results to 31 March 2016.

2. QUARTERLY REPORTS

2.1 Statement of Financial Performance

Operating Result

Council has budgeted for a quarterly deficit of \$1.15m. The actual result is a deficit of \$802m which is a positive difference of \$350,000. Contributors to the quarterly result are discussed below.

Operating Revenue

Overall Operating Revenue was \$10.26m compared to a budget of \$10.28m. The difference of \$20,000 was made up of variances in the following areas:

- A positive variance of \$328,000 in subsidies and grants is primarily due to the receipt of \$378,000 in unbudgeted DWC grants including \$172,000 of funds returned from Coaltown relating to the Cultural hub fit out. This is also offset by differences in receipt the LTA subsidies relating to minor timing variations in the Roothing programme.
- Investment revenue is \$98,000 ahead of budget but this is expected to reduce at year end as lower interest rates impact on some of Councils recently matured term deposits.
- The negative variance of \$217,000 in fees and charges is primarily due to the slowdown in the local economy which is negatively affecting Planning and Building income (\$200,000). There are a number of other income areas are down on budget; Theatres (\$30,000), and a delay in receipt of petrol tax proceed (\$55,000) being the primary ones offset, by receipt of sundry lease income (\$28,000). Economic slow-down is also impacting on development and financial contributions which are down by \$45,000 at the 3/4 year mark.

Operating Expenditure

Operating expenditure totals \$16.75m as compared to a budget of \$16.92m. The variances are made up of;

- Employee costs are \$116,000 higher than budgeted. This is a result of the CEO exit agreement (\$171,000) offset by savings in other salaries; planning and building salaries (\$51,000) and Manager Corporate Services salary (\$21,000).
- Finance costs are lower than budgeted as a result of falling interest rates and lower borrowing costs associated with joining the LGFA. This has resulted in savings of \$137,000.
- Depreciation is \$198,000 lower than budgeted. IT makes up the bulk of the variance (\$107,000) which relates to depreciation on projects carried over or re-budgeted that have not yet been completed. Airport depreciation of \$42,000 makes up the majority of the difference.
- Other expenses exceeded budget at this stage by \$38,000. This is made up of \$170,000 in unbudgeted grants paid out relating to the DWC Extraordinary Fund. There is also unbudgeted repairs expenditure at the Airport (\$60,000). This is offset by \$63,000 savings in the planning and building areas, \$80,000 in insurance savings as well as minor variations in the delivery of Councils operational spending to budget in a number of other areas.

Year- end predictions

Year-end subsidies and grants will be impacted negatively by approximately \$1.13m due to South Granity Water scheme not proceeding, Ngakawau Hector (if this should proceed) and Waimangaroa scheme subsidy not likely to be received until 2016/2017. This result is evident in the year end predictions and has been signalled throughout the year.

There are a number of accrual transactions that not recognised or budgeted until the end of the financial year include vested assets, asset write-offs, derivative movements, and any movements in investment property values.

Investment properties had a budgeted increase in value of \$213,000 on the \$8.5m portfolio which was estimated when Council compiled the LTP. This is unlikely to eventuate as preliminary calculations have indicated that a 5% fall in investment properties is likely which would result in a write-down of \$420,000 in the value of the portfolio.

In addition the cut to the OCR in March will have an impact on the \$17m fixed interest component of Councils borrowings and will result in a write-down in the value of the derivative contracts at year end. This is likely to be in the vicinity of \$380,000.

Finally, due to low inflation Council has assessed that a revaluation of infrastructure assets is not required for this financial year, which will result in an operational expenditure saving for valuing these assets for this year (approximately \$30,000) but consequently there will be a deficit for the same amount in the following year.

2.2 Statement of Financial Position

Net debt (being external debt less term deposits) has remained fairly static since the December quarterly report. Debt is unlikely to move significantly by year end.

2.3 Cash Flow Statement

Cash flow remains positive.

3. **DASHBOARD**

		Financial Operational Performance Indicators	
Activity	Revenue	Expenditure	Comment
Democracy	●	●	Additional unbudgeted income \$28,000
Property Amenities & Reserves	●	●	
Community Services	●	●	Interest savings for SEC debt.
Regulatory	●	●	Lower income in building and planning to date – predicting year end \$243,000 income deficit, offset by \$181,000 savings in expenses.
Roading	●	●	Delay in receipt of petrol tax proceeds.
Solid Waste	●	●	
Support	●	●	Savings in other expenses.
Wastewater	●	●	
Water	●	●	
Airport	●	●	Emergency repairs to south end of seawall \$60,000.

DRAFT RECOMMENDATION

That this report be received for information and discussion.

**STATEMENT OF FINANCIAL POSITION
PERIOD ENDED 31 MARCH 2016**

	Parent Mar-16 Actual \$000	Parent 2014/2015 Actual \$000	Parent 2015/2016 Budget - Full Year \$000
CURRENT ASSETS			
Cash and Cash Equivalents	3,398	3,025	820
Trade and Other Receivables	2,673	4,260	4,976
Inventories	16	16	14
Other Current Assets	22	117	21
Short Term Investments	12,284	11,284	10,972
Assets Held for Sale	36	36	0
Total Current Assets	18,429	18,738	16,803
NON CURRENT ASSETS			
Investment in Council Controlled Organisations	20,405	20,090	19,890
Other Investments	66	66	0
Investment Property	8,385	8,503	10,361
Infrastructural Assets	277,354	278,852	293,764
Other Non Current Assets	21,102	21,377	20,260
Intangible Assets	36	53	265
Total Non Current Assets	327,348	328,941	344,540
Total Assets	345,777	347,679	361,343
CURRENT LIABILITIES			
Trade and Other Payables	1,623	2,628	3,882
Derivative Financial Instruments	13	13	54
Employee Entitlements	512	550	440
Provisions	35	35	0
Current Portion of Term Debt	20	80	56
Total Current Liabilities	2,203	3,306	4,432
NON CURRENT LIABILITIES			
Derivative Financial Instruments	731	731	250
Provisions	1,614	1,614	1,410
Bond Deposits	82	81	82
Employee Entitlements	287	285	280
Term Debt	23,565	23,565	26,731
Total Non Current Liabilities	26,279	26,276	28,753
EQUITY			
Accumulated Funds	168,694	169,498	172,801
Reserves	4,412	4,411	4,031
Asset Revaluation Reserve	144,189	144,188	151,326
Total Equity	317,295	318,097	328,158
Total Liabilities & Equity	345,777	347,679	361,343

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE 9 MONTHS ENDED 31 MARCH 2016**

	Parent Mar-16 Actual \$000	Parent Mar-16 Budget \$000	Parent 2015/2016 Predicted Full Year \$000	Parent 2015/2016 Budget Full Year \$000
OPERATING REVENUE				
General Rates	5,979	5,987	7,982	7,982
Targeted Rates (excluding Metered Water)	3,984	3,999	5,332	5,332
Metered Water Charges	150	127	200	181
Rate Penalties	127	128	169	170
Subsidies and Grants	2,949	2,621	3,932	5,249
Dividend & Subvention Revenue	0	0	875	875
Investment Revenue	473	375	729	745
Development and Financial Contributions	30	75	40	100
Fees & Charges	2,237	2,454	2,863	3,093
Vested Assets	0	0	0	100
Profit on Sale of Assets	18	0	24	0
Gain on Revaluations of Investment Land	0	0	0	213
Total Operating Revenue	15,947	15,765	22,146	24,040
OPERATING EXPENDITURE				
Employee Costs	3,450	3,334	4,600	4,445
Depreciation and Amortisation	3,985	4,183	5,313	5,532
Finance Costs	942	1,079	1,256	1,438
Other Expenses	8,361	8,323	10,848	10,741
Assets Written Off	11	0	265	350
Loss on Derivative Contracts	0	0	380	0
Loss on Revaluations of Investment Land	0	0	420	0
Total Operating Expenditure	16,749	16,919	23,082	22,506
Net Surplus (Deficit) Before Taxation	(802)	(1,154)	(936)	1,534
Income Tax Expense	0	0	0	0
Net Surplus (Deficit) After Taxation	(802)	(1,154)	(936)	1,534
Other Comprehensive Revenue & Expenses				
Increase/(decrease) in Infrastructure Revaluation Reserves	0	0	0	7,141
Total Comprehensive Revenue & Expenses	(802)	(1,154)	(936)	8,675

**STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 31 MARCH 2016**

	Parent Mar-16 Actual \$000	Parent 2015/2016 Budget Full Year \$000
Equity as at 1 July	318,097	319,483
Total Comprehensive Revenue and Expense	(802)	8,675
Total Equity at End of Period	317,295	328,158
COMPONENTS OF EQUITY		
Accumulated Funds	168,694	172,801
Reserves	4,412	4,031
Asset Revaluation Reserve	144,189	151,326
Total Equity at End of Period	317,295	328,158

**STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 MARCH 2016**

	Parent Mar-16 Actual \$000	Parent 2015/2016 Budget - Full Year \$000
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Rates	10,261	13,485
Other Revenue	5,707	8,342
Interest Received	473	745
Dividends & Subvention Payments Received	578	1,156
	17,019	23,728
Cash was applied to:		
Payments to Suppliers and Employers	12,307	15,906
Interest Paid	942	1,438
Net GST Movement	(103)	0
	13,146	17,344
Net Cash From Operating Activities	3,874	6,384
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Disposal of Fixed Assets	18	0
Sale of Investment Property	0	160
Investment Realised	8,293	0
	8,311	160
Cash was applied to:		
Purchase of Fixed Assets	2,215	8,605
Purchase of Investments	9,480	0
Purchase of Equity Investments	56	55
	11,751	8,660
Net Cash From Investing Activities	(3,440)	(8,500)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Loans Raised	0	2,947
Cash was applied to:		
Repayment of loans	60	56
Net Cash From Financing Activities	(60)	2,891
NET INCREASE (DECREASE) IN CASH	373	775
OPENING CASH AS AT 1 JULY	3,025	45
CLOSING CASH AS AT 31 MARCH	3,398	820

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 5

**Prepared by – Dean Phibbs
– Financial Accountant**

INVESTMENTS AND BORROWINGS – APRIL 2016

1. PURPOSE OF REPORT

Attached is Councils summary borrowings and investment report for the month ended April 2016.

2. INVESTMENTS

Investments have increased by \$0.3m in total from the March investment report. This is mainly due to the net effect of the monthly creditor payment obligations versus rates automatic payments.

3. INTEREST REVENUE

Interest revenue to the end of April 2016 is still on target. Council had \$843,000 in interest revenue versus a budget of \$819,000.

4. BORROWINGS AND NET DEBT POSITION

Total borrowings are stable at \$23.6m. As highlighted in previous reports, we completed transition of \$20m of our debt facility to LGFA in November lower interest expenses are now evident in some Council activities.

Net debt (borrowings less term investments) has decreased to \$8.3m from \$8.6m in March due to the movement in on-call investments commented on above.

DRAFT RECOMMENDATION

That the report be received for information and discussion purposes.

INVESTMENTS AND BORROWINGS REPORT

1. BANK BALANCE

	This Month 30 Apr-16	Last Month 31 Mar-16	Last Year 30 Jun-15
Council	\$429,690	\$170,817	\$1,028,090

2. MONTH END BANK BALANCE



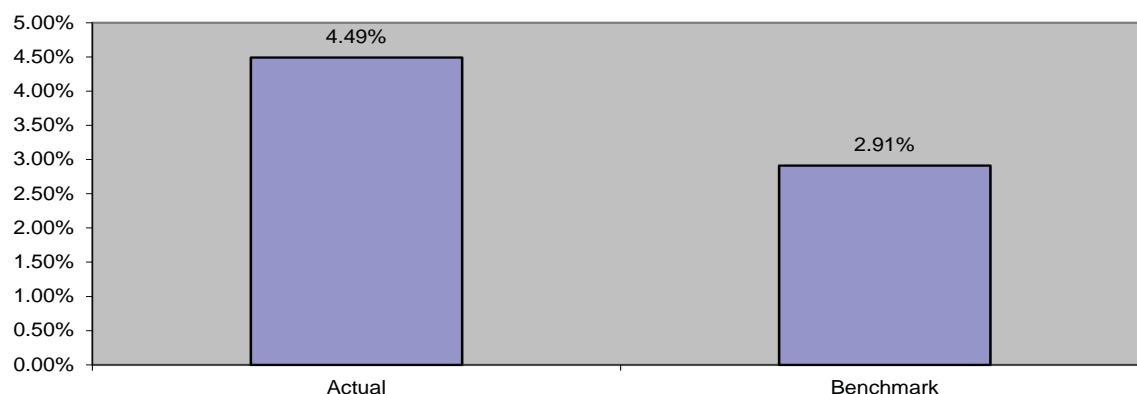
3. SUMMARY OF INVESTMENTS

	This Month 30 Apr-16	Last Month 31 Mar-16	Last Year 30 Jun-15
Term Deposits	15,283,518	14,983,518	13,283,518
Other Loans (includes loan to Holding Company)	2,514,738	2,514,738	2,574,425
Total Investments	\$17,798,256	\$17,498,256	\$15,857,943

4. SOURCE OF FUNDS

	This Month 30 Apr-16	Last Month 31 Mar-16	Last Year 30 Jun-15
West Coast Package (Govt subsidy for halt to logging)	2,429,551	2,429,551	2,429,551
Harbour (profit from past harbour operations)	1,979,092	1,979,092	1,979,092
Freeholding Proceeds (sale of leasehold land)	2,840,838	2,840,838	2,840,838
Capital Sponsorship (deposits from V2010 sponsors)	5,034,038	5,034,038	4,034,038
Short Term Funds (rates income plus tds held pending debt reduction)	3,000,000	2,700,000	2,000,000
	\$15,283,518	\$14,983,519	\$13,283,518

5. INVESTMENTS PORTFOLIO PERFORMANCE (12 Month Average)



6. INTEREST REVENUE

	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$842,825	\$818,945	\$1,409,095

7. COMPLIANCE WITH INVESTMENT POLICY

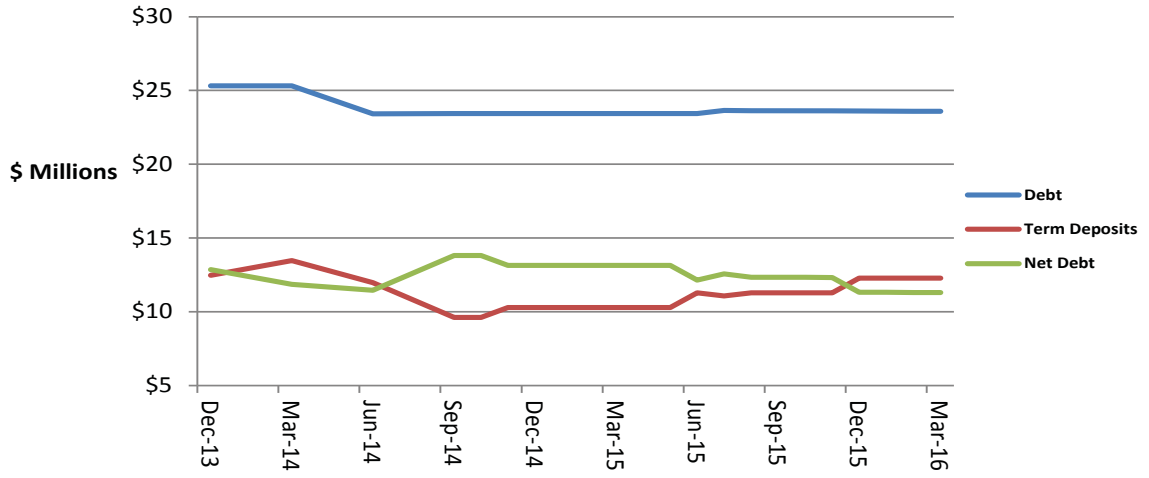
All term deposits are held with New Zealand Registered banks with no more than \$10 million with any one institution. The terms and maturity dates of investments are spread to minimise Council's exposure to interest rate fluctuations while still aiming to optimise interest earned.

Council has approved the investment in NBS which sees us in breach of the Treasury Management Policy. This breach will continue as investments mature and are rolled over.

8. SUMMARY OF BORROWINGS

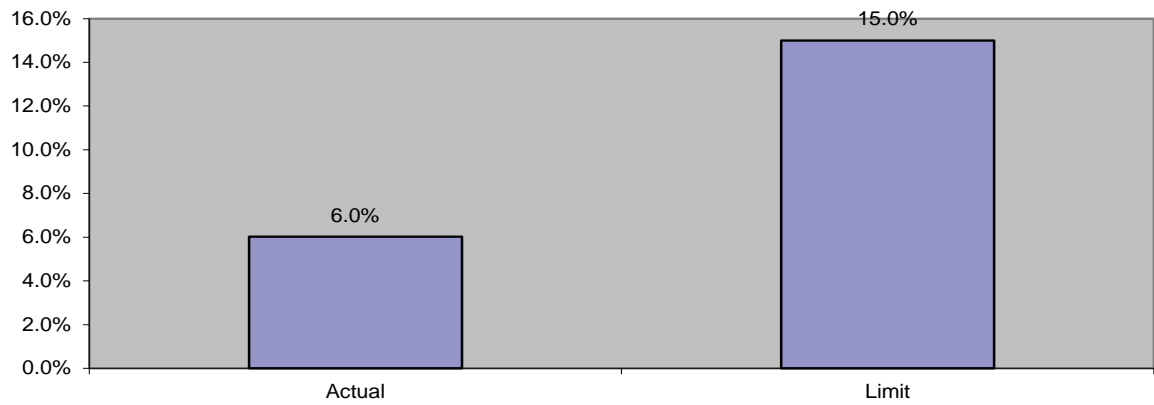
	This Month 30 Apr-16	Last Month 31 Mar-16	Last Year 30 Jun-15
External Debt:			
Westpac Loan Facility	3,433,860	3,433,860	23,433,860
LGFA Loan Facility	20,000,000	20,000,000	0
EECA Loan	150,878	150,878	210,565
	\$23,584,738	\$23,584,738	\$23,644,425
Weighted Average Interest Cost	5.72%	5.72%	5.72%
Net Debt:			
Total Borrowings	23,584,738	23,584,738	23,644,425
Less: Term Deposits	15,283,518	14,983,518	13,283,518
	\$8,301,220	\$8,601,220	\$10,150,342

9. DEBT AND INVESTMENTS 3-YEAR TREND

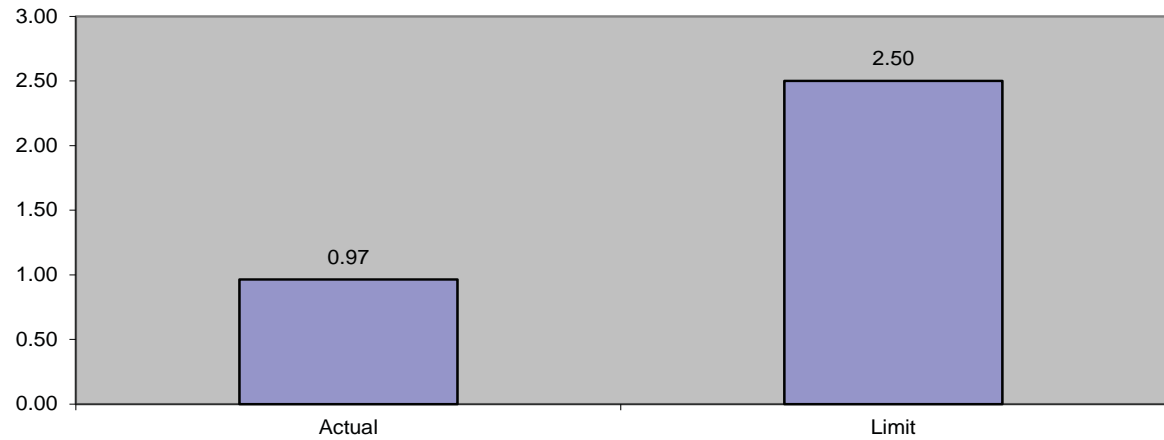


10. COMPLIANCE WITH TREASURY POLICY

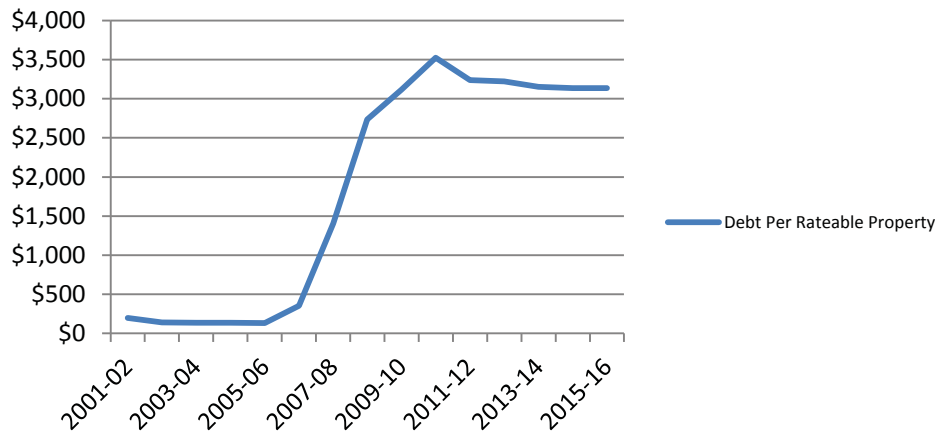
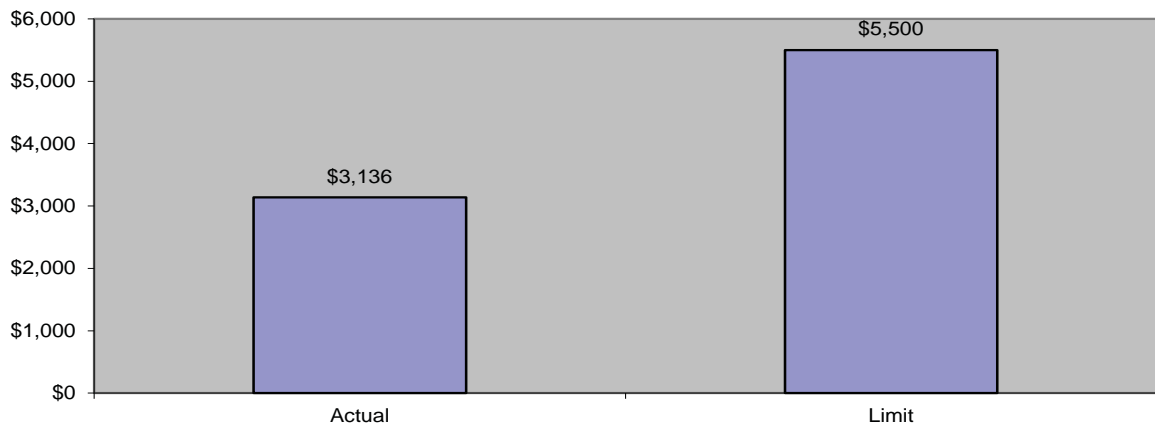
10.1 Interest Expense / Total Income



10.2 Gross Debt / Total Income



10.3 Gross Debt per Rateable Property



Current borrowings are in compliance with the limits specified in Council's Treasury Policy.

Investments are in breach of Council's Treasury Management Policy in respect that there is more than 10% of the portfolio invested in a Building Society. Council ratified this breach via resolution to obtain ongoing sponsorship proceeds for the NBS Theatre.

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 6

**Prepared by – Wendy Thompson
– Operational Accountant**

SHARED SERVICES FOR INTERNAL AUDIT

1. PURPOSE OF THE REPORT

To provide the Finance and Audit Committee with a copy of the agenda item prepared for the West Coast Mayors and Chairs meeting of 9 May 2016.

DRAFT RECOMMENDATION

That this report be received for information and discussion.

INTERNAL AUDIT PROGRAM

West Coast Shared Service Opportunity

BACKGROUND

1. Independent Audits

Independent (external) audits focus on attesting to the accuracy and reliability of Annual Reports (and in the Local Government Sector tri-annual Long Term Plans). Modern independent audit programs like those performed by Audit New Zealand are generally achieved by:

- risk assessment and planning,
- process documentation and sample testing to evaluate the strength of internal controls and the level of reliance that can be placed on these, and
- review and sample testing to verify how the figures and narrative in the Annual Report or Long Term Plan have been collated/calculated to establish if they present a fair and reasonable account. (The extent of the work done at this stage is dependent on the assessment of an organisation's internal controls.)

The results of an external audit are communicated via two main documents. The public is advised by way of the Independent Auditor's Report which forms part of the Annual Report. The auditor also supplies a more detailed Management Report to the organisation's governance and management teams which includes recommended areas of improvement.

2. Internal Audits

Internal audits are the in-house complement to the external audit program and the objectives of these audits are to evaluate and improve the effectiveness of governance, risk management and control processes.

Internal audits are predominately performed to monitor compliance with policies and legislation, ensure procedures are being followed as expected and assess whether internal controls are effective. Internal audits also provide opportunities for process improvements as different areas of the organisation are discussed and examined.

Ideally an internal audit program would be established to examine different areas across the organisation systematically taking into account the risk relating to each activity or from time-to-time some trigger event. The audits may be limited in scope e.g. review of the cash handling processes at a specific premise, or more expansive e.g. audit of organisational wide procurement practices.

Similarly to independent audits, internal audits contain systematic steps including:

- risk assessment and planning ,
- policy/procedure review,
- sample testing and staff interviews,
- assessment of results,
- communication and recommendations.

3. Internal Audit Issues

Small Councils across New Zealand are often faced with restrictions in either staff capacity or capabilities that limit the amount of internal audit work they can accomplish. At Buller District Council other projects have taken priority over the internal audit program and Audit New Zealand has raised this in their 2015 audit management points.

The options available to manage the internal audit function at Buller District Council going forward are:

- a) continue as is – with ad hoc reviews as staff are available,
- b) reprioritise workload to shift resources to internal audits,
- c) change staff levels to allocate resources to internal audits,
- d) outsource internal audits to a professional provider e.g. Deloitte,
- e) enter a shared service model with other Council organisations.

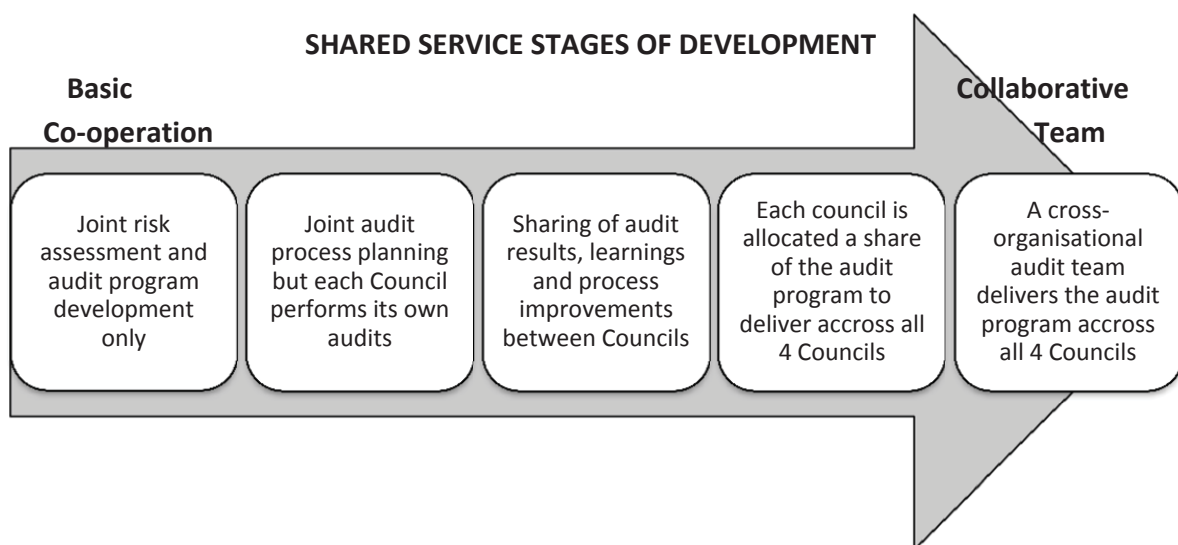
Option a) is not addressing the issue and options b) to d) are likely to create either problems in other areas of Council's service delivery or increase Council costs. Option e) a shared service model may prove to be a cost effective solution.

SHARED SERVICE POTENTIAL

4. Shared Service for Internal Audits

A shared service for internal audits may offer a cost effective method for each West Coast Council to achieve their internal audit program by combining resources and skills. Benefits could include improved audit efficiency, staff development and organisational learning as skills and knowledge are shared across Councils.

The extent of the shared service may develop over time as trust and collaborative skills develop. A continuum of shared involvement from the most basic to very collaborative is detailed below:



It will take time to build working relationships across the Councils and it may be that a fully collaborative model is not practical between all four West Coast Councils or applicable to every audit performed. However, some degree of benefit including cost savings and learning should be achieved at all the stages outlined.

Difficulties to overcome will include gaining commitment from each Council, allocating staff capacity to the shared service and agreeing on outcomes.

5. Establishing a Shared Service

It is expected that there will be different levels of expertise and capacity at each West Coast Council and each organisation is likely to be at a different position in their audit program.

Should the Mayors and Chairs forum view this as a shared service project that merits further investigation, the path going forward would include steps like:

- 1) establish a team comprised from each Council to steer the project,
- 2) evaluate each Council's individual audit program and how it compares to the others,
- 3) agree the level of co-operation and the audit areas to address together,
- 4) agree joint outcomes and timelines.

6. Internal Audit Program topic

The following is a list of the type of organisational areas that may be considered for an internal audit over time. The risk level and priority of each area would need to be evaluated to establish their place in the long run audit program.

- Accounts payable
- Accounts receivable
- Cash controls
- Conflicts of interest
- Contract management
- Disaster recovery
- Fraud
- Fixed assets
- Internal reporting
- Payroll
- Sensitive expenditure
- Treasury management

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 7

**Prepared by – Wendy Thompson
– Operational Accountant**

SIGNIFICANT PROJECTS REPORT

1. PURPOSE OF THE REPORT

To provide the Finance and Audit Committee with an update on the status of Council's significant projects.

2. SIGNIFICANT PROJECTS

Council projects are categorised into three tables:

1. Council's Annual Plan Workshop Priorities List
2. Operations Departments Capital Work Schedule
3. Other Significant Projects

Where an item on the priorities list is shown elsewhere it has been removed from the priorities list table.

DRAFT RECOMMENDATION

That this report be received for information and discussion.

COUNCIL PRIORITIES LIST 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost Feb 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
MAYOR, COUNCILLORS & CEO											
	Little Wanganui/ Tapawera/ Wanganapeka Road Advocacy	GH + CEO					In progress	Nov-15			With Regional Growth Study. Alternative Karamea/Bainham route to consider.
	Integrated Family Health Unit Commercial Property Investment	GH + CEO						Feb-16	Dec-16		Awaiting further progress from WCDHB
	Integrated Family Health Unit Advocacy	GH + CEO						Feb-16	Dec-16		Awaiting further progress from WCDHB
	Future of Westport Port	CCTO						Dec-15	Jun-16		LTP Strategy, CCTO Committee consulting with BHL
	Reefion Historic Power Generation Project	GH						Jan-16	Feb-17		Advocacy
	Ultra Fast Broadband Advocacy	GH + CEO					In progress	Nov-15			With MBIE & Crown Fibre Holdings
	Shared Services Projects	CEO									Ongoing - Roading, District Plan, Internal Audits
	Economic Development Working Party Capacity	GH + PR									
	Housing for Elderly - Advocacy	GH						Jun-16	Feb-17		
27005540	Westport Gateway Sign	GH	12,950	25,000	37,950	26,327		Nov-15	May-16		Housing stock & ownership structure i.e. Trust
	Carters Beach Sea Erosion	GH + CEO						Feb-16			Lighting and some stonework to complete
	Ngakawau/Hector Sea Erosion	GH + LB									To commence with a community meeting.
	Advocacy - Facilitation	GH									Correspondence with WCRC.
	Charleston/Cape Foulwind Cycleway	Greg + RN					Ongoing				Awaiting information
	Youth Council	ICB						Dec-15	Jun-16		Monthly meetings at highschool
	Extension Reefion Pool Hours	ICB									Funding from Blackadder Trust declined

COMMUNITY & ENVIRONMENT												
	Building IANZ Accreditation	CS + RK +					Completed		Dec-15	Dec-15		Awaiting evidence from stakeholder groups to feed into policy development
	Alcohol Policy	CS + RT					In progress					
	Holcim Exit Plan	GH + CEO					In progress		Dec-16			Awaiting consultation document
	Paparua Plan Review	CS + RT					In progress					Council report in April 2016
	Stevenson's Te Kuha Mine	CEO + RT					In progress					Annual Plan process
	Advance West Coast	GH + CS					In progress					

CORPORATE SERVICES												
	2016/17 Annual Plan	DP					Consultation	Nov-15	Jun-16	Jun-16		Consultation closes 10 May 2016
	Impact of Westport Water Issues on Targeted Water Rate for Westport	SG + DP					In Progress		Jun-16			Annual Plan process
	Free Wifi Proposal for Palmerston Street and Other Possible Locations	GH + RW		4,000			In progress				carry over	Received prices back from tender. Considering locations and providers.
	Pre-Election Report	DP + WT					Planning	Mar-16	Jul-16	Jul-16		Must be published by 1 July 2016
	Local Government Elections	JR							Oct-16	Oct-16		Election day 8 October 2016
	2015/16 Annual Report	DP + WT						Jul-16				
	Review of Costings for Water Schemes	CEO + DP + WT										Need to scope and prioritise

COUNCIL PRIORITIES LIST 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost Feb 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
OPERATIONS											
73715500	Punakaiki Water Intake Easement	SG			10,000	892	In Progress				Documents initiated under Public Works Act
	South Granity Water Administration	SG					In Progress				Annual Plan Process
	Little Wanganui Water and Sewerage Easements	SG							Jun-17		To address during next financial year
	Footpaths Strategy	SG					Ongoing				As resources available
	Karamea Highway Special Purpose Road Advocacy	SG					Discussions Ongoing				Business case being prepared in conjunction with NZTA, BDC & Community
	BEL Supply Contracts	SG					Complete			Mar-16	
	District Signage (Seal Loop)	SG + GH					In Progress				
	Possible Street Closure at Port/Talley's	SG					In Progress				
	Punakaiki Camp	RT + RB					Advocacy				Erosion WCRC
	Lease & Erosion Protection										
	Punakaiki Dickson Parade Status and Freedom Camping Issues	SG + RT									Legal options to assess

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
PROPERTY (Buildings and Other Property)											
64025533-36	Other Property	WT				71,515	completed			Oct-15	Unbudgeted property purchase
64025533-36	West Coast Brewery	WT		180,000	180,000		In progress			May-16	
	Total Other Property		0	180,000	180,000	71,515					
64035535	Reefion Service Centre - Generator Wiring	RB	5,000	31,500	5,000						
64035535	Reefion Service Centre - Eq Strengthening	RB	5,000	31,500	62,233		completed	Aug-15	Oct-15		
	Total Reefion Service Centre				62,233						
64075535	WestReef Depots - Eq Strengthening	RB		60,000	6,571		consents	Feb-16		carry over	Building Consent to be finalised
	Total Westreef Depots		0	60,000	6,571						
64085536	Reefion Community Centre Eq Strengthening	RB		130,000	70,812		to tender	Jun-16			Plans received, tenders close 12 May 2016
862050912	Vision 2010 Reefion Community Centre	RB		124,379	0						
	Total Community Centre		0	254,379	70,812						
64095533	Old Westport Library - Earthquake Assessment	RB		50,000	50,000	0				carry over	
	Total Old Westport Library		0	50,000	50,000	0					
64135500	Other Land	TR		0	0	10,040	deposit paid		May-16		Westport Wastewater Treatment Plant, settlement May 2016
	Total Other Land		0	0	0	10,040					
64175509	Victoria Square - Generator		45,000	45,000	31,621		Complete				Generator purchased
64175536	Victoria Square - Eq Strengthening	RB		50,000	4,903		design	Feb-16	Apr-16	carry over	Building Consent applied waiting on fire report
	Total Victoria Square Complex		45,000	50,000	4,903						
64225509-16	Brougham House - Minor plant			0	3,304						unbudgeted replacements
64225509	Brougham House - Generator		34,000	34,000	26,570		In progress			Sep-15	Generator installed but some site work to complete
64225533	Brougham House - Eq Strengthening		50,000	50,000	42,770		Complete			Sep-15	
	Total Brougham House		84,000	84,000	72,644						
64265500	Peel Street Depot Land	RB		80,000	58,660					carry over	
	Total Peel Street Depot		0	80,000	58,660						
64295516-36	Westport Library - toilet refurbishment	CW		0	5,466						unbudgeted refurbishment of public toilet facilities
	Total Westport Library		0	0	5,466						
TOTAL	PROPERTY		134,000	705,879	839,879	322,950					

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
PARKS, RESERVES, CEMETERIES											
<i>Reserves</i>											
5101550901	Town Beautification (Gardens)	RB		30,000	30,000	0				carry over	
5101550902	Tree Replacement	RB		5,000	5,000	80				carry over	
5101550903	Playground safety	RB		25,000	25,000	10,824				carry over	safety audit required
51015530	Reefion Skatepark	RB	7,000		7,000	2,931					Drinking Fountain purchased
51015530	Punakaiki building	RB		50,000	50,000	2,931				carry over	needs assessment commissioned \$10,000
	TOTAL Reserves		7,000	110,000	117,000	16,766					
<i>Cemeteries</i>											
52015500	Land Purchase Karamea	RB		20,000	20,000	0				carry over	
52015509	Cemetery Berms	RB		8,000	8,000	3,229	In progress		Jun-16		
52015509	Buildings Special	RB		5,000	5,000	0	in progress	Apr-16	Jun-16		Fencing and headstone protection
	TOTAL Cemeteries		0	33,000	33,000	3,229					
<i>Pensioner Housing</i>											
57025509-37	Minor Plant Reefion	RB		1,250	1,250	10,178					
57035509-37	Minor Plant Westport	RB		1,250	1,250	10,259					
	TOTAL Pensioner Housing		0	2,500	2,500	20,437					
<i>Public Toilets</i>											
51315509	Tauranga Bay Toilets	RB	20,000		20,000	0	Complete				Refer Urban Development
51315509	Exeloo	RB		3,456	3,456	0	Not progressing				Budget no longer required.
	TOTAL Public Toilets		20,000	3,456	23,456	0					
TOTAL	PARKS, RESERVES, CEMETERIES		27,000	148,956	175,956	40,432					
SOLID WASTE											
<i>RECYCLING</i>											
72065538	Sealing & site development	TR	15,000		15,000	20,520	Complete	Dec-15	Feb-16	Mar-16	Hardstand Area
72065538	Sealing & site development	TR			0	5,993	Complete			Aug-15	Canopy over skips
72065509	Litter Bins	TR	10,000	7,500	17,500				Jun-16		Waiting for e-cube 3 month trial
TOTAL	SOLID WASTE		25,000	7,500	32,500	26,513					

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
ROADING											
43205566	<i>Unsealed Road Metalling LR</i> Local Roads	TM		92,025	92,025			Jul-15	Jun-16		under maintenance contract
43215566	<i>Maintenance Chipseals (Reseals) LR</i> Local Roads	TM		562,375	562,375	231,318	In progress	Dec-15	Mar-16		Commenced
43225566	<i>Drainage Control LR</i> The Strand dish channel	TR/SM		23,080	23,080	7,300	In progress	Jan-16	Mar-16		Construction
43225566	Wakefield Street K&C	TR/SM		17,000	17,000						Price accepted
43225566	Cobden / Domett K&C	TR/SM		8,478	8,478						Price accepted design stage
43225566	The Esplanade K&C	TR/SM		7,500	7,500						Construction
43225566	Victory Street K&C	TR/SM		20,000	20,000	4,350	In progress				
43225566	PSBU			9,500	9,500	6,945					
43225566	Culverts - Roading Contract	TR/SM		76,688	76,688	32,640		Jul-15	Jun-16		under maintenance contract
43225566	Program overbudget 5%			(8,871)	(8,871)						
43235566	<i>Pavement Rehabilitation LR</i> Derby Street-Pavement Rehabilitation	TR/SM		209,613	209,613	9,921	In progress	Jan-15	May-16		under construction
43255566	<i>Traffic Services Renewals LR</i> Local Roads	TM/TR		79,755	79,755	24,614		Jul-15	Jun-16		under maintenance contract
43275566	<i>Minor Improvements LR</i> Derby Street	TR/SM		91,000	91,000	21,028	In progress	Jan-16	May-16		under construction
43275566	Victory Street widening	TR/SM		35,000	35,000	17,577	In progress				under construction
43275566	Derby Street Seal widening	TR/SM		5,000	5,000	4,650	Completed	Feb-16	Mar-16		completed
43275566	The Strand Seal widening	TR/SM		18,000	18,000		In progress				under construction
43275566	Coates Street traffic calming	TR/SM		10,000	10,000	8,907	Completed				completed
43275566	Rintoul Street Dump Station	TR/SM		10,000	10,000						Subsidised MHANZ
43275566	Shellsell St turnaround	TR/SM		15,300	15,300	16,646	Completed			Jun-15	2014/15 budget item not accrued
43275566	PSBU	SG		15,300	15,300	5,400					
43275566	Program overbudget 2%			(3,660)	(3,660)						
43245566	<i>Other Roading LR</i> Structures Component Replacements	TM/TR		46,013	46,013	1,277					under maintenance contract
43295566	Emergency works	TM/TR		0	0	48,630					Denniston Road
43405566	<i>Special Purpose Roads</i> Unsealed Road Metalling	TR/TM		2,147	2,147			Jul-15	Jun-16		under maintenance contract
43415566	Sealed Road Resurfacing	TR/TM		143,150	143,150	143,638	In progress	Dec-15	Mar-16		Commenced
43425566	Drainage Improvements	TR/TM		51,125	51,125	13,174					
43435566	Pavement Rehabilitation	TR/TM		81,800	81,800	24,505					
43445566	Structures Component Replacements	TR/TM		15,338	15,338	720		Jul-15	Jun-16		under maintenance contract
43455566	Traffic Services Renewals	TR/TM		30,675	30,675	17,186		Jul-15	Jun-16		under maintenance contract
43465566	Minor Improvements	TR/TM		36,156	36,156	1,360					
4338&4349	Emergency works major slip	TM/TR		0	0	251,830	In progress				Unbudgeted remediation, 100% NZTA funded
TOTAL	ROADING		0	1,684,187	1,684,187	893,616					

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
URBAN DEVELOPMENT											
Footpaths - Capital											
42065566	Rehabilitation & Reseals - District	HS/TR		75,000	75,000	38,193	In progress	Jan-16	May-16		
42065566	Derby Street	TR/SM		95,000	95,000		In progress	Jan-16	May-16		Part of 2015/16 Derby St upgrade
42065566	Brougham St	TR/SM		25,000	25,000	12,649	In progress	Jan-16	May-16		In progress
	TOTAL Footpaths		0	195,000	195,000	50,842					
42115509	Cameras & colour lights	LH		18,000	18,000	4,400					carry over
42125566	Burkes Creek Bridge	TM/TR		110,000	110,000	12,429	In progress			May-16	Practical completion
42155537	Tauranga Bay Toilets	SM	40,000	110,000	40,000	37,918	Completed	Sep-15	Dec-15	Mar-16	Completed
TOTAL	URBAN DEVELOPMENT		40,000	323,000	363,000	105,589					

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
WATER SUPPLIES											
Westport Supply											
7301556004	Derby Street (Rintoul-Mill)	IF/SM		94,360	94,360	110,756	Completed	Jan-16	May-16		
7301556004	Romilly Street West (Bright-Gladstone)	IF/SM		26,550	26,550			Jan-16	May-16	Jun-16	Tender accepted
7301556004	Romilly Street West (Cobden-Bright)	IF/SM		26,550	26,550			Jan-16	May-16		Tender accepted
7301556004	Romilly Street West (Lyndhurst - Henley))	IF/SM		19,050	19,050	16,781	Completed			Jun-16	Tender accepted
7301556004	Riley Place (FH-Cul-de-sac)	IF/SM		10,650	10,650						
7301556004	Cobden Street (East Hospital Ent-No50)	IF/SM		29,140	29,140	29,008	Completed	Dec-15	Feb-16		Tender accepted
7301556004	Riley Place (Rintoul-FH)	IF/SM		7,800	7,800					Jun-16	Tender accepted
7301556004	Adderley Street	IF/SM				6,368					
	Subtotal 7301556004		0	214,100	214,100	162,913					
7301556007	Trunkmain	IF/SM	12,930	100,000	112,930	12,100					Replacements only as required
7301556008	Valves	IF/SM	11,350	35,000	46,350	37,077		Jul-15	Jun-16		ongoing
7301556009	Tunnel piping	IF/SM		1,550,000	1,550,000	40,173	Consultation			Rebudget	\$650k rebudgeted per 2016/17 Draft Annual Plan
7301556010	Back flow Prevention	IF/SM		15,000	15,000					carry over	Deferred due to other project commitments
7301556001	Minor Capital (Maintenance contract)	IF/SM		120,000	120,000	89,670	As required				under maintenance contract
	TOTAL Westport		24,280	2,034,100	2,058,380	341,933					
Reefton Supply											
7311556008	Reticulation valves	IF/SM	10,000	10,000	20,000	347				Jun-16	works schedule completed
7311556002	WTP Genset & shed	IF/SM	60,000	60,000	60,000	24,266	Shed design				Generator purchased, site work to complete
7311556002	Brennan (Buller - Victory)										Following site inspection and considering actual performance of network in other areas of Reefton, the 2015/16 program was revisited and reprioritised.
7311556002	Ross St East (Broadway - Shiel)										
7311556002	Service Lane(Walsh-Bridge)										
7311556002	William Street (Bridge-Tennis court)										
7311556002	Ranft St (Buller- 72 Main St)										
7311556002	Main Street (Brennan-Lucas)										
7311556002	Times Street (Walsh-13Times St)										
7311556002	Service Lane(Potter-Ranft)										
7311556002	Plaskett St (Conlon - Chattockville)	IF/SM		18,850	18,850				Jun-16		Price received \$18,846
7311556002	Chattockville St (Plaskett - end)	IF/SM		12,300	12,300				Jun-16		Price received \$12,265
7311556002	Main Street (No 46 - Lucas)	IF/SM		7,600	7,600	7,616			Jun-16		Original budget \$14,700
7311556002	Racecourse Road (Shiel - Broadway)	IF/SM		35,500	35,500				Jun-16		Price received \$35,475
7311556002	To be determined	IF/SM	10,000	19,350	29,350				Jun-16		
7311556001	Minor Capital (Maintenance contract)	IF/SM		15,500	15,500	10,551	As required				under maintenance contract
	TOTAL Reefton		80,000	119,100	199,100	42,779					

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
	MINOR WATER SUPPLIES										
	<i>Little Wanganui</i>										
7321556001	Minor Capital (Maintenance contract)	IF/SM		1,000	1,000		As required				under maintenance contract
	<i>Mokihinui</i>										
7331556001	Minor Capital (Maintenance contract)	SM		200	200		As required				under maintenance contract
	<i>Ngakawau-Hector</i>										
7341556001	Minor Capital (Maintenance contract)	IF/SM		1,000	1,000	1,507	As required				under maintenance contract
7341556005	Drinking water standards	SM		552,725	552,725	4,481	Not progressing				Not progressing following Community vote
	<i>Waimangaroa</i>										
7351556001	Minor Capital (Maintenance contract)	IF/SM		1,000	1,000						under maintenance contract
7351556004	Mains renewals	IF/SM	38,000	26,960	64,960		As required				
7351556005	Drinking water standards	SM		473,692	473,692	6,018	Design			carry over	Project reconfiguration required
	<i>Cape Foulwind</i>										
7361556001	Minor Capital (Maintenance contract)	IF/SM		2,500	2,500		As required				under maintenance contract
	<i>Punakaiki Supply</i>										
73715500	Land	IF/SM			0	892					Intake site
7371556001	Minor Capital (Maintenance contract)	IF/SM		1,000	1,000	17,925	As required				Intake, reservoir outflow and main replacements
	<i>Inangahua Junction</i>										
7381556001	Minor Capital (Maintenance contract)	IF/SM		500	500		As required				under maintenance contract
7381556005	Drinking water standards	SM		222,740	222,740						
	<i>South Granity</i>										
7391556005	Drinking water standards	SM		358,605	358,605		Not progressing				
	<i>Karamea Supply</i>										
733656005	Upgrade Investigation	SM			0	2,258	Not progressing				Small balance to write off
	TOTAL MINOR SUPPLIES		38,000	1,641,922	1,679,922	33,080					
TOTAL	WATER SUPPLIES	0	142,280	3,795,122	3,937,402	417,793					

WASTEWATER											
SEWERAGE											
<i>Westport Sewer</i>											
7101556302	WWTP Pump & Computers	IF/SM	40,000		40,000					Jun-16	
7101556302	Replace Stepscreen	IF/SM		30,000	30,000	23,600	Completed			Jul-15	
	Subtotal 7101556302		40,000	30,000	70,000	23,600					
7101556305	Derby Street (Rintout-Mill)	IF/SM	14,200	113,960	128,160	76,392	Completed	Jan-16	May-16		practical completion
7101556305	Roebuck Street (Menzies -ES)	IF/SM	146,000		146,000	134,632	Completed	Oct-15	Dec-15	27/11/2015	practical completion
7101556305	Queen Street(Balfour-Gladstone)	IF/SM		16,900	16,900	14,220	Completed	Aug-15	Oct-15	31/10/2015	practical completion
7101556305	Gladstone (5 Gladstone-Russell)	IF/SM		24,375	24,375	96	In progress	Jan-16	Jun-16		tendered price \$22,954.80
7101556305	Gladstone (7 Gladstone-Queen)	IF/SM		17,225	17,225	68	In progress	Jan-16	Jun-16		tendered price \$16,221.40
7101556305	Gladstone (7a Gladstone-Peel)	IF/SM		21,450	21,450	84	In progress	Jan-16	Jun-16		tendered price \$20,200.25
7101556305	Russell Street (Gladstone-Chamberlain)	IF/SM		26,975	26,975	106	In progress	Jan-16	Jun-16		tendered price \$25,403.30
7101556305	Russell Street (Chamberlain-Bright)	IF/SM		21,450	21,450	84	In progress	Jan-16	Jun-16		tendered price \$20,200.25
	Unallocated	IF/SM		7,152	7,152						
	Subtotal 7101556305		160,200	249,487	409,687	225,684					
7101556303	Pumpstations Upgrades	IF/SM	40,230	42,500	82,730	36,198	In progress				\$31,939.49 spend 2014/2015
7101556306	Sewer Modelling & Separation	IF/SM		55,758	55,758	909	Planning			carry over	Negotiation with consultants
7101556301	Minor Capital (Maintenance contract)	IF/SM		64,000	64,000	24,788	As required				under maintenance contract
	TOTAL Westport		240,430	441,745	682,175	311,179					

OPERATIONS - WORKS SCHEDULE 2015/2016

GL Code	Project Description	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
	Reefton Sewer										
7131556303	Main Street (Caples - 33 Main Street)										
7131556303	Main Street (MH - Brennan)										
7131556303	Parallel Buller Road (80 Buller-Plaskett)										
7131556303	Caples Street (Main - Dick)	IF/SM	29,750	29,750			Planning	Mar-16	Jun-16		Following site inspection and considering network performance, the 2015/16 program was revisited and No access due to concrete pad & building tender in May 2016.
7131556303	Caples Street (Dick - Davis)	IF/SM	30,000	30,000			Planning	Mar-16	Jun-16		
7131556303	Potter - Ranitt (SL Main-Buller)	IF/SM	53,000	53,000			Planning	Mar-16	Jun-16		
7131556303	Deemac (Bayfield-no36)	IF/SM	14,025	14,025			Planning	Mar-16	Jun-16		To be tendered under one contract.
7131556303	Munson (Bridge-18 Munson)	IF/SM	49,225	49,225			Planning	Mar-16	Jun-16		To tender in May 2016.
7131556303	Davis Street (Brennan - Lucas)	IF/SM	29,700	29,700			Planning	Mar-16	Jun-16		
7131556303	CCTV Survey & Water blasting	IF/SM	20,000	20,000	7,905				Jun-16		
7131556303	New Manholes	IF/SM	26,000	11,152	37,152	26,814	In progress	Jul-15	Jun-16		On going
7131556303	Minor Capital (Maintenance contract)	IF/SM	24,750	24,750			As required		Jun-16		under maintenance contract
	TOTAL Reefton		138,750	148,852	287,602	34,719					
	Little Wanganui Sewer										
7141556301	Minor Capital (Maintenance contract)	IF/SM		1,338	1,338		As required				under maintenance contract
7141556303	Homcastle Crescent (MH4-MH5)	IF/SM	19,250	0	19,250		Planning			carry over	To tender in May 2016.
7141556303	MH13 - MH14A	IF/SM	0	36,850	36,850		Planning			carry over	To tender in May 2016.
	TOTAL Little Wanganui		19,250	38,188	57,438	0					
	TOTAL Sewerage		398,430	628,785	1,027,215	345,898					
	STORMWATER										
	Wesport										
7180556402	Brougham Street Pump Station	SM/TR		0	13,821						
7180556402	Derby Street (Brougham - Rintoul)	SM/TR		133,000	133,000	61,878	In progress	Jan-16	May-16	Apr-16	Completed in April 2016
7180556402	Wesport Manholes	SM/TR	14,000	13,000	27,000	8,172	As required		Jun-16		
7180556402	Benham Street	SM/TR		11,000	11,000	10,705	Completed			Mar-16	
7180556402	Russell Street (Cobden-Sump)										
7180556402	Adderley Street	SM/TR	35,603	35,603	37,944		Completed	Aug-15	Oct-15	Sep-15	Reprioritised and budget reallocated completed
7180556401	Minor Capital (Maintenance contract)	IF/TR		38,000	38,000	24,801	As required				under maintenance contract
	TOTAL Stormwater		49,603	195,000	244,603	157,321					
	TOTAL WASTEWATER		448,033	823,785	1,271,818	503,219					

OTHER SIGNIFICANT PROJECTS 2015/2016

GL Code	Project Description and Stages	Project Manager	Carry Over	2015/16 Budget	Total Budget	Actual Cost March 2016	Project status	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
DISTRICT PLAN REVIEW											
	Workshops/Draft amendments	RT				28,516	Complete	Nov-14	Feb-16	24/02/2016	Costs incurred 14/15 and 15/16 FY's
	Adopt proposed amendments for consultation	RT					Complete	Feb-16	Feb-16	24/02/2016	
	Submissions	RT				3,174	Complete	Mar-16	Apr-16	8/04/2016	
	Further Submissions	RT					Complete	Apr-16	May-16	5/05/2016	The time taken for each step from here will depend on how many submissions are received and the issues raised in submissions. Additional steps, for example a pre-hearing meeting, may be required. Any appeals will have to be dealt with between the Committee's decision and approval by Council.
	Hearings	RT					Complete	Jul-16	Jul-16		
	Decision on submissions (Hearings Committee)	RT						Jul-16	Aug-16		
	Approval of Plan Changes by Council	RT						Sep-16	Sep-16		
	Updating and distributing District Plans	RT						Sep-16	Oct-16		
81042872	TOTAL District Plan Review		15,000	20,000	35,000	31,690					Total budget 2014/15, 2015/16 & 2016/17 = 55,000
RATING REVIEW PROJECT											
	Initial Consultation, Workshops & Modelling	AO				32,383					Project costs to 31 March 2016
	Workshops/Modelling	WMT									
	Integrity Checking	WMT							Aug-16		
	Use Codes mailout	WMT									
	Prepare draft consultation & proposal documents	WMT									
	Adopt rating system for consultation	WMT									As per workshop of 27 April 2016, timeline to be extended with consultation commencing January 2016. Stages and deadlines yet to be confirmed.
	Finalise consultation & proposal documents	WMT									
	Consultation Period/Submissions	WMT									
	Hearings/Deliberations	WMT									
	Finalise new rating system and adopt	WMT							Jun-17		
	Implement new rating system	WMT							Jul-17		
15052864	TOTAL Rating Review		100,000*		100,000	32,383					* Budgeted in 2014/15 Financial year
INFORMATION TECHNOLOGY - INFORMATION MANAGEMENT PROJECT											
	Phase 1 Discovery	RW		11,000	11,000		Complete				
	Information Discovery Report					5,760	Complete	Jul-15	Jul-15	Jul-15	
	ALGIM toolkit					4,000	Complete	Jul-15	Jul-15	Jul-15	
	Phase 2 Design	RW		40,000	40,000		In Progress	Mar-16	Jul-17		Phase 2 in progress. Other West Coast councils participating. Limited BDC staff time available and will require external resource/expertise.
	Project Team										
	Records Manager/Consultant										
	Systems and Processes Specification										
	Phase 3 Implementation	RW		24,000	24,000		In Progress	Jan-16	Jun-16		Additional \$76,875 in 2016/17 budget
	Email Archive										Short listed products being evaluated, with the other West Coast councils.
	Digitisation										
	EDRMS										
	A1 Printer/scanner										
	Workflow process tool										
	Enterprise search										
	Process development and staff training										
2210551840	TOTAL Information Management		0	75,000	75,000	9,760					

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 8

**Prepared by – Wendy Thompson
– Operational Accountant**

QUARTERLY CAPITAL REPORT

TO BE DISTRIBUTED ON MONDAY

**BULLER DISTRICT COUNCIL
FOR THE MEETING OF 11 MAY 2016**

Report for Agenda Item No 9

**Prepared by – Dean Phibbs
– Financial Accountant**

AUDIT MANAGEMENT REPORT: ACTION POINTS

DRAFT RECOMMENDATION

That this report be received for information and discussion.

AUDIT MANAGEMENT ACTION POINTS: 2016

No.	Subject	Detail	Responsible	Status	Comments	Planned Completion Date
1	Valuation of Investment Properties	Council confirm list of investment properties provided to the valuer.	Financial Accountant	In progress	Return from an asset as opposed to ownership and identification from Council records complicates recognition. Work with valuer to identify.	May 2016
2	Capitalised Costs	Council included capital work in progress for earthquake assessments and land remediation costs as assets.	Operational Accountant	In progress	Noted.	June 2016
3	Approval of invoices for payment	Only invoices that have been approved for payment are paid	Financial Accountant	Completed	Dollar value on one invoice low (\$8), other invoice was automatic monthly invoice where contract had previously been approved. Remittance advices were checked and authorized prior to payment.	November 2015
4	Approval process for investments	Approval of new investments and investment rollover between Financial Accountant and Manager Corporate Services by email	Financial Accountant	Completed	Investment form drafted.	November 2015
5	Creditors Masterfile changes	Creditors masterfile maintenance report produced and checked before each payment run.	Financial Accountant	Completed	All masterfile changes approved before payment.	April 2015
6	Approval of CEO's credit card expenditure	CEO's credit card expenditure to be approved by mayor before payment. Credit card policy to be updated.	Financial Accountant	Completed	Expenditure now approved by Mayor. Credit card policy updated.	December 2015
7	Non-financial performance reporting	Key non-financial performance measures should be reported to management and Council throughout the year.	Management	In progress	Key non-financial information to be agreed with the management team and reported to Finance and Audit committee commencing January 2016	March 2016

PREVIOUS AUDIT MANAGEMENT POINTS: 2015

No.	Subject	Detail	Responsible	Status	Comments	Planned Completion Date
		Previous Audit Management Points 2015				
1	Infrastructure asset valuations	Improve quality of Roading data in RAMM use for next valuation. Recommendations in GHD report used.	Operational Accountant	In progress	Asset data condition and performance processes were identified in the AMP as an improvement plan item. Council will assess options to effect an appropriate regime during 2015/16. This process will strengthen lifecycle management and asset valuations.	June 2016
2	Transfer of asset revaluation reserve for assets disposed of, be transferred to accumulated funds	No transfer is made.	Operational Accountant	In progress	Methodology to enable this to occur will be finalized and reserve adjustments processed in the 2015/16 financial year	June 2016
3	Capitalisation and depreciation of assets	Assets be capitalised once completed and operational and depreciated from that date.	Operational Accountant	In progress	Review the roading asset register during 2015/16 year to improve record keeping.	June 2016
4	Internal audit	No formal internal audit reviews were performed in 2014/15	Manager Corporate Services	Completed	Resources have been fully deployed on the Rates Overhaul and LTP this year. An internal assessment of the QV use codes was carried out after year end and in 2015/16 a full internet audit of rates processes will be undertaken with a formal audit report produced	June 2016
5	Accounting for Westreef Depot Land	The Westreef Services Limited depot property is accounted for correctly in the Councils parent and group financial statements.	Financial Accountant	In progress	Transfer building to investment property. This will be completed in 2015/16 Financial Report.	June 2016.

FINANCE WORK PLAN

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Internal Reporting												
F&A Reports												
- BDC Quarterly Financials		Three quarterly						Quarterly			Half Yearly	
- BDC Operational												
- BDC Treasury												
- BDC Debtors												
- BDC Capital												
- BHL Quarterly Financials												
Council Reports												
- Interim Accounts Airport		Final SOI									Draft SOI	
- Budget Carry Overs						2016 Carryovers						
- BHL SOIs			Final SOI's								Draft	
- Grant Quarterly Reports												
Rates Overhaul Project												
- Rates Overhaul				Posponed 2016/2017								
2016-17 Annual Plan												
- Annual Plan	Consult	Roadshows/ Hearings	Adopt Final							2017/2018 Annual Plan Workshops	2017/2018 Annual Plan Workshops	2017/2018 Annual Plan Workshops
2016-17 Annual Report												
- BDC Annual Report	Systems Audit					Audit	Adopt	Publish Summary & report				
- BHL Annual Report					Audit	Group Figures	Annual Report					
2016-17 Pre-Election Report												
- BDC Pre-election report	Preparation		Proofing	Release 1 July								
Elections												
- Tri-annual Election				Nominations open 15/7	12 Aug Nominations close; Election date & candidates publicised; Roll Finalised	Voting documents delivered	Election, appointment & Induction					
Other Operational Projects												
- Insurance	Negotiations		Finalise								Valuations (2-3 yearly)	