

# AGENDA:

Meeting of the  
**FINANCE & AUDIT COMMITTEE**

Wednesday 14 June 2017  
commencing at 5:30pm

*at:*

Clocktower Chambers  
Palmerston Street, Westport

## **Finance & Audit Committee Members:**

- His Worship the Mayor Garry Howard
- Cr J Cleine
- Cr D Hawes
- Cr S Roche (Chair)
- Cr R Nahr
- Cr P Rutherford

# Terms of Reference

## Finance & Audit Committee

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### 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.
- 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 Rates and General Debt collection

### 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 (ie 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

Monthly dashboard report

### Membership

Chair:

- Sharon Roche

Members:

- Garry Howard
- Robyn Nahr
- Phil Rutherford
- Dave Hawes
- Jamie Cleine

# FINANCE & AUDIT COMMITTEE MEETING

14 JUNE 2017

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# FINANCE AND AUDIT COMMITTEE

14 JUNE 2017

Agenda Item No 1

Prepared by - Dean Phibbs  
- Manager Corporate Services

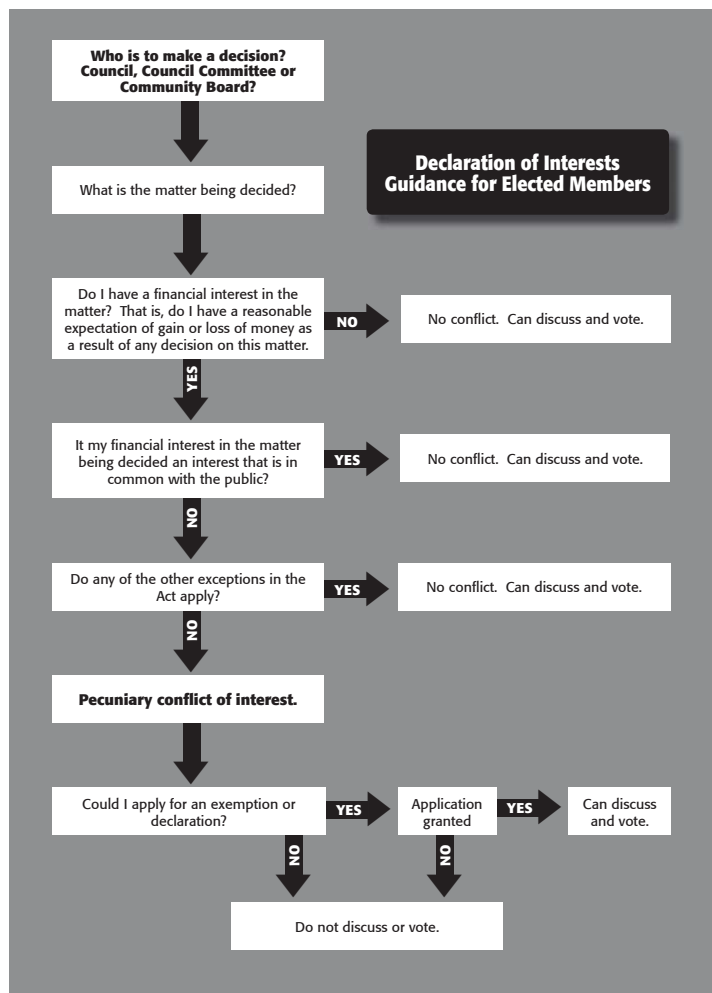
## MEMBERS INTEREST

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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.

**FINANCE AND AUDIT COMMITTEE**

**14 JUNE 2017**

**Agenda Item No 2**

**Prepared by - Dean Phibbs  
- Manager Corporate Services**

**CONFIRMATION OF MINUTES**

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Minutes of the meeting held 17 May 2017.

**DRAFT RECOMMENDATION**

**That the minutes from the meeting held 17 May 2017 are confirmed.**

**MEETING OF THE BULLER DISTRICT COUNCIL FINANCE AND AUDIT COMMITTEE, COMMENCED AT 5:00pm 17 MAY 2017 AT CLOCKTOWER CHAMBERS, PALMERSTON STREET, WESTPORT**

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**PRESENT:**

Mayor G Howard, Councillor's S Roche (Chair), P Rutherford, J Cleine and R Nahr.

**IN ATTENDANCE:**

Councillor's S Barry and G Hart.

Manager Corporate Services (D Phibbs), Financial Accountant (W Thompson), Management Accountant (L Brooks) and PA Corporate Services (M Wilson).

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**APOLOGIES:**

An apology was received from Councillor D Hawes.

**S Roche/J Cleine  
CARRIED UNANIMOUSLY**

**1. MEMBER'S INTEREST**

Cr R Nahr declared an interest in Buller Holdings Ltd.

**2. MINUTES**

**RESOLVED** that the minutes of the 12 April 2017 meeting be accepted.

**P Rutherford/J Cleine  
CARRIED UNANIMOUSLY**

**3. ACTION POINTS**

103a. Draft report is complete and being reviewed.

111. Change date to June 2017. Cr S Roche to discuss with M Duff (GM Assets & Infrastructure).

117. Change date to July 2017.

132. Completed.

**RESOLVED** that the report be received for information and discussion.

**J Cleine/G Howard  
CARRIED UNANIMOUSLY**

#### **4. FINANCIAL PERFORMANCE**

W Thompson (Financial Accountant) gave an overview of the report and results.

A description on derivative interest rates was given by D Phibbs (Manager Corporate Services).

**AP:** D Phibbs (Manager Corporate Services) to provide an explanation on variance in salary budget.

**AP:** Mayor G Howard to review the Solid Waste contract (litter bin empties) with M Duff (GM Assets & Infrastructure) to determine if the contract needs updating to include additional bins being emptied.

**AP:** W Thompson (Financial Accountant) to work with WestReef Services (R Nahr) to tidy up how H&S KPI's are measured to provide consistency to the reporting.

**RESOLVED** that the report be received for information and discussion.

**S Roche/R Nahr  
CARRIED UNANIMOUSLY**

#### **5. INVESTMENTS AND BORROWINGS**

**RESOLVED** that the report be received for information and discussion.

**P Rutherford/J Cleine  
CARRIED UNANIMOUSLY**

#### **6. CAPITAL INCOME AND CAPITAL EXPENDITURE REPORT**

**RESOLVED** that the report be received for information and discussion.

**G Howard/R Nahr  
CARRIED UNANIMOUSLY**

#### **7. SIGNIFICANT PROJECTS REPORT**

**AP:** working party to be formed to determine how the significant projects should be reported through the orange and green 'traffic lights', consisting of Mayor G Howard, Cr S Roche, Manager Corporate Services, Financial Accountant and Management Accountant.

**AP:** Break the categories for Assets and Infrastructure down further to give a clearer indication of how portions of projects are going.

**RESOLVED** that the report be received for information and discussion.

**S Roche/J Cleine  
CARRIED UNANIMOUSLY**

**8. BULLER HOLDINGS LTD: Financial Report to 31 March 2017**

**AP:** Cr S Roche to write to Brian Wood (Chairperson, BHL) congratulating them for a good report and result.

**RESOLVED** that the report be received for information and discussion.

**G Howard/P Rutherford  
CARRIED UNANIMOUSLY**

**RESOLVED** that the Finance and Audit Committee recommends the Financial Report for the quarter ended 31 March 2017 be received from Buller Holdings Limited is accepted by Council.

**S Roche/J Cleine  
CARRIED UNANIMOUSLY**

**9. AUDIT MANAGEMENT ACTION POINTS**

Auditor General and Council's Auditor from Audit NZ met with Finance staff, Mayor and Cr S Roche and their feedback is most favourable. They have issued Council with a new Auditor which indicates they don't have any concerns over Council's financial situation.

F&A Committee congratulated the Corporate Services team on a job well done.

**FINANCE WORK PLAN**

Reviewed.

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- There being no further business the meeting concluded at 6:45pm
  - **Next meeting:** Wednesday 14 June 2017, 5pm at Clocktower Chambers

**Confirmed:** ..... **Date:** .....

**Name:** .....



**FINANCE AND AUDIT COMMITTEE**

**14 JUNE 2017**

**Agenda Item No 3**

**Prepared by - Dean Phibbs  
- Manager Corporate Services**

**ACTION POINT LIST**

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**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
103 (a)	17 Feb 2016	<b>Internal Audit:</b> to carry an internal audit out before the end of financial year.	Lynn Brooks; Wendy Thompson	Draft report with Senior Management Team for review.	June 2017	
103 (b)	17 Feb 2016	<b>Shared Services:</b> to be discussed with other West Coast Council's as part of the joint Level of Service review.	Andy Gowland-Douglas; Wendy Thompson	Continue working with other Council's. To be in place by 1 July 2017.	June 2017	
111	11 May 2016	<b>Leases and Licences to Occupy:</b> Update register and provide report	Mike Duff	Sharon Roche to discuss with GM A&I.	June 2017	
117	15 June 2016	<b>Debt Recovery:</b> clarify the Resource Management debt with Team Leader Planning.	Lynn Brooks	Progressing. Team Leader Planning in communications and discussion with debtor.	July 2017	
135	17 May 2017	<b>Payroll Accrual:</b> provide an explanation on variance in salary budget	Dean Phibbs		June 2017	
136	17 May 2017	<b>Solid Waste Contract/ Litter Bins:</b> Solid Waste contract (litter bin empties) to be reviewed to see if the contract needs updating to include additional bins being emptied.	Garry Howard Mike Duff		June 2017	
137	17 May 2017	<b>WestReef Services:</b> work with WestReef Services to tidy-up how H&S KPI's are measured to provide consistency to the reporting.	Wendy Thompson Robyn Nahr		June 2017	

No.	Meeting of:	Action Point	Responsible?	Progress:	Date required by:	Completed
138	17 May 2017	<b>Significant Projects Report:</b> working party to agree how the significant projects are to be reported through the 'traffic lights'.	Garry Howard Sharon Roche Dean Phibbs Lynn Brooks Wendy Thompson		June 2017	
139	17 May 2017	<b>Significant Projects Report:</b> provide further breakdown for the Assets and Infrastructure projects, to give a clear indication of how portions of projects are going.	Lynn Brooks		June 2017	Completed
140	17 May 2017	<b>Buller Holdings Ltd:</b> Write to Chairperson, BHL (Brian Wood) congratulating them on a good report and result.	Sharon Roche		June 2017	

## FINANCE AND AUDIT COMMITTEE

14 JUNE 2017

Agenda Item No 4

Prepared by - Wendy Thompson  
- Financial Accountant

Reviewed by - Dean Phibbs  
- Manager Corporate Services

### FINANCIAL PERFORMANCE: April 2017

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#### 1. Report Summary

To provide Council with a financial performance update on the operational results to 30 April 2017.

#### 2. Recommendation/draft resolution

That this report be received for information and discussion.

#### 3. Operational Financial Performance

##### 3.1 Operational Performance Report - Summary of Results April 2017

	Actual YTD	Budget YTD	Projected Full Year	Budget Full Year	Projected Variance Full Year
Income	\$16,089,700	\$15,147,000	\$21,061,200	\$20,997,800	63,300 F
Expenditure	\$17,624,900	\$18,221,500	\$22,076,500	\$22,196,500	120,000 F
					<b>\$183,300 F</b>

### 3.2 Dashboard – Operational Financial Performance Indicators

Activity	Revenue	Expenditure	Comment
Democracy	●	●	
Property Amenities & Reserves	●	●	<ul style="list-style-type: none"> <li>Timing variance – R&amp;M offset by public toilets.</li> </ul>
Economic Development, Tourism & Museum Support	●	●	
Community Services	●	●	<ul style="list-style-type: none"> <li>Additional grant and lease income \$84,000.</li> </ul>
Regulatory	●	●	<ul style="list-style-type: none"> <li>Building and planning income under budgeted offset by cost savings.</li> </ul>
Roading	●	●	<ul style="list-style-type: none"> <li>Additional roading subsidy \$123,000.</li> </ul>
Solid Waste	●	●	<ul style="list-style-type: none"> <li>Salary &amp; consultant savings offset by unbudgeted recruitment.</li> </ul>
Support	●	●	
Wastewater	●	●	<ul style="list-style-type: none"> <li>Reactive R&amp;M &amp; electricity overbudget offset by interest savings.</li> </ul>
Water	●	●	
Airport	●	●	

## Operational Financial Report for the period ending 30 April 2017

	Year to Date								Note	Temporary or Permanent Variance	Explanation of Variances of 10% or greater
	Actual	Budget	Variance to April	U/F	Full Year Prediction	Annual Budget	Variance Full Year Prediction	U/F			
<b>Income</b>											
Community Services	529,908	433,540	96,368	F	616,792	520,248	96,544	F		Permanent	Grant received for waterfront \$20,000, additional Harbour lease income \$88,000
Democracy	43,438	28,190	15,248	F	43,828	33,828	10,000	F			
Tourism & Promotion	0	0	0	U	0	0	0				
Water Supply	1,951,664	1,952,577	(913)	U	2,608,432	2,588,436	19,996	F			
Airport	176,143	167,830	8,313	F	190,996	190,996	0				
Amenities & Reserves	621,073	618,190	2,883	F	803,894	753,108	50,786	F		Permanent	Prediction: NZTA contribution to toilet operating costs \$40,000
Roading & Urban Development	1,836,906	1,818,462	18,444	F	2,319,058	2,319,058	0			Temporary	Additional roading subsidy allocated for emergency reinstatement \$123,000, offset by timing of roading programme and associated external contribution
Environmental Services	681,809	792,906	(111,097)	U	803,658	917,658	(114,000)	U		Permanent	Building, planning & dog control income underbudget
Solid Waste	627,974	610,881	17,093	F	800,724	800,724	0				
Support Services	54,554	60,030	(5,476)	U	72,036	72,036	0				
Council (General Rates & Investments)	7,758,020	6,829,310	928,710	F	10,356,109	10,356,109	0			Temporary	Timing of subvention payment \$917,000 higher than budgeted to 30 April 2017. Year end prediction depends on full year performance of Buller Holdings Ltd
Wastewater	1,808,185	1,835,038	(26,853)	U	2,445,636	2,445,636	0				
<b>Total Income</b>	<b>16,089,675</b>	<b>15,146,954</b>	<b>942,721</b>	<b>F</b>	<b>21,061,163</b>	<b>20,997,837</b>	<b>63,326</b>	<b>F</b>			

## Operational Financial Report for the period ending 30 April 2017

	Year to Date								Note	Temporary or Permanent Variance	Explanation of Variances of 10% or greater
	Actual	Budget	Variance to April	U/F	Full Year Prediction	Annual Budget	Variance Full Year Prediction	U/F			
<b>Expenditure</b>											
Community Services	2,653,093	2,651,433	(1,660)	U	3,277,783	3,287,783	10,000	F			
Democracy	475,815	465,728	(10,087)	U	550,672	540,672	(10,000)	U			
Tourism & Promotion	342,954	384,006	41,052	F	460,746	460,746	0				
Water Supply	1,560,053	1,536,268	(23,785)	U	1,978,267	1,978,267	0		Temporary	Reactive R&M \$43,000 and electricity \$67,000, offset by interest underbudget \$101,000	
Airport	271,255	244,250	(27,005)	U	319,820	289,820	(30,000)	U	Permanent	Salaries over budget due to staffing changes	
Amenities & Reserves	1,687,721	1,864,321	176,600	F	2,143,734	2,208,734	65,000	F	Temporary	R&M expenditure underbudget offset by additional public toilet operating costs	
Roading & Urban Development	4,412,213	4,515,291	103,078	F	5,422,070	5,422,070	0		Temporary	Emergency reinstatement costs offset by timing of the scheduled roading programme	
Environmental Services	1,074,386	1,185,913	111,527	F	1,362,310	1,437,310	75,000	F	Permanent	Net savings in a wide range of expenses including salaries	
Solid Waste	732,711	764,508	31,797	F	952,465	952,465	0				
Support Services	2,693,752	2,856,897	163,145	F	3,414,420	3,424,420	10,000	F	Temporary	Underbudget salaries, consultant fees and other saving offset by unbudgeted recruitment costs, legal fees and timing of software licence renewals. Prediction: depreciation and infrastructure revaluation costs yet to process."	
Wastewater	1,720,960	1,752,868	31,908	F	2,194,260	2,194,260	0				
<b>Total Expenditure</b>	<b>17,624,912</b>	<b>18,221,483</b>	<b>596,571</b>	<b>F</b>	<b>22,076,547</b>	<b>22,196,547</b>	<b>120,000</b>	<b>F</b>			
<b>Net Variance</b>			<b>1,539,292</b>	<b>F</b>			<b>183,326</b>	<b>F</b>			

## FINANCE AND AUDIT COMMITTEE

14 JUNE 2017

Agenda Item No 5

**Prepared by** - Wendy Thompson  
- Financial Accountant

**Reviewed by** - Dean Phibbs  
- Manager Corporate Services

### INVESTMENTS AND BORROWINGS: May 2017

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#### REPORT SUMMARY

This report summarises Councils cash investments and borrowings for the month ended April 2017, interest earned for the period from 1 July 2016 to 31 May 2017 and policy compliance.

#### RECOMMENDATION/DRAFT RESOLUTION

**That the report be received for information.**

#### ISSUES AND DISCUSSION

##### **Investments**

Investments have increased by \$1.98 million in total from the last report circulated to the end of April 2017. This is mainly due to the effect of the rates billing cycle and monthly creditor payment obligations.

##### **Interest Revenue**

Interest revenue to the end of May 2017 is \$762,000 compared to a budget of \$752,000. Council will continue to reinvest term investment funds at the most favourable interest rate when deposits are up for renewal. There are often opportunities to take advantage of bank pricing differences to maximise returns even in time of low interest rates.

##### **Borrowings and Net Debt Position**

Total borrowings are stable at \$23,500,000. This balance is likely to remain unchanged at the end of the financial year as Council has funded this year's completed capital projects internally.

Net debt (borrowings less term investments) has decreased to \$5,300,000 from the \$7,300,000 balance in April due to the movement in investments.



## **CONSIDERATIONS**

### **1. Strategic impact**

- It is important that Council retains suitable cash holdings and credit facilities to ensure its activities and capital projects are able to be funded in a timely and affordable manner.

### **2. Significance assessment**

- The significance policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of council.

### **3. Values assessment**

- The Buller District Councils values are: One Team; Community Driven; We Care; Future Focussed; and Integrity.
- Treasury management functions and reporting align most strongly with the values of Future Focussed and Integrity.
- Consideration of current and future cash requirements and intergenerational equity are required when managing cash deposits and credit facilities.
- Public reporting of investments and borrowings encourages open and honest discussion and decision making.

### **4. Risk analysis**

- Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.
- Cash flow management is an integral part of ensuring Council is able to deliver the services and projects it has committed to in successive Long Term and Annual Plans.
- This risk is mitigated by establishing policies and procedures, engaging staff to manage investment and borrowings and regular reporting to Council to ensure high level oversight.

### **5. Policy / legal considerations**

- The Local Government Act (2002) and associated regulations prescribe prudent financial management and nationwide benchmarks. The financial prudence benchmarks are now compulsory sections included in Council Long Term/ Annual Plans and Annual Reports.
- Council's Investment Policy and Treasury Policy govern the management of cash assets and borrowings.

### **6. Tangata whenua considerations**

- None identified

### **7. Views of those affected**

- Council's financial strategies, investment levels and borrowing projections are included in the Long Term Plan and Annual Plan consultation processes.

### **8. Costs**

- There are no extraordinary costs relating to investments and borrowings.

### **9. Benefits**

- The benefits of structured Treasury management include risk minimisation, prudent cash management and long term financial stability.

### **10. Media / publicity**

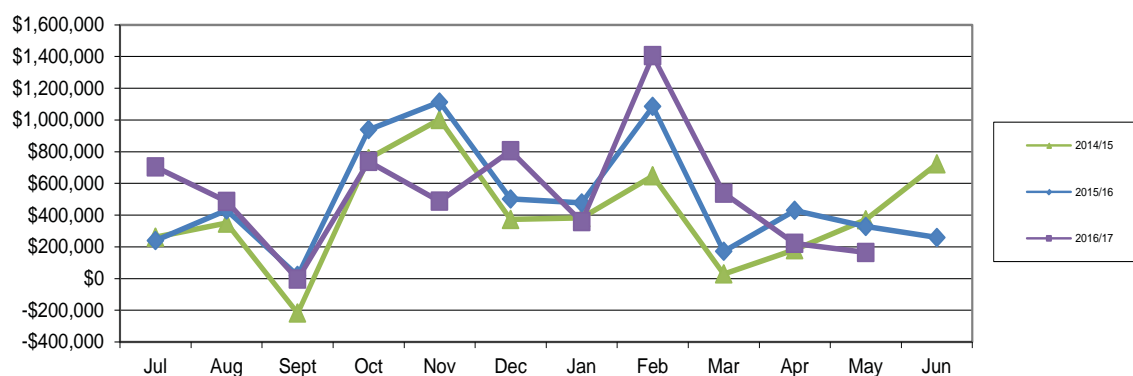
- None identified

## INVESTMENTS AND BORROWINGS REPORT

### 1. BANK BALANCE

	This Month 31 May-17	Last Month 30 Apr-17	Last Year 30 Jun-16
Council	\$164,823	\$220,975	\$258,418

### 2. MONTH END BANK BALANCE



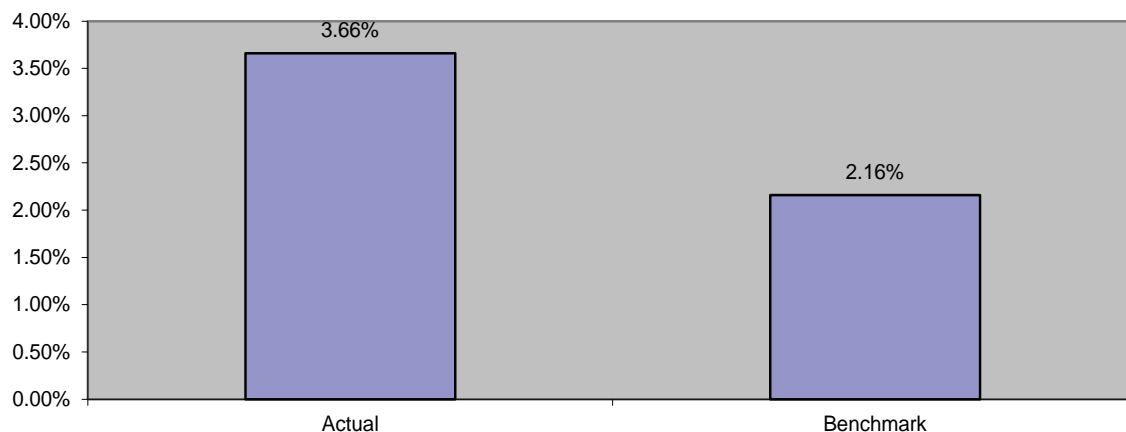
### 3. SUMMARY OF INVESTMENTS

	This Month 31 May-17	Last Month 30 Apr-17	Last Year 30 Jun-16
Term Deposits	18,198,148	16,198,148	15,783,518
Other Loans (includes loan to Holding Company)	2,538,598	2,559,744	2,494,843
<b>Total Investments</b>	<b>\$20,736,747</b>	<b>\$18,757,892</b>	<b>\$18,278,361</b>

### 4. SOURCE OF FUNDS

	This Month 31 May-17	Last Month 30 Apr-17	Last Year 30 Jun-16
Depreciation Funds	1,000,000	1,000,000	1,000,000
West Coast Package (Govt subsidy for halt to logging)	2,829,551	2,829,551	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	5,034,038
Reserves Contribution Funds	1,314,630	1,314,630	0
Short Term Funds (rates income plus tds held pending debt reduction )	3,200,000	1,200,000	2,500,000
	<b>\$18,198,148</b>	<b>\$16,198,148</b>	<b>\$15,783,519</b>

## 5. INVESTMENTS PORTFOLIO PERFORMANCE (12 Month Average)



## 6. INTEREST REVENUE

	Actual YTD	Budget YTD	Budget Full Year
Interest Revenue	\$761,987	\$751,649	\$1,238,889

## 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.

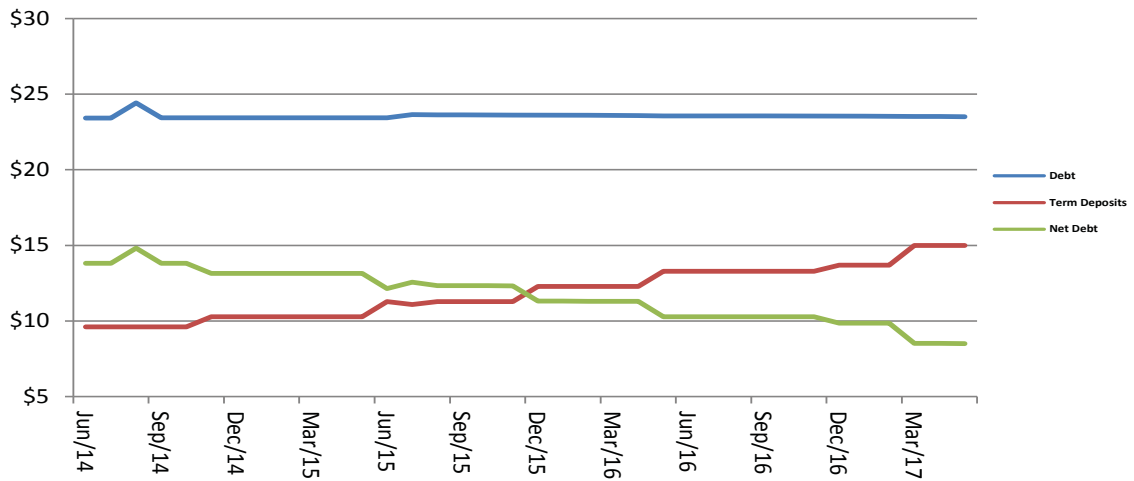
Council has approved the investment in NBS which sees us in breach of the Treasury Management Policy. This breach will continue as investments mature and are rolled over.

## 8. SUMMARY OF BORROWINGS

	This Month 31 May-17	Last Month 30 Apr-17	Last Year 30 Jun-16
<b>External Debt:</b>			
Westpac Loan Facility	3,433,860	3,433,860	3,433,860
LGFA Loan Facility	20,000,000	20,000,000	20,000,000
EECA Loan	66,241	86,137	145,824
	<b>\$23,500,101</b>	<b>\$23,519,997</b>	<b>\$23,579,684</b>
Weighted Average Interest Cost	4.60%	4.60%	4.60%
<b>Net Debt:</b>			
Total Borrowings	23,500,101	23,519,997	23,579,684
Less: Term Deposits	18,198,148	16,198,148	15,783,518
	<b>\$5,301,953</b>	<b>\$7,321,849</b>	<b>\$7,796,166</b>

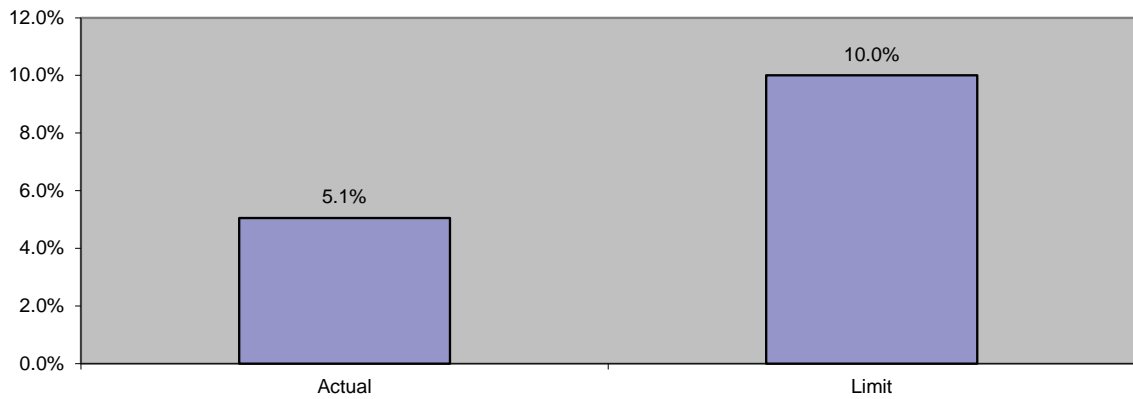
## 9. DEBT AND INVESTMENTS 3-YEAR TREND

\$ Millions

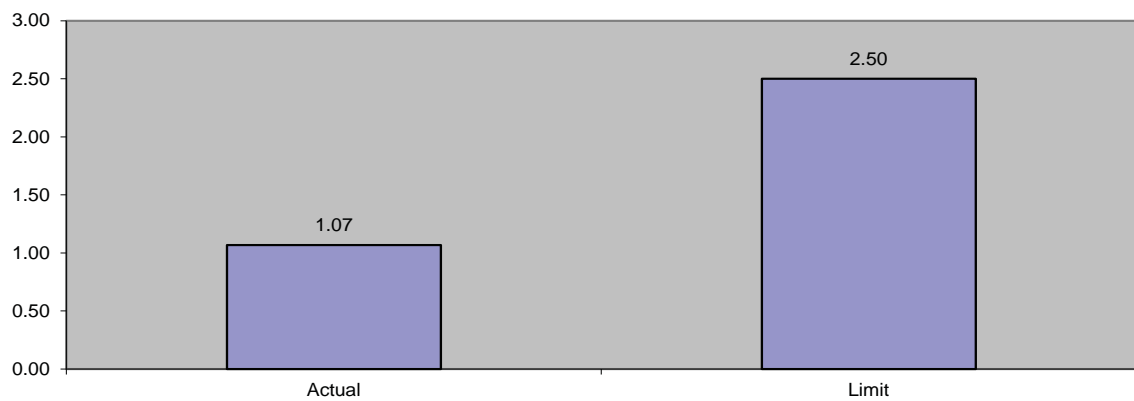


## 10. COMPLIANCE WITH TREASURY POLICY

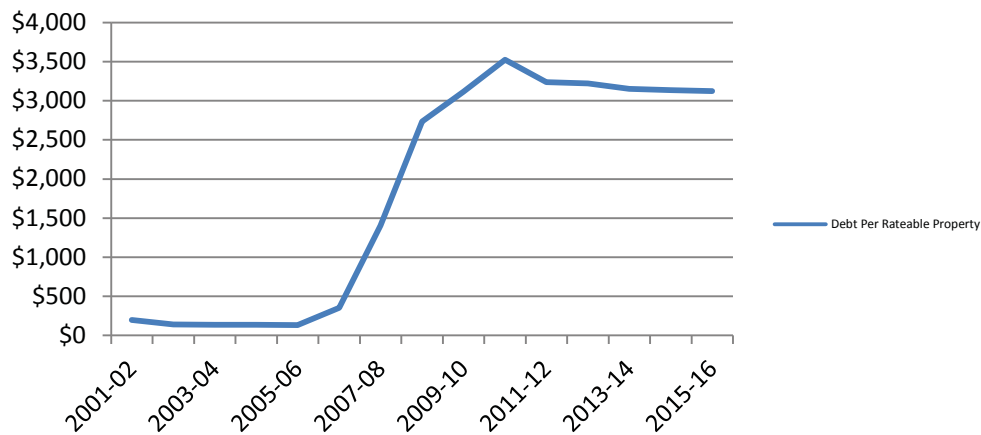
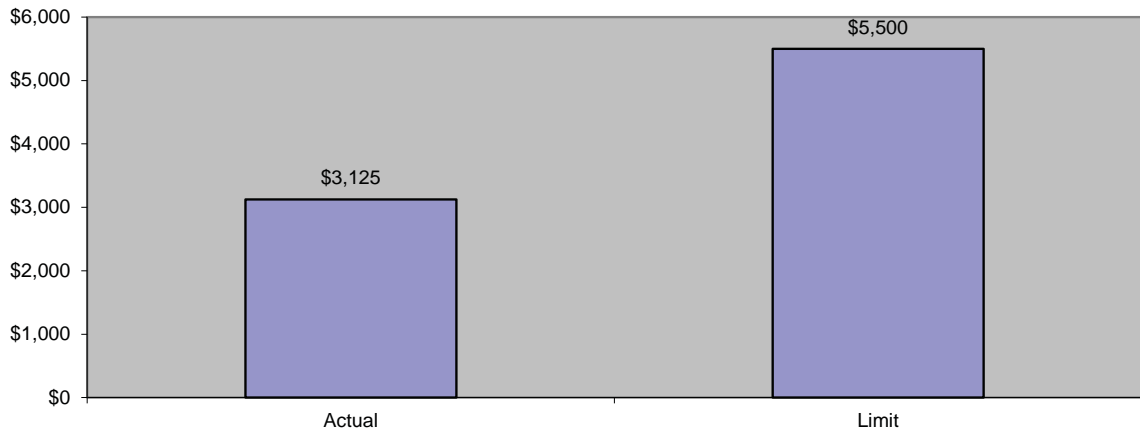
### 10.1 Interest Expense / Total Income



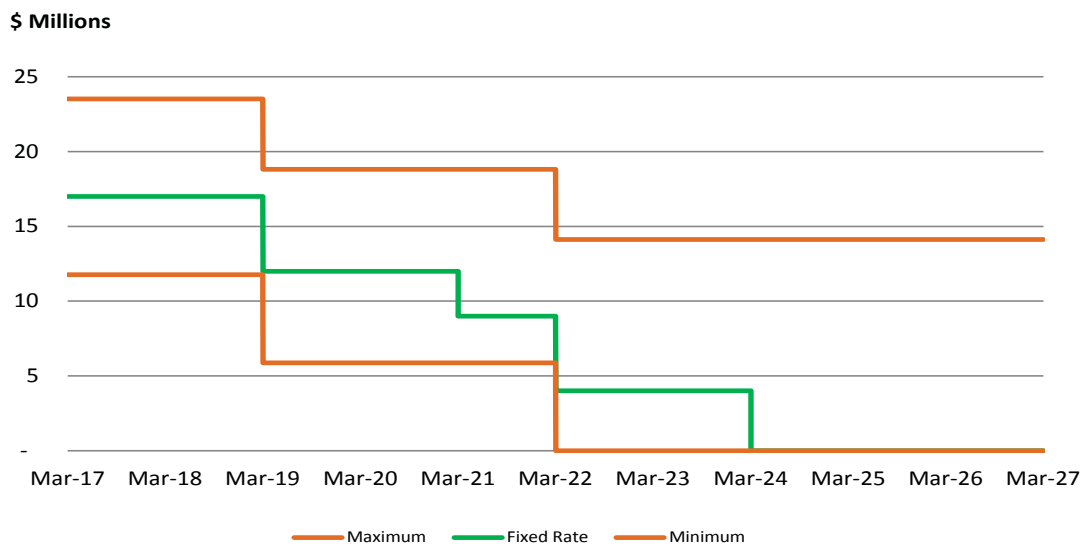
### 10.2 Gross Debt / Total Income



### 10.3 Gross Debt per Rateable Property



### 10.4 Fixed Rate Debt - Compliance with Treasury Policy



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.

## FINANCE AND AUDIT COMMITTEE

14 JUNE 2017

Agenda Item No 6

Prepared by - Lynn Brooks  
- Management Accountant

Reviewed by - Dean Phibbs  
- Manager Corporate Services

### DEBT RECOVERY REPORT

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#### 1. REPORT SUMMARY

This report presents and classifies the outstanding balances of rates and sundry debtors as at 30 April 2017 for information purposes.

There are not any customers with arrears that require a decision of this committee to progress the debt recovery processes which are underway and continuous.

#### 2. RECOMMENDATION/DRAFT RESOLUTION:

**The recommendation is this report be accepted for information purposes.**

#### 3. ISSUES & DISCUSSION

This report is presented to the Finance & Audit Committee to monitor debt trends for Council.

The Finance and Audit Committee require a high level overview of the debt owed to Buller District Council. This information, when taken in conjunction with all other aspects of the financial results provides a full view of the financial performance and financial position of Buller District Council at 30 April 2017.

Rates debt follows an expected pattern whereby every third month, when the rates are accrued the rate debt remains high, then it decreases for the following two months. The total rates debt at April 2017 is lower compared to both April 2016 and April 2015. Rates debt has decreased over the total timeframe reported in the graph.

Looking into the detail further, the "long term serious monitored" (which is the red category in the graph) is showing some downward movement over the past four months which is pleasing. The group of serious defaulters averages \$443,399 over the total reported period of May 2014 to April 2017. We are closely monitoring the debt trends as well as applying many different approaches to combat current debt so that it does not reach the long term and at external debt collection stage.

Sundry Debtors remains fairly static over the last three months. The serious default category has grown as a percentage of total debt due to non-payment of leasehold property. Arrears overall is lesser during the eight month period to April 2017 compared to the prior year.

## **4. CONSIDERATIONS**

### **4.1 Strategic Impact**

The debt recovery report provides a degree of feedback on the effectiveness of the strategic direction of Council. In particular, the effectiveness of the “consolidate and hold” position taken in the last long term plan where it was agreed to minimise rates increases and limit new services or assets to those that could be used as a springboard for District economic growth.

The change in debt levels and their classification provide a measure against this core strategic priority and its impact on our community.

This report also assists with understanding the current local economic climate along with the impacts of Council charges, and the community ability and willingness to meet those charges.

### **4.2 Significance Assessment**

The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

- a) The District;
- b) The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
- c) The financial impact of the proposal or decision on the Council's overall resources; and
- d) The capacity of, the Council to perform its role and carry out its activities, now and in the future.

The Significance and Engagement Policy sets out the criteria and framework for a matter or transaction to be deemed significant. The content included in this report is not considered significant because the matters disclosed are of a routine nature, and not large in terms of total assets and total annual operations of Council.

### **4.3 Risk Analysis**

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

When credit is extended by Council a risk arises that the amounts owing are not recovered when due, or that over time total debt owing grows to an unsustainable level and puts pressure on cash flow.

This risk is mitigated by engaging staff to monitor and recover debt therefore acting on indebtedness early on which yields better results, and regular reporting to Council to ensure oversight.

### **4.4 Values**

The Buller District Values are: Integrity, Future Focussed, Community Driven, One Team and We Care. Monitoring debt and undertaking debt collection processes most closely aligns to the values of integrity and future focussed.

**4.5 Policy / legal considerations**

The collection of rates debt is enforceable under the Local Government (Rating) Act 2002. Other legislation dealing with credit extended by Council and debt recovery include the Property Law Act 2007, Residential Tenancies Act 1986 and the Resource Management Act 1991. The Financial Delegations Policy, Treasury Management Policy and Rates Remission Policies also apply to the collection of Council debt.

**4.6 Tangata whenua consultation considerations**

The contents of the report are not a matter requiring consultation with Tangata whenua.

**4.7 Views of those affected**

It is equitable for all our ratepayers, the public and individual debtors that all amounts outstanding should be collected through consistent processes.

**4.8 Costs**

There are no extraordinary costs for debt recovery and the costs for continuing debt recovery are included in the annual plan budget.

**4.9 Benefits**

The benefits to collection of debt is the cash flow of Council is maintained. There is also fairness and equity for all ratepayers and service consumers in that everyone is paying their portion of the cost.

**4.10 Media / publicity**

There are no media or publicity opportunities with the content of this report.



**Rates Accounts - Debt Recovery Report**

Report cutoff date 30 April 2017  
 Last rates instalment due date 28 February 2017  
 Next rates instalment due date 28 May 2017

**Internal Debt Recovery Analysis**

Status Flag	Category	No. of Ratepayers	Total Arrears Balance YTD	Current Year Arrears	Previous Year Arrears		Leasehold Arrears		Further Action to Commence					Comment	
					\$	%	No.	\$	Formal Review	To Debt Agency	Title Search	Monitor Progress	Further Letter		Continue Sale Process
🔴	Placed with External Debt Collection	44	231,473	65,336	166,137	35%						✓			Arrears placed with Credit Recoveries. Refer to the analysis below.
🔴	No current mailing address	8	4,444	3,802	642	0%					✓				Sent to debt collection for tracing, also tracing some through bank deposits & social media.
🔴	Approach Mortgagee	5	15,574	9,541	6,033	1%									Ratepayers with mortgages are pursued for payment under the Rating Act, collecting prior year arrears.
🔴	Awaiting Decision	21	73,356	36,108	37,248	8%	2	16,765	✓		✓				More complicated cases, ie house uninhabitable / property on market etc require close monitoring.
🔴	Missed more than two instalments	19	72,813	35,824	36,989	8%							✓		Reviewing for possibility of Mortgagee Action.
🟡	Under Action - Short Term Monitored	36	37,824	25,989	11,835	2%			✓				✓		Reviewed systematically with each ratepayer.
🟡	Payments Insufficient	37	31,983	29,909	2,074	0%						✓	✓		Reviewed systematically. Work through options to increase payments/resolve debt.
🟡	Long Term Monitored	68	101,545	76,363	25,182	5%	1	20,515	✓						Financial hardship, paying minimum amounts. Reviewed 6 monthly (Aug/Feb), more frequently if in decline.
🟡	No Payments - Property on Market	6	11,043	10,561	482	0%			✓						Annual Review.
🟡	Missed Nov 2016 & Feb 2017 instals	61	81,883	80,549	1,334	0%	1	9,200					✓		Letters sent - monitoring.
🟡	Missed one instalment only	114	55,723	55,723	0	0%							✓		Letters sent - monitoring.
🟢	Payment plans	251	46,831	41,695	5,136	1%	2	5,435				✓			Reviewed annually and updated as required.
🔵	Abandoned Land Tender Project	68	223,319	37,160	186,159	39%								✓	Abandoned Land tender process.
<b>Totals</b>		<b>738</b>	<b>987,811</b>	<b>508,560</b>	<b>479,251</b>	<b>100%</b>	<b>6</b>	<b>51,915</b>							

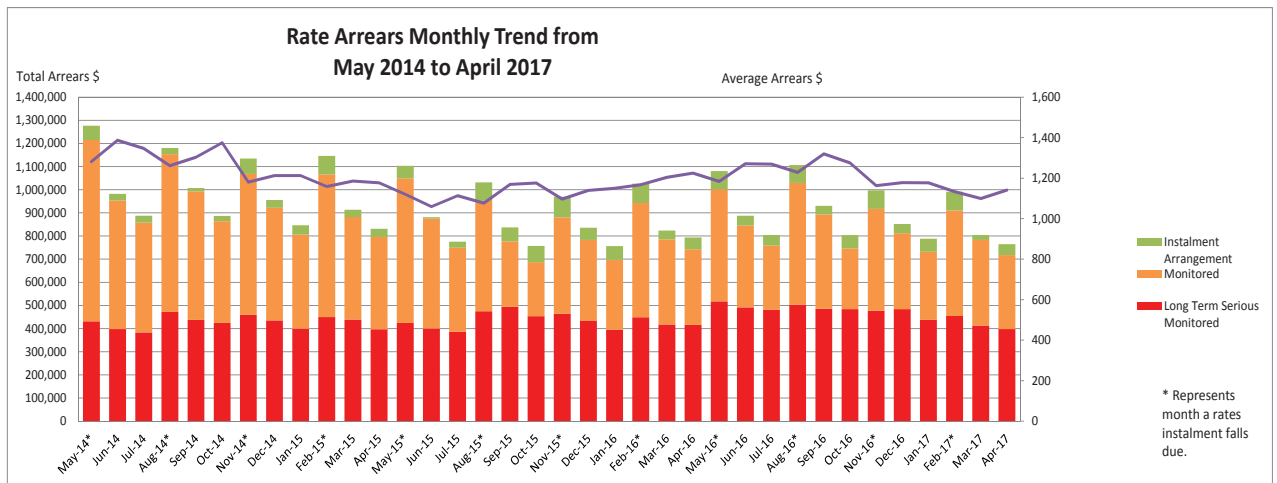
**External Debt Recovery Analysis** (refer Note 1 & Note 2)

Status Flag	Category	No of Ratepayers	Balance
🔴	Legal	15	91,432
🔴	Unable to trace ratepayer (No known address)	7	26,463
🔴	Active - no arrangement	10	33,535
🟢	Payment Plans	10	46,399
🔵	Abandoned Land	1	3,655
<b>Totals</b>		<b>43</b>	<b>201,484</b>

**Note 1** BDC reporting includes all arrears including current rate instalments and penalties, however Credit Recoveries balances only include remaining balance of a historical debt.

**Note 2** Timing differences exist between account totals as payments received by Credit Recoveries are updated and processed by Council monthly.

**Rate Arrears Monthly Trend from May 2014 to April 2017**

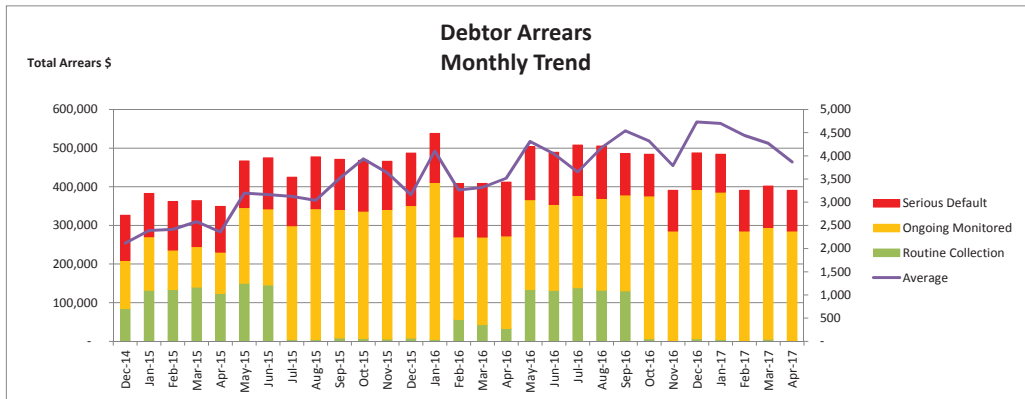
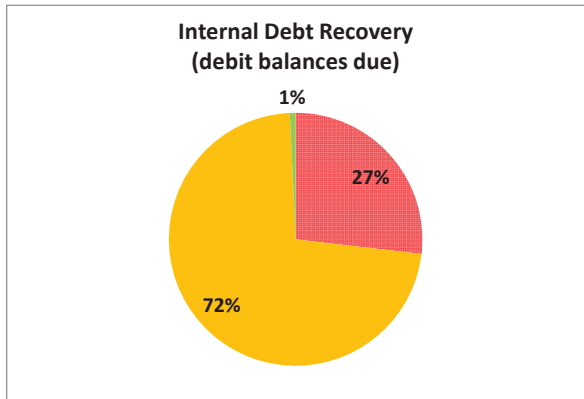


\* Represents month a rates instalment falls due.

**Sundry Debtors - Debt Recovery Report**

Report cutoff date                      30 April 2017  
 Ageing cycle - current due            20 May 2017

Status Flag	Debtor Type	Age of Debt		No. of Account Holders per Debt Thresholds			Action to Date				Further Action to Commence					Comments
		No. of Debtors	Overdue	Less than \$2,000	\$2,001 to \$10,000	Over \$10,001	At Debt Agency/ Mortgagee	Letter Sent	Payment Plan	In Dispute	Formal Review	To Debt Agency / Mortgagee	Monitor Progress	Further Letter/ Meeting	Other Options	
	Leasehold Properties	20	104,850	8	8	4	1		17		✓			✓	✓	Rents invoiced 6 monthly in advance, most paid off by monthly instalments . Some long standing arrears receiving increased collection measures.
	Orowaiti Connection	6	11,890	3	3		2		2		✓					Two overdue accounts remain lodged with Credit Recoveries.
	Libraries	5	530	5			2	3								Debts lodged with Credit Recoveries.
	Water	19	25,677	14	5		1	6	1				✓			Payment plans promoted for those with long standing debt.
	Resource Management	13	74,537	8	1	4	3	2	4	2		✓	✓			Disputed accounts \$27k, payment programs \$12k. Lodged with Credit Recoveries \$18k.
	Rentals	8	103,045	5	1	2	0	1	2	1						Disputed \$43k under legal action. Others under agreed payment plans and ongoing monitored.
	Regulatory Licences e.g. Food Premises	4	915	4			1	10								Timing of Annual Licences billing, most of group are aged two months only.
	Sundry	18	66,169	15	2	1	3	1	2	1			✓			Instalment arrangement entered into for 1 large debtor.
	Trade Waste	3	1,339	3			1									Annual invoicing cycle in June.
	Building Consents	3	1,232	3												Where overdue, this represents inspections not yet completed due to timing of building process.
	Cemetery	1	115	1				1								Reducing over time.
	LIMs	1	250	1												Short term debtor.
	<b>Totals</b>	<b>101</b>	<b>390,549</b>	<b>70</b>	<b>20</b>	<b>11</b>										



## FINANCE AND AUDIT COMMITTEE

14 JUNE 2017

Agenda Item No 7

Prepared by - Lynn Brooks  
- Management Accountant

Reviewed by - Dean Phibbs  
- Manager Corporate Services

### SIGNIFICANT PROJECTS REPORT

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#### Report Summary

This report summarises significant projects and priorities of Council at 30 April 2017. It records both current and future work streams, and is for discussion and monitoring purposes. It should be read in conjunction with the attached detailed Appendix A.

#### Draft Recommendation

**That the report be received for information.**

#### Issues and Discussion

The report provides a high summary of some projects and priorities of Council by each of the following sectors:

- 1 Mayor, Councillors and Chief Executive
- 2 Community and Environment
- 3 Corporate Services
- 4 Operations
- 5 Significant Projects

This report does not include every task undertaken, such as low value routine roading contract work or other regular services provided by Council. Instead it highlights the high value projects at an aggregated level, and/or the non-routine projects.

Chief Executive and Council are to advise if there are other projects or priorities to be included in the next monthly report to Council.

The following table shows each section of the report as a high level overview. This is similar to other "traffic light" indicators used in Council documents such as the Annual Plan, Long Term Plan and other reports and is included for consistency with those formats.

Activity	Indicator	Comment
<b>Mayor, Councillors and Chief Executive</b>	●	Progress continues with the Little Wanganui/Tapawera/Wangapeka Road and a business case began in April 2017. Advocacy for the West Coast Regional Council projects (Westport Flood Protection, Carters Beach & Granity/Ngakawau sea erosion) continues.
<b>Community and Environment</b>	●	The current tasks are on plan and budget. Attention must be paid to the resources required to complete all bylaw reviews which are required in 2017/2018. Freedom Camping is a topical issue and all West Coast Councils are working on a joint solution toward this subject.
<b>Corporate Services</b>	●	The 2017/2018 Annual Plan work stream is on target. The Long Term Plan is in the planning phase. The Free Wifi project has progressed well.
<b>Assets and Infrastructure</b>	●	<b>Roading and Urban Development:</b> District Signage has progressed so the billboards can be installed however there will be a delay on the wayfinding signs. The riverside development has been reset for the next financial year as it will not be completed by the end of this year. Roothing contracts are being completed as planned, taking into account the weather conditions and that the work is typically scheduled in the later part of the financial year. Poor weather has delayed some planned projects and it is estimated the work will be 95% complete by end of year.
	●	<b>Water Supplies:</b> Inangahua bore water scheme is operational, with final costs incurred. The Westport water project is progressing with external advice being prepared for presentation to Council.
	●	<b>Wastewater:</b> Projects progressing as planned.
	●	<b>Stormwater:</b> Projects progressing as planned.
	●	<b>Solid Waste:</b> New litter bins purchased but cost is greater than budget.
	●	<b>Properties and Amenities:</b> Peel Street yard, site testing, analysis and risk assessment in progress.
<b>Significant Projects</b>	●	The District Plan Review continues to progress well along with the in-house Information Technology projects. The Rates Overhaul project is progressing after workshops continue.

Project on time and budget	●
Project delays or budget overruns	●

## Considerations

### 1. Strategic impact

The report helps to monitor the outcomes provided for the community against the strategic direction of Council. In particular, it reports on the effectiveness of the “consolidate and hold” position taken in the last Long Term Plan where it was agreed to minimise rates increases and limit new services or capital spending to those things that could be used as a springboard for district economic growth.

### 2. Significance Assessment

The Significance and Engagement Policy sets out the criteria and framework for a matter or a transaction to be deemed significant. The Significance and Engagement Policy is written in accordance with The Local Government Act 2002 (LGA 2002) section 76AA. This part of the Act sets the general approach to determine if a proposal or decision is significant requiring the Council to make judgements about the likely impact of that proposal or decision on:

The district;

- a) The persons who are likely to be particularly affected by, or interested in, the proposal or decision;
- b) The financial impact of the proposal or decision on the Council's overall resources; and
- c) The capacity of the Council to perform its role and carry out its activities, now and in the future.

The content included in this report has been consulted on with the community through the Long Term Plan and Annual Plan process.

### 3. Values assessment

The Buller District Council values are: One Team; Community Driven; We Care; Integrity; and Future Focussed. This report presents the significant projects which are important for the community and the future of the district. Reporting on the significant projects provides an opportunity to review if the areas of focus align with our values.

### 4. Risk Analysis

Risk is assessed by taking into account the likelihood of an event occurring and the result of that event.

Significant projects are perceived to have some greater than usual potential to place Council at risk as the costs involved can be significant, or the project may have greater technical and legal issues. This risk is mitigated by engaging suitably qualified staff to monitor and regularly report on the projects therefore acting on any issues that arise early on, and to ensure the project progress is well understood by staff and governance.

### 5. Policy/Legal Considerations

The Local Government Act 2002 governs the activities of Council and sets out the requirement for consultation on the Annual Plan and Long Term Plan to agree the budgets and activities to be funded.

This report assists with two key purposes of that Act (refer to section 3) stating

the purpose of the Act is to promote the accountability of local authorities to their communities; and provide for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

**6. Tangata Whenua Consultation Considerations**

The contents of the report are not a matter requiring consultation with tangata whenua or community groups.

**7. Views of those affected**

There is no need to consult with the public or affected parties due to the information being previously consulted upon through Annual Plan processes.

The community will have interest in the progress of the projects and priorities included in the report because new spending affects annual rates charges, and the effectiveness of advocacy has the potential to improve community wellbeing.

**8. Costs**

There are no extraordinary costs for the items included in this report, as these projects have been budgeted for in the annual plan. Some of the significant projects have no monetary cost to council as they are for advocacy.

**9. Benefits**

The benefits of reporting on reviewing the significant projects and priorities are understanding the timelines, budgets, resourcing and opportunities that exist for Council.

Reporting on the significant projects and priorities allows Council to compare the activities of Council against the core strategy of Council.

**10. Media/Publicity**

There are many media or publicity opportunities with the content of this report.

## Significant Projects Report

Indicator	Project Description	Project Manager	Carry Over (over)/under	2016/17 Budget	Total Budget	Actual Cost to April 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
<b>MAYOR, COUNCILLORS &amp; CEO</b>													
●	Little Wanganui/ Tapawera/ Wangapeka Road Advocacy	GH + CEO	0.00	0.00			In progress			Nov-15			Better Business Case underway in April 2017. Ongoing.
●	Integrated Family Health Unit Advocacy	GH + CEO	0.00	0.00						Nov-16	Nov-17		Site selection confirmed. Continuing Advocacy.
●	Future of Westport Port	CCTO Committee	0.00	0.00			under continual review			Dec-15	Jun-18		AP, LTP Strategy, CCTO Committee and BHL. Updates to be provided.
●	Reefton Historic Power Generation Project	GH	0.00	0.00						Dec-17			Advocacy with Greg Topp.Active discussions continuing.
●	Ultra Fast Broadband Advocacy	GH + CEO + IT	0.00	0.00			In progress			Nov-15			Government Announcement with WC Projects 2019. Now with Chorus. Progressing with MDC, Creative Developments and BEL.
●	Shared Services Projects with Other Coast Councils	CEO	0.00	0.00			ongoing						Ongoing - Roading, IT, Internal Audits, Civil Defence & Local Govt Commission, Economic Development, Policy Development.
●	Housing for Elderly - Advocacy	GH	0.00	0.00						Jun-16	Jun-17		Housing stock & ownership structure i.e. Trust
●	Westport Gateway Sign	GH	-21,314.00	25,000.00	3,686.00	1,769.00	in progress			Nov-15	May-17		Lighting to be completed by end of financial year.
●	Carters Beach Sea Erosion Advocacy	GH + CEO	0.00	0.00						Aug-17			Community Meetings Held. Advocacy role only. Project sits with WCRC.
●	Ngakawau/Granity Sea Erosion Advocacy - Facilitation	GH + LB	0.00	0.00						Aug-17			Community Meetings Held. Advocacy role only. Project sits with WCRC.
●	Charleston/Cape Foulwind Cycleway	GH	0.00	0.00									MOU completed. Continue advocacy.
●	Kawatiri Sculpture Symposium	GH + PH	0.00	0.00			near complete			May-16	Dec-17		Sculptures Installed and near completed, awaiting plaques.
●	Westport Flood Mitigation	GH	0.00	0.00			ongoing						WCRC project, BDC role is advocacy. Submissions close 17 February.
●	Holcim Exit	GH	0.00	0.00									Exit Plan.
●	17A Review - Local Government Act 2002	CEO	0.00	0.00			underway						Required to review cost effectiveness of current arrangements for meeting community needs. Refer to February Council meeting agenda for more information.
	Other Mayor, Councillors and CEO Projects	GH	0.00	0.00									
			<b>-\$21,314.00</b>	<b>\$25,000.00</b>	<b>\$3,686.00</b>	<b>\$1,769.00</b>							
<b>COMMUNITY &amp; ENVIRONMENT</b>													
●	Alcohol Policy	CS + RT	0.00	0.00			in progress						Awaiting evidence from stakeholder groups to feed into policy development & legal outcomes
●	By-Law Reveils (all require review)	RT	0.00	0.00									To do: two in 2017, all the rest by 2018, NOTE this will be a large workload
●	Freedom Camping	CEO	0.00	0.00			in progress			Feb-17	Oct-17		Joint compliance and monitoring between all West Coast Councils.
●	Other Community & Environment	CS	0.00	0.00									
			<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>							

## Significant Projects Report

Indicator	Project Description	Project Manager	Carry Over (over)/under	2016/17 Budget	Total Budget	Actual Cost to April 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
<b>CORPORATE SERVICES</b>													
●	2017/18 Annual Plan	DP	0.00				In progress			Nov-16	Jun-17		Progressing on time, roadshows advertised at Punakaiki, Reefton, Westport, Ngakawau and Karamea.
●	Free Wifi Proposal for Palmerston Street in 4 Locations + Airport	GH + RW	4,000.00	0.00	4,000.00	3,611.00	In progress						Sites installed. Seeking sponsors who will have advertising on the splash page for an annual fee to offset running costs.
●	Review of Costings for Water Schemes	CEO + Finance Team	0.00	0.00	0.00	0.00							To be completed as further information provided from Assets & Infrastructure Team
●	Fire & Emergency NZ Transition	DP	0.00	0.00	0.00	0.00	In progress			Apr-16	Jun-17		Information sharing with NZ Fire Service underway
●	Long Term Plan 2018-2028	DP	0.00	0.00	0.00	0.00	Planning Stage			May-17	Jun-18		Strategic Workshops to be held commencing May/June
●	Other Corporate Services Projects	DP	0.00	0.00	0.00	0.00							
			<b>\$4,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,611.00</b>							
<b>SIGNIFICANT PROJECTS</b>													
●	District Plan Review	RT	-7,712.00	20,000.00	12,288.00	1,545.00	in progress			Nov-14	TBA		Hearings Committee has heard submissions. Are deliberating on those and will report to Council, who may accept or reject the proposed plan changes.
●	Rates Review Project Phase II	DP	67,617.00	0.00	67,617.00	15,560.00	in progress			Apr-16	Jun-18		Committee workshops continue to be held and a workplan is agreed.
●	IT/Information Technology Projects (inhouse)	HS	237,330.00	163,833.00	401,163.00	203,961.00	in progress				Jun-17		IM Project at selection stage. Major System update occurred in Feb 2017. Telephony upgrade will be completed by end of year. Hardware updates continuing.
●	Other Significant Projects												
			<b>\$297,235.00</b>	<b>\$183,833.00</b>	<b>\$481,068.00</b>	<b>\$221,066.00</b>							



Significant Projects Report

Indicator	Project Description	Project Manager	Carry Over (over/under)	2016/17 Budget	Total Budget	Actual Cost to April 2017	Project status	Scope, Design, etc	Quote, Tender, etc	Planned Start Date	Planned Completion	Date of completion	Comments / Issues
<b>ASSETS &amp; INFRASTRUCTURE</b>													
●	Punakaiki Water Intake Easement	MD	6,018.00	0.00	6,018.00	10,313.00	In Progress						Situation under further review.
●	South Granity Water Admin (Tank Supply)	CEO	0.00				In Progress						Situation under further review.
●	Little Wanganui Water and Sewerage Easements	MD	0.00				In Progress				Jun-17		Work underway to resolve this
●	Karamea Highway Special Purpose Road Advocacy	MD, GH	0.00				In Progress						Business case being prepared in conjunction with NZTA
●	Punakaiki Camp Lease & Erosion Protection	TR/MD	0.00				Advocacy Role Only						This is a WCRC project and BDC's role is advocacy only.
●	Punakaiki Dickson Parade Status and Freedom Camping Issues	MDG + RT	0.00				In Progress						Temporary Road Closure following WCRC completion of new seawall. Detailed risk assessment before reopening.
●	Westport Tunnel Piping/Bracing	MD	65,960.00	650,000.00	715,960.00	74,258.00	In Progress						Feasibility Study in progress to determine methodology, cost, and schedule. Study due in time for June Council meeting.
●	Inangahua Water Treatment System	MD	222,740.00	0.00	222,740.00	219,692.00	In Progress						Water system completed. Fencing to be completed. Claim for DWS Funding to be received.
●	Waimangaroa Water Treatment System	MD	567,200.00	0.00	567,200.00	8,661.00	In Progress						Bore site has been identified, preparations for test drilling underway.
●	Ngakawau Hector Water Treatment System	MD	552,725.00	0.00	552,725.00	4,680.00	In Progress						Situation under further review.
●	District Signage (Seal Loop)	MD + GH	75,000.00	50,000.00	125,000.00	20,740.00	In Progress						Resource Consent application approved. Installation in progress, target completion July. Wayfinding signs on hold.
●	Riverside Development \$150k and Waterfront \$100k		250,000.00	250,000.00	500,000.00	980.00							Rebudgeted after 2017/2018 Annual Plan workshop discussions.
●	Punakaiki Building Project		0.00	100,000.00	100,000.00	4,777.00	On Hold						Draft Community Needs Assessment report received by BDC. Copy referred to DOC for consideration in the Dolomite Point spatial planning. On hold until DOC whether Community Facility will be incorporated in their planning work.
●	Reefton Community Centre	RB	253,207.00	537,400.00	790,607.00	783,653.00	Near Completed						Project completed, expect final costs to come in within \$28k of budget. Final costs are still to be paid (after 90 days practical completion as per contract).
●	Roading - Local Roads Sealed Road Resurfacing	TM	0.00	470,000.00	470,000.00	480,610.00	In Progress			Mar-17	May-17		Works program is weather dependent. Work materially completed. Costs incurred in March 2017.
●	Derby Street Pavement, Footpath, Water, Sewerage	TR/SM	0.00	676,643.00	676,643.00	558,294.00	In Progress				Jun-17		All works underway. Some works will fall into next financial year.
●	Roading - Local & Special Purpose Roads Other Projects	TR/SM	0.00	818,744.00	818,744.00	364,877.00	In Progress				Throughout the year		Dependent on weather conditions, therefore starts March of each year.
●	Earthquake Strengthening of Buildings	RB	110,000.00	50,000.00	160,000.00	68,790.00	Completed 3 of 4						Includes WestReef Depot, Victoria Square Building, Reefton Service Centre and Carnegie Library. Carnegie deferred until next year.
●	Costing Water Schemes - (Depreciation Funding)	MD	0.00	0.00	0.00	0.00							
●	Replacement of Westport Water Mains from Treatment Plant to Town	MD	0.00	0.00	0.00	0.00	In Progress						The mains replacement continues in line with annual budget and work plan to replace a certain number of lengths per annum.
●	Footpaths- Urban Development	TR	63,296.00	197,730.00	261,026.00	80,738.00	In Progress				April- June		Footpath work plan for 2017/18 FY currently under development.
●	Peel Street Yard	MD	0.00	0.00	0.00	0.00	In Progress						Site testing analysis and risk assessment currently in progress. Concept study for options to follow in 2017/18 FY.
●	Springs Junction Toilet Facility	MD	0.00	0.00	0.00	240,317.00	Completed						Project completed, MFF funding and claim approved. District Promotion Signage included in the project.
			\$2,166,146.00	\$3,800,517.00	\$5,966,663.00	\$2,921,380.00							

**FINANCE AND AUDIT COMMITTEE**

**14 JUNE 2017**

**Agenda Item No 8**

**Prepared by - Dean Phibbs  
- Manager Corporate Services**

**AUDIT MANAGEMENT ACTION POINTS**

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**RECOMMENDATION/DRAFT RESOLUTION:**

**That the report be received for information and discussion.**

## OUTSTANDING AUDIT MANAGEMENT ACTION POINTS

2015						
No.	Subject	Detail	Responsible	Status	Comments	Planned Completion Date
1	Infrastructure asset valuations	Improve quality of Roading data in RAMM use for next valuation. Recommendations in GHD report used.	Management 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 2017
2	Transfer of asset revaluation reserve for assets disposed of, be transferred to accumulated funds	No transfer is made.	Management Accountant	In progress	Methodology to enable this to occur will be finalized and reserve adjustments processed in the 2015/16 financial year  Will be completed during an revaluation year which is scheduled June 2017.	June 2017
4	Internal audit	No formal internal audit reviews were performed in 2014/15	Manager Corporate Services	In progress	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. To be incorporated with Shared Services Project.	June 2017
6	Rates review	Complete a review of Council's rates. Wholesale changes are needed in rates as there are antiquated differentials and many fixed amount targeted rates.	Manager Corporate Services	In progress	Confirmed this is still in progress. The new system will not be implemented until 2017/2018 at the earliest.	June 2017

