

# Finance and Support Group

Performance Report ended 30 September 2014



<b>1</b>	<b>Risk and Assurance Committee</b>	<b>1</b>
1.1	Executive Summary	1
1.2	Group financial summary	2
1.3	Group consolidated financial statements	3
1.4	Department overviews	4

# 1 RISK AND ASSURANCE COMMITTEE

## 1.1 Executive Summary

### Group Overview

The quarter has been very busy with completion and sign-off of the annual council group and WRC Holdings group audits and the large progress made on the 2015/25 LTP budget round. The LTP also included managing the Asset Management group's update of all council asset management plans that feed into the LTP.

The Finance Manager has been co-opted to both the Wellington Water change management team and the shareholders representative for Wellington Water's Chief Executive's customer forum alongside the four city council representatives and is working closely with them to ensure GWRC's ongoing bulk water requirements are met.

The Shared ICT Infrastructure programme with Wellington City Council, Porirua City Council, Upper Hutt City Council and Wellington Water has dominated the work programme of the Manager, ICT and has meant that a number of new initiatives have either been put on hold or a decision has been made to proceed on the basis that the systems may change if GWRC agrees to proceed with shared services. Currently it is anticipated that a business case will be developed for the Chief Executives of the four Councils and Wellington Water to make a decision in November.

The virtualisation (VDI) project has proceeded in accordance with revised timeframes and is currently being tested by various users across the organisation. There have been a number of changes and upgrades to the firewalls to enable users to access the VDI internally and externally using Wi-Fi.

Several new projects have been agreed with the Executive Leadership Team over the last quarter including the EDRMS (Hummingbird replacement), Office365 email and VC Bridge.

The roll out of GPS units to all vehicles has predominately been completed. Vehicle administrators have access and have had training. The software provides useful reports to assist in reviewing utilisation, locating vehicles and improving driver behaviour. Over the coming month's fleet utilisation will be looked at more closely to see if we have the right number of vehicles.

The Support team also manage the Warm Greater Wellington programme which is progressing well. In the quarter 345 new properties have been installed and funded. In conjunction with the environment team we are looking at clean heat options for Masterton to assist in improving air quality.



## Looking ahead

- ▶ Completing the update of council asset management strategy and plans to ensure they reflect accurately within the LTP
- ▶ Completing the 2015-25 long term plan including long term debt impacts of the proposed capital programme
- ▶ Working with Wellington Water to ensure the overall objectives of the merged entity are met including all financial changes from this process.
- ▶ Progressing the Shared Infrastructure ICT Programme
- ▶ Commencing EDRMS project and VC bridge
- ▶ Review shed 39 pool vehicles to optimise fleet
- ▶ Reviewing purchasing cards and processes to enable electronic review and approval of low value expenditure including phone and vehicle fleet card requirements.

## 1.2 Group financial summary

### Financial summary

Total direct expenditure of \$2.8 million is \$12k less than budget. Rent costs were also ahead of budget as rent is being incurred on both Regional Council Centre (RCC) and more recently Shed 39. This makes up the majority of the Materials, Supplies and Services unfavourable variance.

External revenue is largely in line with expectations.

Capital expenditure is below budget by \$232k. All projects are in their starting phase and we expect them to be completed by June 30. The majority of capital expenditure is in the ICT department and further explanation follows in that section.

The Financial forecast has been updated to reflect funds transferred to People and capability for health and safety initiatives and capex to include enhancing reporting tools and the start of the upgrade to digital radios has been brought forward to coincide with the NZ Police digital radio upgrade programme.

## 1.3 Group consolidated financial statements

Finance and Support group Income Statement For the 3 months ended 30 September 2014	Year to Date			Forecast \$000	Full Year		30 Sep 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	177	229	(52)	916	916	-	887
Investment Revenue	27	29	(2)	117	117	-	144
Internal Revenue	1,313	1,299	14	5,194	5,194	-	4,745
<b>TOTAL INCOME</b>	<b>1,517</b>	<b>1,557</b>	<b>(40)</b>	<b>6,227</b>	<b>6,227</b>	<b>-</b>	<b>6,926</b>
less:							
Personnel Costs	871	947	76	3,742	3,794	52	3,253
Materials, Supplies & Services	1,018	829	(189)	3,316	3,316	-	3,569
Travel & Transport Costs	4	6	2	24	24	-	12
Contractor & Consultants	658	778	120	3,470	3,470	-	3,465
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	242	245	3	946	946	-	937
<b>Total Direct Expenditure</b>	<b>2,793</b>	<b>2,805</b>	<b>12</b>	<b>11,498</b>	<b>11,550</b>	<b>52</b>	<b>11,236</b>
Financial Costs	42	59	17	237	237	-	120
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(1,319)	(1,319)	-	(5,274)	(5,274)	-	(4,863)
Depreciation	243	297	54	1,189	1,189	-	1,090
Loss / (Gain) on Sale of Assets / Investments	-	-	-	(2)	(2)	-	2
<b>TOTAL EXPENDITURE</b>	<b>1,759</b>	<b>1,842</b>	<b>83</b>	<b>7,648</b>	<b>7,700</b>	<b>52</b>	<b>7,948</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(242)</b>	<b>(285)</b>	<b>43</b>	<b>(1,421)</b>	<b>(1,473)</b>	<b>52</b>	<b>(1,022)</b>
Add Back Depreciation	243	297	(54)	1,189	1,189	-	1,090
Other Non Cash	-	-	-	(2)	(2)	-	2
Net Asset Acquisitions	(118)	(350)	232	(1,908)	(1,504)	(404)	(2,420)
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENT:</b>	<b>(117)</b>	<b>(338)</b>	<b>221</b>	<b>(2,142)</b>	<b>(1,790)</b>	<b>(352)</b>	<b>(2,350)</b>
Debt Additions / (decrease)	87	350	(263)	1,879	1,475	404	2,134
Debt Repaid	(128)	(194)	66	(808)	(778)	(30)	(549)
Net Reserves (Increase) / decrease	276	273	3	1,062	1,092	(30)	1,143
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>118</b>	<b>91</b>	<b>27</b>	<b>(9)</b>	<b>(1)</b>	<b>(8)</b>	<b>378</b>

Finance and Support group Capital Expenditure Statement For the 3 months ended 30 September 2014	Year to Date			Forecast \$000	Full Year		30 Sep 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
Total Asset Acquisitions	37	-	(37)	39	39	-	1,573
Total Capex (AUC movement)	87	350	263	1,879	1,475	(404)	-
Asset Disposal Cash Proceeds	(7)	-	7	(10)	(10)	-	(19)
<b>Net Capital Expenditure</b>	<b>117</b>	<b>350</b>	<b>233</b>	<b>1,908</b>	<b>1,504</b>	<b>(404)</b>	<b>1,554</b>
Investments Additions	-	-	-	-	-	-	-
<b>NET CAPITAL AND INVESTMENT EXPENDITURE</b>	<b>117</b>	<b>350</b>	<b>233</b>	<b>1,908</b>	<b>1,504</b>	<b>(404)</b>	<b>1,554</b>

## 1.4 Department overviews

### 1.41 ICT Summary

The challenges facing the ICT Department include maintaining the business as usual activities while managing a number of large projects which impact upon most of the business. The Department has complimented its core staff capability with contractors and fixed term staff to assist in the delivery of its work programme.



#### **Shared ICT Infrastructure Programme**

The Shared ICT Infrastructure Programme (SIIP) with Wellington City Council, Porirua City Council, Upper Hutt City Council and latterly Wellington Water has gained momentum as the RFP process attracted a number of key organisations in the IT and telecommunications market. A detailed evaluation of the written responses to the RFP has been completed and vendor presentations will be taking place during October. The evaluation team included GWRC's Manager, ICT and the Working Group included GWRC's General Manager, People & Capability.

A number of decisions are yet to be made in relation to finalising the business case for signoff by the applicable Chief Executives. These decisions include the make-up of the outsourced vendor provider(s), the costs associated with the provision of services, the structure of the Shared Services Office and staffing of that office. It is anticipated that the business case will be ready for signoff in early November.

#### **Video Conferencing (VC) Bridge**

Following completion of Phase 1 of the Audio & Video Conference Upgrade (which included the installation of new hardware in a number of meeting rooms and the Council Chambers), Phase 2 is to provide external connectivity to remote users and the general public. Two 'virtual meeting rooms' (VMR) have been established that allow access from the internal meeting rooms, external participants via a normal web browser and external people using Skype. The two VMR's have already been loaded into the address books on each audio/visual device and some basic user instructions are currently being created.

#### **HAWAN**

Progress on the HAWAN continues to be slow as problems are being uncovered with the configuration of the system. The physical construction of towers and radio equipment is completed, but none of the segments are currently working. All parties are working hard to resolve the issues along the way, but the project is not progressing as smoothly as hoped.

#### **EDRMS**

After thorough investigation of the options surrounding a document management system, including being party to a shared services project with Wellington City Council over two years ago, which resulted in Wellington City Council opting for a solution which did not meet the needs of the other parties, GWRC have made a decision to bring in SharePoint. The basis for this decision examined the risks associated with our current Hummingbird system, the inability to upgrade this system in accordance with our ICT architecture and the requirement to commence digitisation of hard copy files.

A project plan is currently being developed and a two day workshop will be held in October to map all the requirements of the new SharePoint platform.

## **Rail Fibre Network Project**

The installation of fibre optic cables to a number of railway stations has meant that we have been able to install 660 cameras providing real time footage in stations, park and ride areas and rails yards. These cameras are actively monitored from a central hub. Already a number of potential graffiti attempts have been stifled, saving thousands of dollars.

Looking ahead, the cable provides a connection for Wi-Fi at the railway stations, the synchronisation of the datacentres and is important for new initiatives such as integrated ticketing, RTI, etc.

The rail fibre network is also part of our business continuity as it links a number of different locations together.

## **Tablets**

The proof of concept for the windows tablets has been completed. We are currently waiting for the outcome of the Shared ICT Infrastructure Programme to understand whether the tablets we have selected are available from the selected vendors under the Shared Services model.

## **Telecommunications**

A new 'shared service' agreement has been signed with Vodafone which provides a single mobile phone account across several local councils. This contract allows a larger pool of mobile data to be consumed at a cheaper rate and free calling between council mobile phones. Investigations are currently underway to optimise landline calls in a similar manner.

## **Looking ahead**

Projects that are progressing include:

- ▶ The Biodiversity management system project in partnership with the BOP Regional Council (EBOP)
- ▶ EDRMS – SharePoint
- ▶ Office365 (online email)
- ▶ Land Mobile Radio (LMR) refresh/shared service
- ▶ Upgraded Gwennie
- ▶ Reporting
- ▶ Rail Fibre phase II

## ICT financial reports

ICT Department Financial Performance Statement 3 Months ended 30 September 2014	Year to date			Full Year			30 Sep 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	-	20	(20)	79	79	-	-
Investment Revenue	27	29	(2)	117	117	-	36
Internal Revenue	677	646	31	2,583	2,583	-	547
<b>TOTAL INCOME</b>	<b>704</b>	<b>695</b>	<b>9</b>	<b>2,779</b>	<b>2,779</b>	<b>-</b>	<b>583</b>
less:							
Personnel Costs	495	531	36	2,126	2,126	-	384
Materials, Supplies & Services	469	410	(59)	1,640	1,640	-	383
Travel & Transport Costs	2	2	-	8	8	-	1
Contractor & Consultants	86	108	22	433	433	-	114
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	49	53	4	204	204	-	50
<b>Total Direct Expenditure</b>	<b>1,101</b>	<b>1,104</b>	<b>3</b>	<b>4,411</b>	<b>4,411</b>	<b>-</b>	<b>932</b>
Financial Costs	42	59	17	237	237	-	20
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(396)	(396)	-	(1,585)	(1,585)	-	(313)
Depreciation	238	286	48	1,144	1,144	-	166
Loss / (Gain) on Sale of Assets / Investments	-	-	-	(2)	(2)	-	-
<b>TOTAL EXPENDITURE</b>	<b>985</b>	<b>1,053</b>	<b>68</b>	<b>4,205</b>	<b>4,205</b>	<b>-</b>	<b>805</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(281)</b>	<b>(358)</b>	<b>77</b>	<b>(1,426)</b>	<b>(1,426)</b>	<b>-</b>	<b>(222)</b>
Add Back Depreciation	238	286	(48)	1,144	1,144	-	166
Other Non Cash	-	-	-	(2)	(2)	-	-
Net Asset Acquisitions	(117)	(350)	233	(1,908)	(1,504)	(404)	(256)
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>(160)</b>	<b>(422)</b>	<b>262</b>	<b>(2,192)</b>	<b>(1,788)</b>	<b>(404)</b>	<b>(312)</b>
Debt Additions / (decrease)	87	350	(263)	1,879	1,475	404	272
Debt Repaid	(128)	(194)	66	(808)	(778)	(30)	(65)
Net Reserves (Increase) / decrease	276	273	3	1,062	1,092	(30)	369
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>75</b>	<b>7</b>	<b>68</b>	<b>(59)</b>	<b>1</b>	<b>(60)</b>	<b>264</b>

ICT Department Capital Expenditure Statement 3 Months ended 30 September 2014	Year to date			Full Year			30 Sep 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	37	-	(37)	39	39	-	-
Capital Project Expenditure	87	350	263	1,879	1,475	(404)	273
Asset Disposal Cash Proceeds	(7)	-	7	(10)	(10)	-	-
<b>Net Capital Expenditure</b>	<b>117</b>	<b>350</b>	<b>233</b>	<b>1,908</b>	<b>1,504</b>	<b>(404)</b>	<b>273</b>
Investments Additions	-	-	-	-	-	-	-
<b>NET CAPITAL AND INVESTMENT EXPENDITURE</b>	<b>117</b>	<b>350</b>	<b>233</b>	<b>1,908</b>	<b>1,504</b>	<b>(404)</b>	<b>273</b>



## ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is \$1.1million, which is slightly below budget.

External revenue has been budgeted in place of internal revenue where desktop recharges are traditionally more than the business budgets for. The result is that the variance in external revenue offsets the positive variance in internal revenue.

Capital projects include:

- ▶ The Portal upgrade project is postponed until further decisions about future delivery of services are made.
- ▶ The SAP mobile plant maintenance project has been delayed pending further analysis of the market solution.
- ▶ Reporting tools upgrade with Office 2013 and Office 365
- ▶ Digital Radios progressing with NZ Police.

## ICT risk analysis

We are consistently reviewing the risks associated with the loss of the provision of continuity of IT services as part of our business continuity planning. The implementation of the virtual desktop (VDI) project means that we can facilitate 400 users accessing the network from remote locations. The new Office365 email project will provide full email redundancy by storing and delivering email directly from a cloud-based service.

## 1.42 Finance and Support

### Finance and Support summary

The quarter has been very busy with completion and sign-off of the annual council group and WRC Holdings group audits. Clear audit reports were received and we are currently working through the Audit Management letters. After last year's disruption from the Seddon earthquakes we have had a much improved process this year, but there is still work to do in some areas to streamline the process.

Large progress made on the 2015/25 LTP budget round which also included assisting the Asset Management group's update of all council asset management plans that feed into the LTP.

The Finance Manager has been co-opted to both the Wellington Water change management team and the shareholders representative for Wellington Water's Chief Executive's customer forum alongside the four city council representatives and is working closely with them to ensure GWRC's bulk water requirements are met.

The roll out of GPS units to all vehicles has predominately been completed. Vehicle administrators have access and have had training. The software provides useful reports to assist in reviewing utilisation, locating vehicles and improving driver behaviour. Over the coming month's fleet utilisation will be looked at more closely to see if we have the right number of vehicles. A reduction in one shed 39 pool car has been recommended.

A new policy incorporating all the previous policies, the update for GPS and health and safety is progressing for ELT sign off in October.

The Support team also manage the Warm Greater Wellington programme which is progressing well. In the quarter 345 new properties have been installed and funded. In conjunction with the environment team we are looking at clean heat options for Masterton to assist in improving air quality.

For the full report please see the see the full Warm Greater Wellington Report.

## Looking ahead

- ▶ Progressing the 2015/25 LTP
- ▶ Assisting the Water integration and ensuring GWRCs bulk water requirements are met
- ▶ Reviewing purchasing cards and processes to enable electronic review and approval of low value expenditure including phone and vehicle fleet card requirements.

## Finance and Support financial reports

Finance Income Statement For the 3 months ended 30 September 2014	Year to Date			Full Year			September
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	25	25	-	100	100	-	110
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	42	57	(15)	230	230	-	163
<b>TOTAL INCOME</b>	<b>67</b>	<b>82</b>	<b>(15)</b>	<b>330</b>	<b>330</b>	<b>-</b>	<b>273</b>
less:							
Personnel Costs	259	253	(6)	1,012	1,012	-	1,011
Materials,Supplies & Services	58	26	(32)	102	102	-	131
Travel & Transport Costs	-	1	1	4	4	-	1
Contractor & Consultants	(29)	27	56	470	470	-	297
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	44	43	(1)	168	168	-	171
<b>Total Direct Expenditure</b>	<b>332</b>	<b>350</b>	<b>18</b>	<b>1,756</b>	<b>1,756</b>	<b>-</b>	<b>1,611</b>
Financial Costs	-	-	-	-	-	-	2
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(357)	(357)	-	(1,426)	(1,426)	-	(1,202)
Depreciation	1	1	-	6	6	-	21
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>(24)</b>	<b>(6)</b>	<b>18</b>	<b>336</b>	<b>336</b>	<b>-</b>	<b>432</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>91</b>	<b>88</b>	<b>3</b>	<b>(6)</b>	<b>(6)</b>	<b>-</b>	<b>(159)</b>
Add Back Depreciation	1	1	-	6	6	-	21
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>92</b>	<b>89</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(138)</b>
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>92</b>	<b>89</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(138)</b>

## Finance and Support financial summary

Total Direct Expenditure of \$332k compares favourably with a budget of \$350k. The (\$29k) relates to Tax work, which we expect to pay later in the year.

## Finance and Support risk analysis

As part of our regular reviews of our processes and systems we highlighted the on-going need to ensure all staff remain up-to-date and appropriately trained in all aspects of our business. With Staff turnover it is essential that key systems knowledge can be captured and transferred. A review of our processes around asset and insurance valuations will be undertaken in the second quarter of 2014/15.

As part of the council wide review of the risk register it was agreed that the only underlying risk on the high level council register would be for financial fraud, as despite many mitigating actions the outcome of any actual fraud is highly damaging to the organisation.

## 1.43 Treasury

### Treasury Summary

This department includes the staff and administration costs of running the Investment Management department. The full report on the Investment Management business area is reported separately.

The Treasury Manager has also covered and the Acting CFO manages the WRC Holdings group, which included the completion of the WRC Holdings Group year-end accounts and annual audit.

### Treasury financial reports

Treasury & Investments. Income Statement For the 3 months ended 30 September 2014	Year to Date			Full Year			30 Sep 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	19	19	-	75	75	-	69
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	67	67	-	267	267	-	257
<b>TOTAL INCOME</b>	<b>86</b>	<b>86</b>	<b>-</b>	<b>342</b>	<b>342</b>	<b>-</b>	<b>326</b>
less:							
Personnel Costs	98	76	(22)	319	308	(11)	286
Materials,Supplies & Services	1	1	-	3	3	-	4
Travel & Transport Costs	1	2	1	7	7	-	4
Contractor & Consultants	-	-	-	-	-	-	-
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	7	6	(1)	24	24	-	24
<b>Total Direct Expenditure</b>	<b>107</b>	<b>85</b>	<b>(22)</b>	<b>353</b>	<b>342</b>	<b>(11)</b>	<b>318</b>
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	1	1	-	-
Depreciation	2	2	-	7	7	-	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>109</b>	<b>87</b>	<b>(22)</b>	<b>361</b>	<b>350</b>	<b>(11)</b>	<b>325</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(23)</b>	<b>(1)</b>	<b>(22)</b>	<b>(19)</b>	<b>(8)</b>	<b>(11)</b>	<b>1</b>
Add Back Depreciation	2	2	-	7	7	-	7
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>(21)</b>	<b>1</b>	<b>(22)</b>	<b>(12)</b>	<b>(1)</b>	<b>(11)</b>	<b>8</b>
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>(21)</b>	<b>1</b>	<b>(22)</b>	<b>(12)</b>	<b>(1)</b>	<b>(11)</b>	<b>8</b>

### Treasury financial summary and variance analysis

The Treasury department has \$109k of total direct expenditure, which is in line with budget. Personnel costs are unfavourable by \$22k mainly due the timing of training expenditure. The training expenditure will be in-line with budget by year end. The department is attracting additional costs due to the vacant CFO position.

### Treasury risk analysis

The treasury risks are reviewed as part of the investment management report.

## 1.44 Rates

### Rates department financial reports

Rates Dept Income Statement For the 3 months ended 30 September 2014	Year to Date			Full Year			September
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	136	147	(11)	588	588	-	626
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	14	14	-	54	54	-	54
<b>TOTAL INCOME</b>	<b>150</b>	<b>161</b>	<b>(11)</b>	<b>642</b>	<b>642</b>	<b>-</b>	<b>1,830</b>
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials,Supplies & Services	-	-	-	-	-	-	7
Travel & Transport Costs	-	-	-	-	-	-	-
Contractor & Consultants	550	577	27	2,310	2,310	-	2,381
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	25	25	-	100	100	-	80
<b>Total Direct Expenditure</b>	<b>575</b>	<b>602</b>	<b>27</b>	<b>2,410</b>	<b>2,410</b>	<b>-</b>	<b>2,468</b>
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(442)	(442)	-	(1,768)	(1,768)	-	(1,816)
Depreciation	-	-	-	-	-	-	-
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>133</b>	<b>160</b>	<b>27</b>	<b>642</b>	<b>642</b>	<b>-</b>	<b>1,015</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>17</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815</b>
Add Back Depreciation	-	-	-	-	-	-	-
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>17</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815</b>
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>17</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815</b>

### Rates department financial summary

Total Income of \$150k is \$11k less than expected. This relates to penalties on rates and rates remissions. The timing of this revenue is variable year to year. While we expect to hit budget, the result is ultimately out of the Council's control.

Rates collection costs were \$27,000 less than budgeted.

### Rates department risk analysis

Risks have been reviewed, and after a review of rates processes in 2013/14 the risk remain low in this area.

## 1.45 Chief Financial Officer (CFO)

### CFO financial reports

CFO Support Income Statement For the 3 months ended 30 September 2014	Year to Date			Full Year			30 Sep 13	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
External Revenue	(2)	19	(21)	75	75	-	15	83
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	11	11	-	45	45	-	11	45
<b>TOTAL INCOME</b>	<b>9</b>	<b>30</b>	<b>(21)</b>	<b>120</b>	<b>120</b>	<b>-</b>	<b>26</b>	<b>128</b>
less:								
Personnel Costs	19	87	68	285	348	63	68	331
Materials, Supplies & Services	11	4	(7)	15	15	-	3	28
Travel & Transport Costs	-	1	1	5	5	-	1	1
Contractor & Consultants	28	55	27	220	220	-	17	320
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	6	7	1	28	28	-	6	24
<b>Total Direct Expenditure</b>	<b>64</b>	<b>154</b>	<b>90</b>	<b>553</b>	<b>616</b>	<b>63</b>	<b>95</b>	<b>704</b>
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(124)	(124)	-	(496)	(496)	-	(148)	(592)
Depreciation	-	-	-	2	2	-	1	4
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	2	2
<b>TOTAL EXPENDITURE</b>	<b>(60)</b>	<b>30</b>	<b>90</b>	<b>59</b>	<b>122</b>	<b>63</b>	<b>(50)</b>	<b>118</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>61</b>	<b>(2)</b>	<b>63</b>	<b>76</b>	<b>10</b>
Add Back Depreciation	-	-	-	2	2	-	1	4
Other Non Cash	-	-	-	-	-	-	2	2
Net Asset Acquisitions	-	-	-	-	-	-	19	19
Net External Investment Movements	-	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENT</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>98</b>	<b>35</b>
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>98</b>	<b>35</b>

CFO Support Capital Expenditure Statement For the 3 months ended 30 September 2014	Year to Date			Full Year			30 September 13	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	-	-	-	-	-
Capital Project Expenditure	-	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-	(19)	(19)
<b>Net Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>(19)</b>
Investments Additions	-	-	-	-	-	-	-	-
<b>NET CAPITAL AND INVESTMENT EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>(19)</b>

### CFO financial summary and variance analysis

The CFO department total direct expenditure of \$64k under budget due to the vacant CFO position. The department has allocated \$52k of this forecast savings to fund HSE work in the People and Capability department. P&C will show a corresponding adverse variance. The CFO is planning to fund some additional Asset Management resource which will be contained under the existing budget.

Contractors and consultants are \$28k under budget. We expect this to be corrected as the Shared Services initiative is due to be completed in the second quarter.

## 1.46 Property services

### Property Services Summary

The Property services department covers Shed 39 costs and reallocation to groups. The outsourced property team assists with building advice across the council.

### Property Services financial reports

Property Services Income Statement For the 3 months ended 30 September 2014	Year to Date			Forecast \$000	Full Year		September FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
External Revenue	-	-	-	-	-	-	-
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	502	504	(2)	2,015	2,015	-	2,015
<b>TOTAL INCOME</b>	<b>502</b>	<b>504</b>	<b>(2)</b>	<b>2,015</b>	<b>2,015</b>	-	<b>2,015</b>
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials,Supplies & Services	477	389	(88)	1,557	1,557	-	1,760
Travel & Transport Costs	1	-	(1)	-	-	-	-
Contractor & Consultants	24	9	(15)	37	37	-	45
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	111	111	-	421	421	-	414
<b>Total Direct Expenditure</b>	<b>613</b>	<b>509</b>	<b>(104)</b>	<b>2,015</b>	<b>2,015</b>	-	<b>2,219</b>
Financial Costs	-	-	-	-	-	-	1
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	-	-	-	-
Depreciation	2	8	6	31	31	-	141
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
Total Indirect Expenditure	2	8	6	31	31	-	142
<b>TOTAL EXPENDITURE</b>	<b>615</b>	<b>517</b>	<b>(98)</b>	<b>2,046</b>	<b>2,046</b>	-	<b>2,361</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(113)</b>	<b>(13)</b>	<b>(100)</b>	<b>(31)</b>	<b>(31)</b>	-	<b>(346)</b>
Add Back Depreciation	2	8	(6)	31	31	-	141
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	(1)	-	(1)	-	-	-	(139)
Net External Investment Movements	-	-	-	-	-	-	-
<b>NET FUNDING BEFORE DEBT &amp; RESERVE MOVEMENTS</b>	<b>(112)</b>	<b>(5)</b>	<b>(107)</b>	-	-	-	<b>(344)</b>
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
<b>NET FUNDING SURPLUS (DEFICIT)</b>	<b>(112)</b>	<b>(5)</b>	<b>(107)</b>	-	-	-	<b>(344)</b>

### Property Services financial summary and variance analysis

Direct Expenditure of \$613k is \$104k more than budgeted. \$60k relates to payment of rent for both the Regional Council Centre (RCC) and Shed 39. Power costs of Shed 39 are \$20k more than budget.

We are reviewing this area but are not yet in a position to change the forecast outcome.

### Property Services risk analysis

Review and remedy of earthquake resilience of all buildings is continuing.



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