



R E P O R T	TO	Planning & Finance Committee
	FROM	Corporate Services Manager
	FILE REF	01.012.024 – 00197594.rtf
	DATE	30 July, 2004
	SUBJECT	Monthly Report

RECOMMENDATION:

The report on the operations of the Corporate Services Department for June 2004 be received.

Annual Report

The interim visit has concluded. We have not received a report of their findings yet. The verbal feedback received was encouraging in that there were no items of substance requiring attention.

The interim visit is essentially a systems review to assess if systems can be relied upon for the final audit visit. If they are found to be weak additional work may be required to compensate for the system weakness. This was not the case and we expect the final audit visit to take no more than three weeks commencing early October.

Regional Valuation Database

This project is progressing well.

Testing of the usability of the system has been carried out by the four pilot sites, which includes Hauraki. The feedback from our staff who attended was very positive. Not only was the system easy to use but the testing completed with minimal errors.

Discussions regarding ownership structures for the ongoing operation of the database have commenced.

Review of our own systems and how they should be modified to take advantage of this new database is an ongoing process.

Information Systems

Systems have been performing adequately.

There has been no reduction in virus and worm activity. There have not been any identified infections of our site.

We have recently piloted a technology that improves system performance in our remote sites. The test site was the Ngatea Service Centre. The results have been very good and well received by the Customer Service Team at Ngatea. We have a number of small issues to resolve before we extend the rollout to depots, treatment plants and the Waihi Service Centre.

GIS/AMS – Geographical Information System/Asset Management System

Over the last few weeks the team has been focusing on updating property records following updates from our valuers. There has also been quite a bit of work on getting information ready for the district plan review.

Financial Statements

Attached are the Statements of Net Cost of Service, Statement of Support Costs and Statement of Financial Position as at 30 June 2004.

Net Support costs are \$65,000 under year to date budget. The main cost centre under budget is Human Resources. Our training budget is well underspent. Partially offsetting this is the increased expenditure on Health & Safety as we improve our systems and procedures regarding this important activity.

In some cases Year to date budgets do not agree to annual budgets despite the period covering 12 months. Some cost centre managers are aware of expenditure accruals that will not be completed for a few more weeks so have held that budget back. In other cases year to date budget agrees with the annual budget yet variances may still arise once accruals have been completed. An example is annual leave accruals. It may take some weeks for these to be finalised and they could result in increases or decreases in expenditure dependant on the leave position of each individual employee.

External recoveries are under budget and the principle reason is the elimination of the recovery ex Environment Waikato once they implemented direct rating from 1 July 2003.

Re the Summary Statement of Cost of Services.

Total Cost of Service is down by \$569,000 (\$408,000) or 3.0% (2.6%). Solid Waste, Wastewater and Water are the main areas under spent while Parks & Reserves and Roading are over budget.

Revenue is currently \$315,000 (\$224,000) over budget or 2.5% (2.0%). Solid Waste recoveries and Consent/LIM activity are the main contributors to this result.

The Statement of Financial Position shows our cashflow position is very healthy. This is the combination of a few factors but the principal ones are property sales and deferred capital expenditure eg Waihi Wastewater Treatment Plant.

Rex Leonhart
Corporate Services Manager