

5.1.0

*FINANCIAL SERVICES*



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MONITORING COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
ACTIVITY:	<b>BUSINESS UNIT SUMMARY</b>

**Overall Objectives**

To provide corporate accounting services including accurate and timely management reports and advice on financial and administrative matters.

To meet the external financial accountability requirements of the Council, Christchurch City Holdings Limited and the smaller subsidiary companies.

To provide financial analysis of projects and advice to the Council on accounting issues.

To efficiently manage accounting resources.

To co-ordinate the Annual Plan and Corporate Plan procedures for the Council.

To update and maintain the Long Term Financial Plan and the Funding Policy.

To publish the draft and final Annual and Corporate Plans.

To administer the Council's rate and debt collection systems in an equitable and cost effective manner.

To provide accounting services to the business units of the Council.

To provide accurate and timely financial reports for internal monitoring purposes.

To provide counter and mail services for the collection and recording of inwards payments.

To provide for an efficient and cost effective payments system (ie payroll and accounts payable systems).

To reconcile the accounting system with the Council's bank accounts.

To ensure that all the Council's taxation and ACC levy obligations are properly discharged at minimal levels.

To ensure that the Assets Register is maintained accurately and regularly and in accordance with generally accepted accounting practice.

To provide a prompt and courteous customer service operation on the ground floor of the Civic Offices (this includes enquiries from walk-in customers, cash receipting and telephone calls and graffiti hotline calls).

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### Key Changes

#### *Committed Costs (Operating)*

- Triple Bottom Line Reporting** \$28,000  
 This is the additional cost to report in triple bottom line (TBL) format. The cost includes format changes to the reporting templates plus the ongoing additional costs of printing a TBL Annual Plan and Annual Report. TBL reporting is a sustainability commitment for 2002/03 which was adopted by the Council on 24 August 2000.
- After Hours Service** \$33,000  
 During 2000/01 the Council changed its after hours service provider. This service which is provided by Orion is at a higher level than that which was provided by Quick Connect. Orion has the same system as the CCC and this has enabled Orion to access the same information as the CCC Customer Centres. Orion's experience in dealing with emergency responses has been a further feature of the new arrangement. While the Council received a considerable discount on the service in the first two years of operation the cost for 2002/03 will increase by \$33,000.

This increase was accounted for when the Long Term Financial Strategy was adopted on 12 July 2001. It is therefore a commitment for 2002/03

#### *Increased Costs due to Increased Demand*

- Accounting Resources**  
 On 12 November 2001 two accounting graduates were hired to help reduce the excessive additional hours being worked within the Unit and to enable the further development and better utilisation of the SAP Accounting System. The two graduates have been employed in the Fixed Assets and Financial Planning areas. This initiative will help to reduce the work load of three Senior Accountants and allow them to contribute to the full utilisation of the SAP Financial System. Funding for 2001/02 is being sourced from the Project Contingency provision within the Corporate Revenues and Expenses budget. (Approved by the Corporate Strategy Team in August 2001.) For 2002/03 it is proposed to fund these positions from within the Financial Services Unit budget utilising various Unit cost savings. The savings which will enable this to happen are detailed on the next page. All are operating savings.

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Although both positions are for a 2 year period there is a need to maintain both resources beyond the 2 year period in order:

- to meet customer needs (these are currently not being adequately met in the management accounting area);
- to reduce the large amounts of additional hours that staff within the management accounting and financial planning areas are currently having to work; and
- achieve the full ongoing benefits of the SAP Financial System.

Because the 2002/03 funding sources reflect ongoing savings, this will allow both positions to continue beyond the two year period.

Additional Accounting Resources		Matching Savings (Funding Sources)	
Two Accounting Graduates (staff related costs)	\$70,000	ACC Fees	(\$4,000)
		Postage	(\$2,200)
		Stationery	(\$5,500)
Overheads (telephones, PC costs)	\$7,000	Staff Training	(\$5,497)
		Retiring Gratuities	(\$6,931)
		Datacom Contract Savings	(\$11,132)
		Payroll Resourcing	(\$14,740)
		Programming Savings	(\$27,000)
	-----		-----
	<u>\$77,000</u>		<u>(\$77,000)</u>

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### *Efficiency Gains*

- The following savings and efficiency gains have been identified and factored into the Financial Services Unit budget for 2002/03:
- **Payroll Resourcing** (\$14,740)  
The CATS (timesheet) self entry and Business Unit entry has reduced the need for a full time resource within the Payroll Team. The staff member concerned has reduced her time from 5 days per week to three days per week. This change is part of some ongoing efficiency savings which the Unit has identified and achieved over the last three years. The other staff savings achieved to date include a reduction of one staff member in the Accounts Payable Team in 2000/01 – (a saving of \$34,531 by not replacing a retiring staff member) and a reduction of a part resource in the Accounts Receivable Team in 1999/2000 – (a savings of \$13,799).
- **Contract Programming** (\$27,000)  
The implementation of the GEMS Rating and Waterbilling Modules together with the re-shuffling of responsibilities within Financial Services Unit has reduced the need to contract in a programmer for maintenance work on the Rates and Water Billing systems. The 2002/03 savings that will be generated from this change total \$27,000.
- **Bureau Costs for Payroll (Overlap Costs)** (\$49,885)  
The implementation of the SAP in-house Payroll Module on 1 April 2002 eliminates the need for the Council to process the CCC Payroll through a Payroll Bureau. (The Council has for many years processed its payroll through Datacom.) The overlap costs in 2002/03 which will be saved after including a full year of SAP Payroll Module costs and taking out the Bureau costs total \$49,885.
- **Stationery** (\$5,500)  
The implementation of the new SAP / GEMS system has enabled further stationery savings in the Accounts Receivable area. This is an extension of the stationery savings previously identified in 2001/02 for Water Billing and Payroll.
- **Valuation Contract** (\$50,000)  
In the past the Council contracted Quotable Value New Zealand Ltd (QVNZ), a crown owned company, to act as our valuation service provider. The three year contract with QVNZ expired on 30 June 2002 and prior to this expiry date the contract was tendered. The successful tenderer was the State Valuation Office of New South Wales. The 2002/03 net savings from this change of valuation service provider are \$50,000. (Offsetting some of the 2002/03 savings are set-up costs relating to the new contract.) The savings in subsequent years are \$400,000 in 2003/04 and 2004/05 and \$200,000 in 2005/06.

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### ***Restructuring Budgets***

There are four significant budget changes since the 2001/02 Unit budget was adopted:

- **Staff Transfer**

In September 2001 two staff members (one from the Fendalton Counter Service Cost Centre and one from the Riccarton Counter Service Cost Centre) were transferred to the Civic Customer Centre. This change is in line with the transfer of Service Centre calls to the Civic Offices. The rationale for this change is the provision of better customer service, more efficient use of resources and great flexibility.

The 2001/02 budget figures have been left within the Libraries and Information Unit budget but are detailed below for comparative purposes. (It should be noted that this transfer was taken account of when assessing whether the Financial Services Unit and the Libraries and Information Unit had met their budget targets set by the Corporate Strategy Team.)

FROM			TO		
Libraries and Information Unit			Financial Services Unit		
	2001/02 \$	2002/03 \$		2001/02 \$	2002/03 \$
Service Centre Staff Costs	64,269	(64,269)	Customer Centre Staff Costs	0	64,269
Overhead Costs	12,068	(12,068)	Overhead Costs	0	12,068
<b>TOTAL</b>	<b>\$76,337</b>	<b>(\$76,337)</b>	<b>TOTAL</b>	<b>0</b>	<b>\$76,337</b>

- **Allocation of Customer Centre Management Costs**

The Civic Customer Centre is part of the Financial Services Unit and is also part of the Council's Customer Centre network. The co-ordination and management of the network is managed by the Customer Services Team within the Operations Directorate. In the past the net cost of the Customer Services Team related mainly to the development of the network and was not allocated out. Now that the Customer Services Team is directly involved in managing and co-ordinating the network, it is appropriate that the Team net costs are allocated out to the various parts of the network. The allocation has been based on total staff numbers and the Civic Customer Centre share of these costs is approximately \$78,000.

- **Corporate Overhead Allocation**

The 2002/03 corporate overhead allocation has been amended to reflect the new organisational structures which were put in place last year. The corporate overhead has now been divided into two types of costs:

- labour related overheads; and
- non labour related overheads

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**- Labour related overheads**

Each Unit labour cost centre has received an allocation and the Financial Services Unit share reflects the total staff numbers in each of its five labour related cost centres. This allocation in turn impacts on labour charge out rates for the Unit. The labour related overhead can be likened to an ‘employee service charge’ and includes payroll costs, HR costs, Health and Safety costs and ChCh Chat costs.

**- Non labour related overheads**

The non labour overheads are allocated directly to all service delivery outputs. The Financial Services Unit has two such outputs which are delivered directly to the public. They are ‘Telephone Services’ and ‘Cashiering and Counter Services’. The allocation of the non labour related overheads (includes all other overheads like MIS costs, Financial Services costs, Corporate Services and Corporate Office costs) is based on the total cost of the output.

• **Mailroom Costs**

Whereas in previous years the Financial Services ‘Mailroom Services’ was shown as a separate output this has now been treated as an overhead project within Financial Services. Mail processing is no different to other overhead costs like MIS and telephone costs. It is one of a range of support type costs for outputs like Rates, Accounts Receivable and Accounts Payable. The allocation of the mailroom costs to these areas has been based on estimated mail volumes.

• **Draft Community Plan**

For a number of years the Financial Services Unit has been responsible for the production of the draft Community Plan. This is produced as one booklet, is mapped based and lists the projects planned for the six Community Boards. The final version of the Community Plan is published in a special edition of ‘City Scene’. Like the draft Community Plan the final version is also mapped based.

For 2002/03 it is planned to use ‘City Scene’ as the vehicle to publish the draft Community Plan as well. By publishing in City Scene the Council is reaching a much larger audience. Responsibility for publishing the final version rests with Community Relations and given the change planned for 2002/03 there are synergies to be achieved by moving the draft Community Plan to Community Relations as well. On this basis the \$30,000 which would have been included in the Financial Services Unit budget for the Draft Community Plan has been transferred to the Community Relations Unit budget.

• **Revaluation of Infrastructural Assets**

In previous years this provision was included in the Corporate Revenues and Expenses budget. To comply with Financial Reporting Standard 29, this item should be reflected in an appropriate activity budget. The item has therefore been taken out of the Corporate Revenues and Expenses budget and is now included in the Annual Report output. (The values are required for financial reporting purposes.)



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ACTIVITY:	<b>OUTPUT SUMMARY</b>

For Output Summary see page 5.1.1.

## 5.1.1

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	OUTPUT SUMMARY

OUTPUT CLASS EXPENDITURE		2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>RATING SERVICES</b>			
Valuation Information	Page 5.1.5	1,542,475	1,389,312
Rates Administration	Page 5.1.6	2,612,050	2,421,195
Water Billing	Page 5.1.7	355,812	355,137
<b>PLANS</b>			
Corporate Plan	Page 5.1.8	52,124	56,688
Annual Plan	Page 5.1.9	171,339	176,154
Strategic Plan	Page 5.1.9	27,055	11,012
<b>ADVICE</b>			
Financial Advice	Page 5.1.10	233,133	251,148

## 5.1.2

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	OUTPUT SUMMARY

		2001/2002 BUDGET	2002/2003 BUDGET
		\$	\$
<b>OUTPUT CLASS EXPENDITURE (continued)</b>			
<b>ACCOUNTING SERVICES</b>			
Payroll	Page 5.1.11	480,127	451,554
Accounts Payable	Page 5.1.12	556,065	589,592
Accounts Receivable	Page 5.1.13	466,684	498,046
Bank Reconciliation	Page 5.1.14	139,746	157,311
Taxation	Page 5.1.15	51,389	55,224
Asset Register	Page 5.1.16	108,984	123,445
Management Accounting	Page 5.1.17	324,685	362,282
<b>CUSTOMER SERVICES</b>			
Telephone & Counter Services	Page 5.1.18	346,931	456,273
Cashiering	Page 5.1.19	317,332	410,819
Mail	Page 5.1.20	56,596	0
<b>FINANCIAL REPORTING</b>			
Annual Report	Page 5.1.21	379,610	409,095
<b>SYSTEMS SUPPORT</b>			
Financial Systems Support	Page 5.1.22	503,801	554,091
TOTAL EXPENDITURE		8,725,938	8,728,378

## 5.1.3

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	OUTPUT SUMMARY

OUTPUT CLASS REVENUE & RECOVERIES		2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>RATING SERVICES</b>			
Valuation Information	Page 5.1.5	1,542,475	1,389,312
Rates Administration	Page 5.1.6	2,612,050	2,421,195
Water Billing	Page 5.1.7	355,812	355,137
<b>PLANS</b>			
Corporate Plan	Page 5.1.8	52,124	56,688
Annual Plan	Page 5.1.9	171,339	176,154
Strategic Plan	Page 5.1.9	27,055	11,012
<b>ADVICE</b>			
Financial Advice	Page 5.1.10	233,133	251,148
<b>ACCOUNTING SERVICES</b>			
Payroll	Page 5.1.11	480,127	451,554
Accounts Payable	Page 5.1.12	556,065	589,592
Accounts Receivable	Page 5.1.13	466,684	498,046
Bank Reconciliation	Page 5.1.14	139,746	157,311
Taxation	Page 5.1.15	51,389	55,224
Asset Register	Page 5.1.16	108,984	123,445
Management Accounting	Page 5.1.17	324,685	362,282

## 5.1.4

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	OUTPUT SUMMARY

OUTPUT CLASS REVENUE & RECOVERIES (continued)		2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>CUSTOMER SERVICES</b>			
Telephone & Counter Services	Page 5.1.18	300,442	395,132
Cashiering	Page 5.1.19	78,000	60,100
Mail	Page 5.1.20	56,596	0
<b>FINANCIAL REPORTING</b>			
Annual Report	Page 5.1.21	379,610	409,095
<b>SYSTEMS SUPPORT</b>			
Financial Systems Support	Page 5.1.22	503,801	554,091
TOTAL REVENUE		8,440,117	8,316,519
<b>NET COST OF OUTPUTS</b>		285,821	411,859
<b>COST OF CAPITAL EMPLOYED</b>		871	512
<b>CAPITAL OUTPUTS</b>		14,000	17,000

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>RATING SERVICES</b>

## **OUTPUT : VALUATION INFORMATION**

### **Description**

- Record the property information necessary to levy and collect rates, water charges, and to meet other Council needs.
- Provide information to the Council and the public from the database.

### **Objectives for 2002/03**

1. Maintain the GEMS Rating Module by auditing the data provided by the Council's valuation service provider(s), and implement any changes required to the Rating Differentials, Area of Benefit and Rate Codes.
2. Monitor the changes to the Person and Property Module, made by the Geodata Services Team, as they affect the Rating Module.
3. Monitor the performance of the Council's valuation service provider(s).

### **Performance Indicators**

- 1&2 Ensure that the number of alterations required to the annual rates levy, due to data errors, is kept below 0.005% of the total number of assessments.
3. Ensure that all building consents and subdivisions are actioned within the periods specified in the contract(s). (Dependent upon the RFS System being fully operational by 1 July 2002.)

## 5.1.5

MONITORING COMMITTEE	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	RATING SERVICES

OUTPUT : VALUATION INFORMATION			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Valuation Fees - Valuation Roll Maintenance			1,198,500	1,125,204
Programming Costs			13,000	13,000
TOTAL DIRECT COSTS			1,211,500	1,138,204
ALLOCATED COSTS				
Allocated Holding Account	(6.96)%	6.62%	245,955	251,108
Alloc O/head - FAMIS			51,038	0
Alloc O/head - Core Person & Property Data			33,982	0
TOTAL ALLOCATED COSTS			330,975	251,108
TOTAL COSTS			1,542,475	1,389,312
REVENUE				
Internal Recoveries				
Transfer to Rates Administration			1,228,201	1,110,021
Transfer to Water Billing			121,470	109,782
			1,349,671	1,219,804
External Revenue - CRC Share of Valuation Fees			192,804	169,508
TOTAL REVENUE			1,542,475	1,389,312
NET COST VALUATION INFORMATION			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>RATING SERVICES</b>

## **OUTPUT : RATES ADMINISTRATION**

### **Description**

- Advise the Council on and administer the rating system so that:
  - (a) It complies with statutory requirements and Council policies.
  - (b) It is generally acceptable to ratepayers as a fair and just system.
  - (c) It is efficient and cost effective.
  - (d) Maintain a mutually acceptable rating system for the Canterbury Regional Council.

### **Objectives for 2002/03**

1. Maintain an efficient rates information and collection system.
2. Collect 96.5% of the rates levied within the year.
3. Increase the number of ratepayers using direct debiting as a method of payment.

### **Performance Indicators**

1. Ensure the gross cost per rates assessment is less than \$17.68 per assessment (based on 136,982 assessments). (1996/97: Cost per assessment \$19.30; 1997/98: Cost per assessment \$16.57; 1998/99: Cost per assessment \$18.17; 1999/00 : Cost per assessment \$17.20; 2000/01 : Cost per assessment \$18.08.)
2. Rate arrears as a % of levied figure. No more than 3.5%.
3. Increase the number of ratepayers using direct debiting by 30 June 2003 to 34,000. (1996/97: 21,532; 1997/98: 24,015. 1998/99: 25,529; 1999/00 : 30,543; 2000/01 : 32,000.)



## 5.1.6

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	RATING SERVICES

OUTPUT : RATES ADMINISTRATION			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Postage, Stationery etc			321,050	301,100
ALLOCATED COSTS				
Corporate Services - Document Distribution (Mail)			40,851	0
Allocated Ovehead - Bank Fees			90,484	90,484
Allocated Overhead - Cashiering Ex Service C's			76,600	80,000
Alloc O/head - FAMIS			148,475	163,648
Alloc O/head - Core Person & Property Data			98,856	87,480
Allocated Overhead - Mail			30,000	27,579
Alloc O/head - Cashiering (Batching of Rates)			55,000	37,100
Alloc O/head - Financial Systems Support			44,637	49,092
Allocated Holding Account (13.52)% 12.51%			477,896	474,691
Transfer from Valuation Information			1,228,201	1,110,021
TOTAL ALLOCATED COSTS			2,291,000	2,120,095
TOTAL COSTS			2,612,050	2,421,195
REVENUE				
External Revenue			456,000	455,200
Corporate Overhead Recoveries			2,156,050	1,220,780
Corporate Financing Recoveries			0	745,215
TOTAL REVENUE			2,612,050	2,421,195
NET COST RATES ADMINISTRATION			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>RATING SERVICES</b>

## **OUTPUT : WATER BILLING**

### **Description**

- To administer the water billing system for the Council.
- To ensure outstanding accounts are collected promptly and fairly.

### **Objectives for 2002/03**

1. Maintain the GEMS Water Billing Module to produce accurate and timely invoices and information.
2. Monitor the changes to the Person & Property Module, made by the Geodata Services Team, as they affect the Water Billing module.
3. Collect all outstanding accounts within a reasonable period without recourse to 'rate' collection powers.

### **Performance Indicators**

1. Ensure that all billing cycles are processed within the periods specified and ensure that the number of amended invoices produced, due to data errors, is kept below 0.005% of the total number of accounts. (Water Billing Team) (New measure for 2002/03)
2. Ensure that the number of amended invoices produced, due to data errors, is kept below 0.005% of the total number of accounts. (Geodata Team) (New measure for 2002/03)
3. Ensure that the total arrears outstanding, for more than 12 months after the due date is less than 5.0% of the total charged in the previous 12 months. (New measure for 2002/03)

## 5.1.7

MONITORING COMMITTEE	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	RATING SERVICES

			2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>OUTPUT : WATER BILLING</b>				
DIRECT COSTS				
Administration Costs			15,500	19,300
TOTAL DIRECT COSTS			15,500	19,300
ALLOCATED COSTS				
Allocated Holding Account	(2.97)%	2.79%	104,868	105,745
Allocated Ovehead - Bank Fees			2,311	2,311
Alloc O/head - Fsu Mailroom - Overhead Project			0	3,677
Alloc O/head - FAMIS			60,318	66,482
Alloc O/head - Core Person & Property Data			40,160	35,539
Alloc O/head - Valuation Information			121,470	109,782
Alloc O/head - Financial Systems Support			11,184	12,301
TOTAL ALLOCATED COSTS			340,312	335,837
TOTAL COSTS			355,812	355,137
REVENUE				
Internal Recoveries			355,812	355,137
Corporate Expenses				
TOTAL REVENUE			355,812	355,137
NET COST WATER BILLING			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>PLANS</b>

## **OUTPUT : CORPORATE PLAN**

### **Description**

- The Corporate Plan focuses on outputs. These outputs represent the goods and services which the Council is buying on behalf of the community. The Corporate Plan also includes the Council's Funding Policy.

### **Objectives for 2002/03**

1. Publish the Corporate Plan as per approved timetable.

### **Performance Indicators**

- 1.1 Have the final version of the Corporate Plan available in electronic form no later than the release date as specified in the approved Annual Plan timetable for 2002/03. (New measure in 2001/02.)
- 1.2 Have the draft Corporate Plan available in electronic format no later than the release date as specified in the approved Annual Plan timetable for 2003/04. (New measure in 2001/02.)

## 5.1.8

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	PLANS

OUTPUT : CORPORATE PLAN				2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS					
Publication Costs				13,000	13,500
ALLOCATED COSTS					
Allocated Holding Account	(1.11)%	1.14%		39,124	43,188
TOTAL COSTS				52,124	56,688
REVENUE					
Public Accountability				22,935	24,943
Transfer to Corporate Overhead				29,190	31,745
NET COST CORPORATE PLAN				0	0
				=====	=====

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>PLANS</b>

## **OUTPUTS**

- **ANNUAL PLAN**
- **STRATEGIC PLAN**

### **Description**

- The Council is required under S223D of the Local Government Act to produce a report(s) which outline(s) its plans for the future. The Annual Plan details the short term future and the Strategic Plan focuses on the long term.

### **Objectives for 2002/03**

1. Complete all Annual Planning procedures within the approved timetable.

### **Performance Indicators**

- 1.1 Ensure that the Annual Planning procedures meet the approved timetable dates. (1998/99: Timetable not met - process delayed; 1999/00: Approved timetable dates met; 2000/01 (timetable was delayed by one week due to additional elected member meetings. This did not however impact on the adoption of the final Financial Plan on 12 July 2001).
- 1.2 Have the published version of the final Christchurch City Council Plan available within 20 days of it being adopted. (1997/98: Target met; 1998/99: Target met; and 1998/99, 1999/00 and 2000/01: Target met.)

## 5.1.9

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	PLANS

OUTPUT : ANNUAL PLAN			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Publication Costs - Annual Plan			42,000	65,500
Publication Costs - Community Plans			30,000	0
ALLOCATED COSTS				
Allocated Holding Account	(2.81)%	2.92%	99,339	110,654
TOTAL COSTS			171,339	176,154
REVENUE				
Public Accountability			171,339	176,154
TOTAL REVENUE			171,339	176,154
NET COST ANNUAL PLAN			0	0
OUTPUT : STRATEGIC PLAN				
DIRECT COSTS				
Production publications			16,800	0
ALLOCATED COSTS				
Allocated Holding Account	(0.29)%	0.29%	10,255	11,012
TOTAL COSTS			27,055	11,012
REVENUE				
Corporate Overhead			0	0
Public Accountability			27,055	11,012
NET COST STRATEGIC PLAN			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ADVICE</b>

## **OUTPUT : FINANCIAL ADVICE**

### **Description**

- The provision of financial advice to Business Units, Unit Managers, Council Staff, Corporate Office, Council and Elected Members.

### **Objectives for 2002/03**

1. Prepare comprehensive Guidance Notes for the 2002/03 Annual Plan process.
2. Ensure that staff are aware of the planning requirements.
3. Prepare financial reports for the Council.

### **Performance Indicators**

1. To have the 2003/04 CCC Financial Plan Guidance Notes available for distribution no later than 30 September 2002. (1999/00 : Available 23 September 1999; 2000/01 : Available 21 September 2000).
2. Run at least two courses in September 2002 on the 2003/04 planning requirements and brief the Management Group.
3. Prepare 6 monthly reports and any other financial reports as required. (1997/98: Achieved; 1998/99: Achieved; 1999/00: Achieved; 2000/01: Achieved)



## 5.1.10

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ADVICE

OUTPUT : FINANCIAL ADVICE			2001/2002 BUDGET \$	2002/2003 BUDGET \$
ALLOCATED COSTS				
Allocated Holding Account	(6.59)%	6.62%	233,133	251,148
REVENUE				
Internal Revenue			0	0
Corporate Overhead Recovery			233,133	251,148
NET COST FINANCIAL ADVICE			0	0
			=====	=====

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

## **OUTPUT : PAYROLL**

### **Description**

- Pay all Council staff accurately, on time and according to duly authorised procedures and appropriate controls.
- Ensure all pay expenditure is correctly coded to appropriate ledger accounts.
- Evaluate and implement all appropriate payroll enhancements.

### **Objectives for 2002/03**

1. The cost to pay each employee be no greater than \$210.00 for the year.

This assumes a total payroll of 2,605 permanent full-time, part-time and casual employees. The payroll support costs include staff and systems costs for operating the payroll system pay envelopes, payroll costing and the administration of superannuation, PAYE, withholding tax and pay deductions. The casual / temporary employees number about 400 in a year.

A new version of the payroll system will be operational with the objective of providing better and more timely management and cost information to units.

### **Performance Indicators**

1. That the cost to pay each permanent full-time and part-time and casual employee be no greater than \$167.00 for the year. (1996/97 - \$177.55; 1997/98 - \$176.39; 1998/99 - \$189.97; 1999/00 - \$173.56; 2000/01 - \$236.43 \*)

(\* = Based on permanent and part time employees, but not casual employees.)

## 5.1.11

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUTPUT : PAYROLL				2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS					
Bureau Costs				60,000	0
Administration Costs				17,702	18,421
TOTAL DIRECT COSTS				77,702	18,421
ALLOCATED COSTS					
Alloc O/head - FAMIS				98,984	109,098
Allocated Holding Account	(8.58)%	8.54%		303,441	324,034
TOTAL ALLOCATED COSTS				402,425	433,133
TOTAL COSTS				480,127	451,554
REVENUE					
External Revenue				2,500	2,500
Internal Recoveries				34,304	0
Corporate Overhead Recovery				443,323	449,054
TOTAL REVENUE				480,127	451,554
NET COST PAYROLL				0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

**OUTPUT : ACCOUNTS PAYABLE****Description**

- Make all creditors payments of the Council and ensure that they are properly authorised, recorded and paid by the due date.
- Monitor spending of business units to ensure they stay within policy and procedures as set down by Management.

**Objectives for 2002/03**

1. That the cost to pay each external invoice code be not greater than \$6.20. (This is based on a total of 95,009 transactions being processed during the year.) This includes the number of invoices, credit notes and electronic uploads processed.)

**Performance Indicators**

1. That the cost to process and pay each external invoice be no greater than \$6.20. (1996/97 - \$3.08; 1997/98 - \$3.30. 1998/99 - \$3.51; 1999/00 - \$3.98; 2000/01 - \$5.52.)

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUTPUT : ACCOUNTS PAYABLE		2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS			
Administration Costs		16,081	26,200
TOTAL DIRECT COSTS		16,081	26,200
ALLOCATED COSTS			
Allocated Overhead Cashiers & Mailroom		8,200	26,586
Allocated Overhead Financial Systems Support		91,389	100,512
Allocated Holding Account	(12.45)% 11.50%	440,394	436,294
TOTAL ALLOCATED COSTS		539,984	563,392
TOTAL COSTS		556,065	589,592
REVENUE			
External Revenue		0	0
Internal Recoveries		0	0
Corporate Overhead Recovery		556,065	589,592
TOTAL REVENUE		556,065	589,592
NET COST ACCOUNTS PAYABLE		0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

## **OUTPUT : ACCOUNTS RECEIVABLE**

### **Description**

- To arrange for the effective collection of all outstanding debts due to the Council.

### **Objectives for 2002/03**

1. To continue to collect debts promptly and minimise the necessity of write-off of bad debts.

### **Performance Indicators**

- 1.1 Collect (by value) Council invoiced debts on the following basis:

By the end of the month following invoicing	80%	(1996/97: 78%. 1997/98: 75%. 1998/99: 79%). 1999/00: 98%. 2000/01: 90%
Within two months of invoicing	90%	(1998/99: 93%). 1999/00: 85%. 2000/01: 90%
Within three months of invoicing	95%	(1996/97: 96%. 1997/98: 95%. 1998/99: 96%). 1999/00: 95%. 2000/01: 95%
Outstanding over 12 months no more than \$600,000.		(1996/97: \$348,909. 1997/98: \$444,889. 1998/99: \$684,911. 1999/00: \$678,514). 2000/01:
\$1,252,674		

- 1.2 Unpaid invoice reports in the hands of Unit Manager or designated person within four working days of the end of the month.  
(1998/99: Within four working days; 1999:00 Reports generated and sent out up until March 2000. 2000/01 – report not available to make this measure. Is now being worked on.)

## 5.1.13

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

			2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>OUTPUT : ACCOUNTS RECEIVABLE</b>				
DIRECT COSTS				
Postage, Stationery etc			56,000	59,000
ALLOCATED COSTS				
Allocated Overhead - Bank Fees & Mailroom			31,115	49,501
Alloc O/head - Financial Systems Support			71,237	78,349
Allocated Holding Account	(8.72)%	8.20%	308,331	311,197
			-----	-----
			466,684	498,046
REVENUE				
Internal Recoveries			6,550	246,452
External Revenue			0	0
Corporate Overhead Recovery			460,134	251,594
			-----	-----
TOTAL REVENUE			466,684	498,046
			-----	-----
NET COST ACCOUNTS RECEIVABLE			0	0
			=====	=====

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

## **OUTPUT : BANK RECONCILIATION**

### **Description**

- Reconciliation of the Council's bank accounts to the accounting system.
- Record all revenue financial transactions.

### **Objectives for 2002/03**

1. Reconcile the bank accounts to the ledgers each month.

### **Performance Indicators**

1. Reconcile the bank account to the ledgers at the end of each month. (1996/97 - Achieved; 1997/98 - Achieved. 1998/99 - Not achieved. Bankings reconciled daily to receipting system but overall reconciliation has still to be completed; 1999/00 – Achieved; 2000/01 – Achieved.)



MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUPUT : BANK RECONCILIATION				2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS					
TOTAL DIRECT COSTS				0	0
ALLOCATED COSTS					
Alloc O/head - Financial Systems Support				11,184	12,301
Alloc O/head - FAMIS				18,559	20,456
Allocated Holding Account	(3.11)%	3.28%		110,003	124,554
TOTAL ALLOCATED COSTS				139,746	157,311
TOTAL COSTS				139,746	157,311
REVENUE					
External Revenue					0
Internal Recoveries				0	0
Corporate Overhead Recovery				139,746	157,311
TOTAL REVENUE				139,746	157,311
NET COST BANK RECONCILIATION				0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

## **OUTPUT : TAXATION**

### **Description**

- Complete all taxation and ACC Levies obligations of the Council.

### **Objectives for 2002/03**

1. To ensure that all taxation and ACC Levies obligations of the Council are properly discharged at minimal levels.

### **Performance Indicators**

1. Prepare Income Taxation Returns and other Taxation Returns and pay by due dates. (1996/97 Achieved - no penalties incurred; 1997/98 Achieved - no significant penalties incurred, 1998/99 Achieved - no penalties incurred; 1999/00 Achieved - no penalties incurred; 2000/01 – Achieved – no penalties incurred.)

## 5.1.15

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUTPUT : TAXATION			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Administration Costs			23,170	22,740
ALLOCATED COSTS				
Allocated Holding Account	(0.80)%	0.86%	28,219	32,484
TOTAL COSTS			51,389	55,224
REVENUE				
Internal Recoveries (Service Level Agreements)			0	0
Corporate Overhead Recovery			51,389	55,224
NET COST TAXATION			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ACCOUNTING SERVICES</b>

## **OUTPUT : ASSET REGISTER**

### **Description**

- Maintain appropriate records of the Council's fixed assets and ensure that these are all properly accounted for through the recording of new and deleted items, calculation of depreciation and regular verification of the existence of the assets.

### **Objectives for 2002/03**

1. To ensure the Fixed Assets Register is maintained accurately and regularly in accordance with generally accepted accounting practice.
2. To ensure infrastructural assets are recorded in total according to generally accepted accounting practice.

### **Performance Indicators**

- 1&2. Ensure the Fixed Assets Register is maintained during the year and is balanced with the General Ledger within two months of the end of the financial year. (1996/97 - Achieved; 1997/98 - Achieved. 1998/99 - One day later than target; 1999/00 – Achieved; 2000/01 – Achieved.)

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUTPUT : ASSET REGISTER			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
TOTAL DIRECT COSTS			0	0
ALLOCATED COSTS				
Allocated Overhead Financial Systems Support			39,196	43,108
Allocated Holding Account	(1.97)%	2.12%	69,789	80,336
TOTAL ALLOCATED COSTS			108,984	123,445
TOTAL COSTS			108,984	123,445
REVENUE				
Internal Recoveries (Service Level Agreements)			0	0
Corporate Overhead Recovery			108,984	123,445
NET COST ASSETS REGISTER			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>ADVICE AND SUPPORT</b>

## **OUTPUT : MANAGEMENT ACCOUNTING**

### **Description**

- Provide financial management and accounting assistance to business unit managers with particular reference to budgeting and analysis of accounting information.
- Provide assistance to business unit managers in monitoring their monthly results, in particular the Suspense Accounts and the setting of charge out rates.
- Provide accurate, timely and well presented financial reports to the Council, its Committees and business units which will assist in the management of the Council's resources.
- Prepare monthly financial reports for business unit managers which will enable them to monitor financial results against budget.
- Provide on screen data as up to date as possible to enable constant monitoring of all revenue and expenditure.

### **Objectives for 2002/03**

1. Produce monthly financial reports for Unit Managers.
2. Produce management accounts for Unit Managers.
3. Complete all work on the Management Budgets as per the Annual Plan timetable.

### **Performance Indicators**

1. Produce monthly financial reports within 10 working days at the end of each month except for December and June (1998/99 – Achieved; 1999/00 – Not achieved due to SAP go live; 2000/01 – Not achieved. No July reports produced due to late finalisation of budgets and time required to implement month end processes.)
2. Produce 6 monthly management accounts for Unit Managers to report on to Standing Committees. (New measure.)
3. Ensure that the Management Budgets are available for loading into the Ledger by 1 August 2001 (1998/99 : Available for loading in on 29 June 1999. 1999/00 : not achieved – late finalisation of budgets; 2000/01 – Not achieved. The implementation of SAP meant that the budget structures had to be reformatted prior to loading into the ledger.)

## 5.1.17

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	ACCOUNTING SERVICES

OUTPUT : MANAGEMENT ACCOUNTING			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Publication Costs			2,700	3,250
ALLOCATED COSTS				
Allocated Holding Account	(3.17)%	3.38%	112,202	128,309
Allocated O/Head Financial Systems Support			209,783	230,724
TOTAL COSTS			324,685	362,282
REVENUE				
Internal Recoveries			0	0
External Recoveries			0	0
Corporate Overhead Recovery			324,685	362,282
NET COST MANAGEMENT ACCOUNTING			0	0
			=====	=====

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

## **OUTPUT : TELEPHONE & COUNTER SERVICES**

### **Description**

Provision of a single point of contact for all external requests for information and service for the Financial Services Units.

### **Objectives for 2002/03**

1. Increase current resolution rates for requests for information and service to meet corporate standards by maximising the scope and depth of requests handled by the Customer Centre.
2. Align levels of service to better meet customer needs.
3. Strengthen relationships between centre staff, unit specialists and our customers and streamline the processes.

### **Performance Indicators**

- 1.1 Customer Services Representatives resolve 80% of requests for information and service at first point of contact. (New measure in 2001/02.)
- 1.2 95% of calls to the Centre are answered. (New measure in 2001/02.)
- 1.3 80% of all calls are answered within 20 seconds. (New measure in 2001/02.)
2. The Centre, in conjunction with the customer centre network, participates in a monthly customer research programme to determine customer needs and satisfaction with the service and implements customer driven changes to the service within current resources. (New measure in 2001/02.)
- 3.1 Service level performance agreements between the Customer Centre and unit teams are met. (New measure in 2001/02.)
- 3.2 Processes identified by customer research or by performance failures of the service level agreements are reviewed and updated. (New measure in 2001/02.)



MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	CUSTOMER SERVICES

OUTPUT : TELEPHONE & COUNTER SERVICES		2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS			
Administration Costs		73,150	104,000
TOTAL DIRECT COSTS		73,150	104,000
ALLOCATED COSTS			
Allocated Overhead - Rent		6,000	0
Allocated Holding Account	(7.57)% 9.25%	267,781	351,066
Alloc O/Head - Output Corporate Overheads Cost Centre		0	1,207
TOTAL ALLOCATED COSTS		273,781	352,273
TOTAL COSTS		346,931	456,273
REVENUE			
Internal Recoveries		300,442	395,132
TOTAL REVENUE		300,442	395,132
NET COST TELEPHONE & COUNTER SERVICES		46,489	61,141
Cost of Capital Employed		0	

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT: TELEPHONE & COUNTER SERVICES**

**Description** Provide a single point of contact for all external requests for information and service for the Financial Services Unit and corporate wide Customer Services on the ground floor of Civic Offices.

**Benefits** The Council has an efficient phone enquiry and counter service at Civic Offices.

**Strategic Objectives** D1-5, F1-7,G1-2, **CCC Policy**

**Allocation of Costs of Benefits Pursuant to Section 122E(1)(a)**

**General Benefits (Section 112F(b))**

*Nature and Distribution of General Benefits*

**Direct Benefits (Section 112F(c))**

**Control Negative Effects (Section 112F(d))**

**Modifications Pursuant to Section 12**

Recoveries cannot be made from the individual clients of the service.

**Funding of Expenditure Needs Pursuant to Section 122E(1)(c)**

**General Benefits**

**Direct Benefits**

Direct benefits cannot be funded in full by clients. Any shortfall will be covered by transferring to Ratepayers by Capital Value rating.

**Control Negative Effects**

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT : TELEPHONE & COUNTER SERVICES**

	<i>Customer</i>	<i>Residential</i>	<i>Commercial</i>	<i>Rural</i>	<i>Institutions</i>	<i>Grants</i>	<i>Total Method</i>
<b>Costs and Modifications</b>							
<i>Costs</i>							
0.00% General Benefits	-	-	-	-	-		- 0
100.00% Direct Benefits	456,273	-	-	-	-		456,273 TableC
0.00% Negative Effects	-	-	-	-	-		- 0
<i>Total Costs</i>	456,273	-	-	-	-	-	456,273
<i>Modifications</i>							
Transfer User Costs to Rating	(61,141)	44,421	12,113	1,629	2,978		0 CapValAll
Non-Rateable	-	2,274	620	83	(2,978)		- CapValGen
<i>Total Modifications</i>	(61,141)	46,695	12,733	1,713	-	-	0
<b>Total Costs and Modifications</b>	<b>395,132</b>	<b>46,695</b>	<b>12,733</b>	<b>1,713</b>	<b>-</b>	<b>-</b>	<b>456,273</b>

**Funded By**

86.60% User Charges	395,132						395,132
0.00% Grants and Subsidies		-	-	-	-		- 0
0.00% Net Corporate Revenues		-	-	-	-		- 0
13.40% Capital Value Rating	-	46,695	12,733	1,713	-	-	61,141
0.00% Uniform Annual Charge		-	-	-			-
<b>Total Funded By</b>	<b>395,132</b>	<b>46,695</b>	<b>12,733</b>	<b>1,713</b>	<b>-</b>	<b>-</b>	<b>456,273</b>

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT : CASHIERING****Description**

- Provide a prompt, friendly and efficient service to all customers wishing to pay accounts at the Civic Offices and ensuring that the monies received are properly controlled and banked into the correct bank account.

**Objectives for 2002/03**

1. To continue to provide a prompt, friendly and efficient service to all customers making payments at the Civic Offices.

**Performance Indicators**

- 1.1 No formal complaints on the level of service, promptness and helpfulness of staff. (1996/97 - One received; 1997/98 - Two received; 1998/99 – no complaints received; 1999/00 – one complaint received and registered; 2000/01 – No formal complaints received.)
- 1.2 The centre carries out a quarterly customer research programme to determine customer needs and satisfaction with the service and implements customer driven changes to the service within current resources. (New measure.)

## 5.1.19

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	CUSTOMER SERVICES

			2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>OUTPUT : CASHIERING</b>				
DIRECT COSTS				
Administration Costs			32,555	32,560
TOTAL DIRECT COSTS			32,555	32,560
ALLOCATED COSTS				
Allocated Holding Account	(8.05)%	9.79%	284,777	371,448
Alloc O/Head - Output Corporate Overheads Cost Centre			0	6,810
TOTAL ALLOCATED COSTS			284,777	378,259
TOTAL COSTS			317,332	410,819
REVENUE				
External Revenue			23,000	23,000
Internal Recoveries			55,000	37,100
Internal Unit Recoveries				
TOTAL REVENUE			78,000	60,100
NET COST CASHIERING			239,332	350,719
Cost of Capital Employed			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT: CASHIERING**

**Description** Provide cost effective and efficient service for all customers who pay accounts at Civic Offices or pay by mail and ensure best practice in handling the proceeds.

**Benefits** The Council has an efficient cashiering and counter service at Civic Offices.

**Strategic Objectives** D1-5, F1-7,G1-2, **CCC Policy**

**Allocation of Costs of Benefits Pursuant to Section 122E(1)(a)**

**General Benefits (Section 112F(b))**

*Nature and Distribution of General Benefits*

**Direct Benefits (Section 112F(c))**

Clients are the direct beneficiaries

**Control Negative Effects (Section 112F(d))**

**Modifications Pursuant to Section 12**

Recoveries cannot be made from the individual clients of the service.

**Funding of Expenditure Needs Pursuant to Section 122E(1)(c)**

**General Benefits**

**Direct Benefits**

Direct benefits cannot be funded in full by clients. Any shortfall will be covered by transferring to Ratepayers by Capital Value rating.

**Control Negative Effects**

## 5.1.funding.19

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT : CASHIERING**

*Customer Residential Commercial Rural Institutions Grants Total Method*

**Costs and Modifications***Costs*

0.00% General Benefits	-	-	-	-	-	-	- 0
100.00% Direct Benefits	410,819	-	-	-	-	-	410,819 TableC
0.00% Negative Effects	-	-	-	-	-	-	- 0
<i>Total Costs</i>	410,819	-	-	-	-	-	410,819

*Modifications*

Transfer User Costs to Rating	(350,719)	254,808	69,483	9,347	17,081	-	- CapValAll
Non-Rateable	-	13,046	3,557	479	(17,081)	-	- CapValGen
<i>Total Modifications</i>	(350,719)	267,854	73,040	9,825	-	-	-

Total Costs and Modifications	60,100	267,854	73,040	9,825	-	-	410,819
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**Funded By**

14.63% User Charges	60,100						60,100
0.00% Grants and Subsidies		-	-	-	-		- 0
0.00% Net Corporate Revenues		-	-	-	-		- 0
85.37% Capital Value Rating	-	267,854	73,040	9,825	-	-	350,719
0.00% Uniform Annual Charge		-	-	-			-

Total Funded By	60,100	267,854	73,040	9,825	-	-	410,819
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RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CUSTOMER SERVICES</b>

**OUTPUT : MAIL****Change for 2002/03**

The 2002/03 costs of this output have been treated as a Unit overhead and have been allocated directly to Unit outputs on the basis of estimated mail volumes for 2002/03.

The rationale for this change is that the mail processing is an input cost rather than an output delivered to other Units by Financial Services. It contributes to the delivery of the Financial Services Outputs but is not a service delivery output in its own right.



MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	CUSTOMER SERVICES

				2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>OUTPUT : MAIL</b>					
DIRECT COSTS					
Administration Costs				500	0
TOTAL DIRECT COSTS				500	0
ALLOCATED COSTS					
Allocated Holding Account		(1.59)%	0.00%	56,096	0
TOTAL ALLOCATED COSTS				56,096	0
TOTAL COSTS				56,596	0
REVENUE					
External Revenue					
Internal Recoveries				30,000	0
Corporate Overhead Recovery				26,596	0
TOTAL REVENUE				56,596	0
NET COST MAIL				0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>FINANCIAL REPORTING</b>

## **OUTPUT : ANNUAL REPORT**

### **Description**

- Prepare and publish on a timely basis, audited financial statements for the Council and LATEs, in an accurate and well presented format which meet the external reporting requirements of the Local Government Act, the appropriate standards of the Institute of Chartered Accountants and the perceived needs of the public and other interested parties.
- Maintain accounting records for all Christchurch City Council Local Authority Trading Enterprises, including Christchurch City Holdings Limited.

### **Objectives for 2002/03**

1. To prepare and publish on a timely basis, audited financial statements in an accurate and well presented format which meet the external reporting requirements of the Local Government Act, the appropriate standards of the Institute of Chartered Accountants and the perceived needs of the public and other interested parties.
2. Complete financial statistics and other financial related data.

### **Performance Indicators**

- 1.1 Prepare for audit before 30 September 2002, financial statements for the 2001/02 year for Christchurch City Holdings Limited and other Christchurch City Council LATEs. (1996/97 - Achieved; 1997/98 – Achieved; 1998/99 – Achieved; 1999/00 – Achieved; 2000/01 – Achieved.)
- 1.2 Prepare for adoption before 30 November 2002, audited financial statements of the Christchurch City Council for the year ended 30 June 2002. (1996/97 - Achieved; 1997/98 - Achieved. 1998/99 – Achieved; 1999/00 – Achieved; 2000/01 – Achieved.)
- 1.3 Complete financial statistics and other financially related data by due dates. (1996/97 - Achieved; 1997/98 - Achieved. 1998/99 - Achieved; 1999/00 – Achieved; 2000/01 – Achieved.)
2. Complete financial statistics (for Statistics New Zealand) by due dates. (2000/01: Achieved)

## 5.1.21

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	FINANCIAL REPORTING

OUTPUT : ANNUAL REPORT			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Valuation Fees - Fixed Assets			42,105	0
Valuation Fees - Infrastructural Assets			0	45,000
Publication of Annual Report			14,420	20,000
Audit Fees			163,450	163,450
TOTAL DIRECT COSTS			219,975	228,450
ALLOCATED COSTS				
Allocated Holding Account	(3.80)%	4.03%	134,445	152,940
Allocated Overhead Financial Systems			25,190	27,705
TOTAL ALLOCATED COSTS			159,635	180,645
TOTAL COSTS			379,610	409,095
REVENUE				
External Revenue			51,500	48,000
Internal Recoveries			328,110	361,095
Corporate Overhead Recovery			0	0
TOTAL REVENUE			379,610	409,095
NET COST ANNUAL REPORT			0	0

RESPONSIBLE COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>SYSTEMS SUPPORT</b>

## **OUTPUT : FINANCIAL SYSTEMS SUPPORT**

### **Description**

- Maintain the integrity of the financial database so that it can be relied upon by users.
- Co-ordinate the operation of existing financial computer applications by ensuring that data is processed, and reports are produced, in a timely and accurate fashion to meet the reasonable demands of users.
- Carry out a continuous efficiency review of data processing procedures.
- Develop and monitor control procedures to ensure reconciliation of ledgers, validity of input, accuracy of reports and reconciliation of integrated applications.

### **Objectives for 2002/03**

1. Maintain a reconciled financial database.

### **Performance Indicators**

1. Reconciliation of the database every working day. (1996/97 - Achieved; 1997/98 - Achieved. 1998/99 – Achieved; 1999/00 – Achieved; 2000/01 – Achieved.)

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	SYSTEMS SUPPORT

OUTPUT : FINANCIAL SYSTEMS SUPPORT			2001/2002 BUDGET \$	2002/2003 BUDGET \$
DIRECT COSTS				
Administration Costs			0	0
Contract Software Support			30,000	30,000
Software Licences & MIS Charges			0	0
TOTAL DIRECT COSTS			30,000	30,000
ALLOCATED COSTS				
Allocated Holding Account	(5.93)%	6.15%	209,845	233,162
Alloc O/Head - FAMIS			263,956	290,929
TOTAL ALLOCATED COSTS			473,801	524,091
TOTAL COSTS			503,801	554,091
REVENUE				
Internal Recoveries			0	0
Internal Overhead Recoveries			503,801	554,091
TOTAL REVENUE			503,801	554,091
NET COST FINANCIAL SYSTEMS SUPPORT			0	0
Cost of Capital Employed			0	0



MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
OUTPUT CLASS:	CAPITAL OUTPUTS

	2001/2002 BUDGET \$	2002/2003 BUDGET \$
<b>CAPITAL OUTPUTS</b>		
<b>REPLACEMENT &amp; RENEWALS</b>		
Office Furniture & Equipment	14,000	17,000
Software	0	0
	-----	-----
	14,000	17,000
<b>ASSET IMPROVEMENTS</b>		
	-----	-----
<b>NET COST CAPITAL OUTPUTS</b>	14,000	17,000
	=====	=====





## 5.1.24

MONITORING COMMITTEE:	<b>STRATEGY &amp; FINANCE COMMITTEE</b>
BUSINESS UNIT:	<b>FINANCIAL SERVICES</b>
OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

		2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<b>RENEWALS &amp; REPLACEMENTS</b>						
Office Furniture & Equipment		17,000	26,000	28,000	31,000	26,000
<b>TOTAL RENEWAL &amp; REPLACEMENTS</b>		17,000	26,000	28,000	31,000	26,000
<b>ASSET IMPROVEMENTS</b>						
<b>TOTAL ASSET IMPROVEMENTS</b>		0	0	0	0	0
<b>TOTAL</b>		17,000	26,000	28,000	31,000	26,000
<b>Annual Plan 2001/2002</b>	<b>\$14,000</b>	\$16,259	\$25,480	\$27,530	\$29,611	\$25,970
		<b>YEAR 6</b>	<b>YEAR 7</b>	<b>YEAR 8</b>	<b>YEAR 9</b>	<b>YEAR 10</b>
<b>RENEWALS &amp; REPLACEMENTS</b>		28,000	28,000	28,000	28,000	28,000
		28,000	28,000	28,000	28,000	28,000
<b>Annual Plan 2001/2002</b>		\$27,010	\$27,010	\$28,000	\$28,000	



## 5.1.25

MONITORING COMMITTEE:		STRATEGY & FINANCE COMMITTEE				
BUSINESS UNIT:		FINANCIAL SERVICES				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2001/2002 Present Charge	2001/2002 Revenue from Present Charge	2002/2003 Proposed Charge	2002/2003 Projected Revenue From Proposed Charge	2002/2003 Projected Revenue as a percentage of Total Cost	Notes
Valuation Roll Charge	\$6 per Printed Assesment	\$1,000	\$6 per Printed Assesment	\$200	FCR	1
Investigation & Research Fee for Rates Information	\$50.00 per hour		\$50.00 per hour			
Investigation & Research Fee for Accounts Receivable Information	\$50.00 per hour		\$50.00 per hour			
Canterbury Regional Council Commission on Rates	2 % of rates	\$455,000	2 % of rates	\$455,000	FCR	2
Commission on Insurance Deductions	2.50%	\$1,000	2.50%	\$1,000		
Payroll Service Charge (Other than Council Staff)	\$2 per person per week	\$1,500	\$2 per person per week	\$1,500		
Accounting Services provided to CCC LATES		\$51,500		\$48,000		
Sale of Stock		\$23,000		\$23,000		
TOTAL		\$533,000		\$528,700		
(1) Prepared on a marginal cost basis. (2) FCR = Full Cost Recovery						

