

5.1.0

Draft Corporate Plan
2003/04 Edition

FINANCIAL SERVICES

5.1.i

MONITORING COMMITTEE:	STRATEGY & FINANCE COMMITTEE
BUSINESS UNIT:	FINANCIAL SERVICES
ACTIVITY:	BUSINESS UNIT SUMMARY

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 (i.e. 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.

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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).

Key Changes

Committed Costs (Operating)

- **Long Term Council Community Plan (LTCCP)** \$25,000

Under Section 75 of the new Local Government Act (2002) (the Act) the Council is required to produce a Long Term Council Community Plan (LTCCP). The LTCCP will replace the Strategic Plan which would have been produced in 2004/05. Schedule 10 of the Act details the contents of the LTCCP. The LTCCP, which is designed to make local authorities more accountable, will include details of community outcomes and group of activities, assessment summaries of water and sanitary services and waste management plans, details of the Council controlled organisations, what steps the Council plans to take to foster Maori involvement in the decision making process, the Funding and Financial Policies of the Council, a Policy on Determining Significance under the Act, forecast financial statements, a statement concerning balancing of the budget, a Funding Impact Statement and significant forecasting assumptions. At this stage it is unclear as to the size and format of the document but provision does need to be made for the additional printing costs, design work, format changes, diagrams and photographs.

The LTCCP costs were not included in the 2002/03 projections. The Strategic Plan (now replaced by the LTCCP) would have been produced again in 2004/05 and a \$25,000 provision was included in the 2004/05 projections to cover this. This amount has now been moved forward from 2004/05 to 2003/04.

- **Bulk Mail Postage Costs** \$15,599

The Council's bulk mail postage rate will increase by nearly 38%. The Council has been advised that this increase will apply from September 2002. The impact of this price increase on the four instalment rate invoice mail outs has been assessed at an additional \$15,599.

Details of the bulk mail price increase requirements were not known until after the 2003 Annual Plan was adopted. This provision was not therefore reflected in the 2003/04 projections.

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- **Rates Assessment Notice**

\$5,334

Under Sections 44 and 45 of the new Local Government (Rating) Act 2002, the Council must deliver a rates assessment notice to all ratepayers. This assessment notice is in addition to the four rate invoices which ratepayers currently receive. The assessment notice will detail a ratepayer's rating liability. It will also include the legal description and location of the rating unit, the amount and description of each rate, the functions of the local authority that will be funded from each rate, information on the factors used to calculate each targeted rate (separate rates), a brief description of the rate remission policy, rate postponement policy and the criteria for rates relief under each policy, and the right of ratepayers to inspect the rating information database and rates records and object to any of the information included in the rating information database and rates records.

While the Rates Assessment Notice was known about just prior to the adoption of the 2003 Annual Plan, the financial impact was uncertain. This provision was not therefore included in the approved financial projections for 2003/04.

Contributions towards the \$10M Net Rates Savings Targets

- **Valuation Contract Savings***

(\$350,000)

The Financial Services Unit's 2003/04 contribution to the \$10M net rates saving target is a saving of \$350,000 on the Valuation Service Provider contract. The total contract savings were \$400,000 and \$50,000 was saved in 2002/03 and \$350,000 will be saved in 2003/04.

* The \$350,000 was accounted for in the 2003/04 Financial Projections which were adopted on 16 July 2003.

- **Operational Efficiency Savings**

(\$70,000)

In addition to the valuation contract savings noted above, operational efficiency savings have also been factored into the draft budget. This is an outcome of the Financial Services Review recommendations and will result in a \$70,000 reduction in 2003/04 and in subsequent years. These savings were not included in financial projections which were adopted on 16 July 2002 .

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Restructuring of Budgets

- Customer Centre Costs**

The Civic Customer Centre has for some time now been part of the Customer Centre Network. One of the implications of a network approach is that at peak customer service times telephone calls are able to be spread across the network. This ensures an efficient use of existing resources but also means that the costs of sharing resources needs to be taken account of. To enable this to happen, the Customer Centre budgets have been restructured. While the cost centres remain unit based, the outputs they support (i.e. Telephone Services and Cashiering) have been moved from the Financial Services budget to the Operations Directorate budget. The recoveries from these two outputs are based on usage statistics. Those outputs within Financial Services which now receive customer service charges are Rates Administration, Debtors and Water Billing.

FROM

TO

Financial Services Unit			Operations Directorate		
Old Outputs	2002/03 \$	2003/04 \$	New Outputs	2002/03 \$	2003/04 \$
Telephone Services Cashiering	(61,141) (350,719)	} [Provided for in the Customer Centre budget – Operations	Telephone & Electronic Customer Service Information and Reception	61,141* 350,719*	} [Provided for in the Customer Centre budget – Operations
TOTAL	(\$411,860)		TOTAL	\$411,860	Directorate]

Included within the above Financial Services output costs are training, recruitment and customer satisfaction costs. These are now budgeted for on a network basis in the Network management cost centre.

* Net amount from Financial Services which is allocated across to the new outputs within the Operations Directorate.

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- Network Telephone / and Cashiering Allocation**

In previous years telephone and cashiering costs were not allocated to service delivery outputs but were treated as ‘service delivery’ outputs in their own right. In October 2002 the Allocation Model was reviewed and updated. The outcome of this process was a complete revamp of costs. The revised Allocation Model allocates on the basis of the number of telephone calls or cash transactions generated by a particular activity. In the case of Financial Services these costs are now allocated to the activity they relate to. They do not now remain unallocated as in the past.

The impact of this allocation on the 2003/04 FSU budget has been to add the following costs to the Rates Administration Output, the Accounts Receivable Output and the Water Billing Output:

- Rates Administration (Telephone)	\$266,065
- Accounts Receivable (Cashiering)	\$24,806
- Water Billing (Cashiering)	\$2,585
- Rates Administration (Cashiering)	\$387,996

5.1.0

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

For Output Summary see page 5.1.1.

5.1.1

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

		2002/2003 BUDGET \$	2003/2004 BUDGET \$
OUTPUT CLASS EXPENDITURE			
RATING SERVICES			
Valuation Information	Page 5.1.3	1,389,312	952,937
Rates Administration	Page 5.1.4	2,421,195	2,633,923
Water Billing	Page 5.1.5	355,137	312,875
PLANS			
Corporate Plan	Page 5.1.6	56,688	60,287
Annual Plan / LTCCP	Page 5.1.7	187,166	243,567
ADVICE			
Financial Advice	Page 5.1.8	251,148	254,069
ACCOUNTING SERVICES			
Payroll	Page 5.1.9	451,554	453,281
Accounts Payable	Page 5.1.10	589,592	598,182
Accounts Receivable	Page 5.1.11	498,046	525,070
Bank Reconciliation	Page 5.1.12	157,311	161,771
Taxation	Page 5.1.13	55,224	70,206
Asset Register	Page 5.1.14	123,445	127,110
Management Accounting	Page 5.1.15	362,282	373,738
FINANCIAL REPORTING			
Annual Report	Page 5.1.16	409,095	425,449
SYSTEMS SUPPORT			
Financial Systems Support	Page 5.1.17	554,091	569,995
TOTAL EXPENDITURE		7,861,286	7,762,459

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

OUTPUT CLASS REVENUE & RECOVERIES		2002/2003 BUDGET \$	2003/2004 BUDGET \$
RATING SERVICES			
Valuation Information	Page 5.1.3	1,389,312	952,937
Rates Administration	Page 5.1.4	2,421,195	2,633,923
Water Billing	Page 5.1.5	355,137	312,875
PLANS			
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FINANCIAL REPORTING			
Annual Report	Page 5.1.16	409,095	425,449
SYSTEMS SUPPORT			
Financial Systems Support	Page 5.1.17	554,091	569,995
TOTAL REVENUE		<u>7,861,286</u>	<u>7,762,459</u>
NET COST OF OUTPUTS		0	0
COST OF CAPITAL EMPLOYED		512	678
CAPITAL OUTPUTS		17,000	25,000

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

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 2003/04	Performance Indicators
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.	<ul style="list-style-type: none"> • 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. (New measure introduced for 2002/03.)
2. Monitor the changes to the Person and Property Module, made by the Geodata Services Team, as they affect the Rating Module.	<ul style="list-style-type: none"> • 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. (New measure introduced for 2002/03.)
3. Monitor the performance of the Council's valuation service provider(s).	<ul style="list-style-type: none"> • Ensure that all building consents and subdivisions are actioned within the periods specified in the contract(s). (New measure introduced for 2002/03.)

5.1.3

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

OUTPUT : VALUATION INFORMATION			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Valuation Fees - Valuation Roll Maintenance			1,125,204	707,138
Programming Costs			13,000	0
TOTAL DIRECT COSTS			1,138,204	707,138
ALLOCATED COSTS				
Allocated Holding Account	(8.18)%	8.04%	251,108	245,799
TOTAL ALLOCATED COSTS			251,108	245,799
TOTAL COSTS			1,389,312	952,937
REVENUE				
Internal Recoveries				
Transfer to Rates Administration			1,110,021	770,430
Transfer to Water Billing			109,782	76,196
			1,219,804	846,626
External Revenue - CRC Share of Valuation Fees			169,508	106,311
TOTAL REVENUE			1,389,312	952,937
NET COST VALUATION INFORMATION			0	0

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

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 Environment Canterbury.

Objectives for 2003/04	Performance Indicators
1. Maintain an efficient rates information and collection system.	<ul style="list-style-type: none"> • Ensure the gross cost per rates assessment is less than \$19.08 per assessment (based on 139,098 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; 2001/02: Cost per assessment \$16.62.)
2. Collect 96.5% of the rates levied within the year.	<ul style="list-style-type: none"> • Rate arrears as a % of levied figure no more than 3.5%. (2001/02: 2.98%.)
3. Increase the number of ratepayers using direct debiting as a method of payment.	<ul style="list-style-type: none"> • Increase the number of ratepayers using direct debiting by 30 June 2004 to 34,000. (1996/97: 21,532; 1997/98: 24,015; 1998/99: 25,529; 1999/00: 30,543; 2001/02: 31,081.)

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

OUTPUT : RATES ADMINISTRATION			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Postage, Stationery etc			301,100	312,133
ALLOCATED COSTS				
Corporate Services - Document Distribution (Mail)			0	0
Allocated Ovehead - Bank Fees			90,484	90,484
Allocated Overhead - Customer Centres			117,100	654,061
Alloc O/head - FAMIS			163,648	170,218
Alloc O/head - Core Person & Property Data			87,480	89,216
Allocated Overhead - Mail			27,579	29,637
Alloc O/head - Financial Systems Support			49,092	50,502
Allocated Holding Account (15.46)% 15.28%			474,691	467,243
Transfer from Valuation Information			1,110,021	770,430
TOTAL ALLOCATED COSTS			2,120,095	2,321,790
TOTAL COSTS			2,421,195	2,633,923
REVENUE				
External Revenue			455,200	508,256
Corporate Overhead Recoveries			1,220,780	1,327,757
Corporate Financing Recoveries			745,215	797,910
TOTAL REVENUE			2,421,195	2,633,923
NET COST RATES ADMINISTRATION			0	0

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

OUTPUT : WATER BILLING

Description

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

Objectives for 2003/04	Performance Indicators
1. Maintain the GEMS Water Billing Module to produce accurate and timely invoices and information.	<ul style="list-style-type: none"> • 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. Monitor the changes to the Person & Property Module, made by the Geodata Services Team, as they affect the Water Billing module.	<ul style="list-style-type: none"> • 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. Collect all outstanding accounts within a reasonable period without recourse to 'rate' collection powers.	<ul style="list-style-type: none"> • 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.)

5.1.5

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

OUTPUT : WATER BILLING			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Administration Costs			19,300	5,704
TOTAL DIRECT COSTS			19,300	5,704
ALLOCATED COSTS				
Allocated Holding Account	(3.44)%	3.40%	105,745	104,079
Allocated Ovehead - Bank Fees			2,311	2,311
Alloc O/head - Customer Network Telephone & Counter Overhead Project			0	2,585
Alloc O/head - Fsu Mailroom - Overhead Project			3,677	3,952
Alloc O/head - FAMIS			66,482	69,151
Alloc O/head - Core Person & Property Data			35,539	36,244
Alloc O/head - Valuation Information			109,782	76,196
Alloc O/head - Financial Systems Support			12,301	12,654
TOTAL ALLOCATED COSTS			335,837	307,171
TOTAL COSTS			355,137	312,875
REVENUE				
Internal Recoveries			355,137	312,875
Corporate Expenses				
TOTAL REVENUE			355,137	312,875
NET COST WATER BILLING			0	0

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

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 2003/04	Performance Indicators
1. Publish the Corporate Plan as per approved timetable.	<ul style="list-style-type: none"> • 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. (2001/02: Target met.) • 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. (2001/02: Target met.)

5.1.6

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

OUTPUT : CORPORATE PLAN			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Publication Costs			13,500	16,000
ALLOCATED COSTS				
Allocated Holding Account	(1.41)%	1.45%	43,188	44,287
TOTAL COSTS			56,688	60,287
REVENUE				
Public Accountability			24,943	26,526
Transfer to Corporate Overhead			31,745	33,761
NET COST CORPORATE PLAN			0	0

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

OUTPUT : ANNUAL PLAN / LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

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 2003/04	Performance Indicators
1. Complete all Annual Planning procedures within the approved timetable.	<ul style="list-style-type: none"> 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. 2001/02: Approved timetable met). 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; 1998/99: Target met; 1999/00: Target met; 2000/01: Target met; 2001/02: Target met.)

5.1.7

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

OUTPUT : ANNUAL PLAN / LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)				2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS					
Production Publications - Annual Plan				65,500	75,725
Production Publications - LTCCP				0	25,000
Audit Fees				0	18,000
ALLOCATED COSTS					
Allocated Holding Account	(3.96)%	4.08%		121,666	124,842
TOTAL COSTS				187,166	243,567
REVENUE					
Public Accountability				187,166	243,567
TOTAL REVENUE				187,166	243,567
NET COST - ANNUAL PLAN / LONG TERM COUNCIL COMMUNIT				0	0

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

OUTPUT : FINANCIAL ADVICE

Description

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

Objectives for 2003/04	Performance Indicators
1. Prepare comprehensive Guidance Notes for the 2004/05 Annual Plan process.	<ul style="list-style-type: none"> • To have the 2004/05 CCC Financial Plan Guidance Notes available for distribution no later than 30 September 2003. (1999/00: Available 23 September 1999; 2000/01: Available 21 September 2000; 2001/02: Available 26 September 2001.)
2. Ensure that staff are aware of the planning requirements.	<ul style="list-style-type: none"> • Run at least two courses in September 2003 on the 2004/05 planning requirements and brief the Management Group. (2001/02: 26 September 2001 – Management Group briefing. Training sessions held on 27 and 29 September 2001.)
3. Prepare financial reports for the Council.	<ul style="list-style-type: none"> • Prepare 6 monthly reports and any other financial reports as required. (1997/98: Achieved; 1998/99: Achieved; 1999/00: Achieved; 2000/01: Achieved.)

5.1.8

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

OUTPUT : FINANCIAL ADVICE				2002/2003 BUDGET \$	2003/2004 BUDGET \$
ALLOCATED COSTS					
Allocated Holding Account	(8.18)%	8.31%		251,148	254,069
REVENUE					
Internal Revenue				0	0
Corporate Overhead Recovery				251,148	254,069
NET COST FINANCIAL ADVICE				0	0
				=====	=====

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

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 2003/04	Performance Indicators
<p>1. The cost to pay each employee be less than in 2001/02.</p> <p>[The SAP Payroll system went live in September 2002. It provides better and more timely management and cost information to units.]</p>	<ul style="list-style-type: none"> • That the cost to pay each permanent full-time and part-time and casual employee be no greater than \$177.16 for the year. (1996/97: \$177.55; 1997/98: \$176.39; 1998/99: \$189.97; 1999/00: \$173.56; 2000/01: \$236.43; 2001/02: \$195.00.) * <p>(* = Based on permanent and part time employees, but not casual employees.)</p> <p>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.</p>

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

OUTPUT : PAYROLL		2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS			
Administration Costs		18,421	23,561
TOTAL DIRECT COSTS		18,421	23,561
ALLOCATED COSTS			
Alloc O/head - FAMIS		109,098	113,478
Allocated Holding Account	(10.55)% 10.34%	324,034	316,241
TOTAL ALLOCATED COSTS		433,133	429,720
TOTAL COSTS		451,554	453,281
REVENUE			
External Revenue		2,500	1,500
Internal Recoveries		0	0
Corporate Overhead Recovery		449,054	451,781
TOTAL REVENUE		451,554	453,281
NET COST PAYROLL		0	0

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

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 2003/04	Performance Indicators
1. That the cost to pay each external invoice code be minimised.	<ul style="list-style-type: none"> • That the cost to process and pay each external invoice be no greater than \$6.42. (1996/97: \$3.08; 1997/98: \$3.30; 1998/99: \$3.51; 1999/00: \$3.98; 2000/01: \$5.52; 2001/02: \$3.55.) <p>(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.)</p>

5.1.10

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

OUTPUT : ACCOUNTS PAYABLE		2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS			
Administration Costs		26,200	41,100
TOTAL DIRECT COSTS		26,200	41,100
ALLOCATED COSTS			
Allocated Overhead Cashiers & Mailroom		26,586	27,958
Allocated Overhead Financial Systems Support		100,512	103,397
Allocated Holding Account	(14.21)% 13.92%	436,294	425,727
TOTAL ALLOCATED COSTS		563,392	557,082
TOTAL COSTS		589,592	598,182
REVENUE			
External Revenue		0	0
Internal Recoveries		0	0
Corporate Overhead Recovery		589,592	598,182
TOTAL REVENUE		589,592	598,182
NET COST ACCOUNTS PAYABLE		0	0

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

OUTPUT : ACCOUNTS RECEIVABLE**Description**

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

Objectives for 2003/04	Performance Indicators
1. To continue to collect debts promptly and minimise the necessity of write-off of bad debts.	<ul style="list-style-type: none"> • Collect (by value) Council invoiced debts on the following basis: <ul style="list-style-type: none"> - By the end of the month following invoicing: 85% (1996/97: 78%; 1997/98: 75%; 1998/99: 79%; 1999/00: 98%; 2000/01: 90%; 2001/02: 92%.) - Within two months of invoicing: 90% (1998/99: 93%; 1999/00: 85%; 2000/01: 90%; 2001/02: 84%.) - Within three months of invoicing: 95% (1996/97: 96%; 1997/98: 95%; 1998/99: 96%; 1999/00: 95%; 2000/01: 95%; 2001/02: 97%.) - Outstanding over 12 months no more than \$900,000. (1996/97: \$348,909; 1997/98: \$444,889; 1998/99: \$684,911; 1999/00: \$678,514; 2000/01: \$1,252,674; 2001/02: \$1,418,363.)

5.1.11

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

			2002/2003 BUDGET \$	2003/2004 BUDGET \$
OUTPUT : ACCOUNTS RECEIVABLE				
DIRECT COSTS				
Postage, Stationery etc			59,000	63,579
ALLOCATED COSTS				
Allocated Overhead - Bank Fees & Mailroom			49,501	50,873
Alloc O/head - Customer Network Telephone & Counter Overhead Project			0	24,806
Alloc O/head - Financial Systems Support			78,349	80,597
Allocated Holding Account	(10.13)%	9.98%	311,197	305,215
			-----	-----
			498,046	525,070
REVENUE				
Internal Recoveries			246,452	205,368
External Revenue			0	0
Corporate Overhead Recovery			251,594	319,702
			-----	-----
TOTAL REVENUE			498,046	525,070
			-----	-----
NET COST ACCOUNTS RECEIVABLE			0	0
			=====	=====

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

OUTPUT : BANK RECONCILIATION

Description

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

Objectives for 2003/04	Performance Indicators
1. Reconcile the bank accounts to the ledgers each month.	<ul style="list-style-type: none"> • 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; 2001/02: Achieved.)

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

OUPUT : BANK RECONCILIATION				2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS					
TOTAL DIRECT COSTS				0	0
ALLOCATED COSTS					
Alloc O/head - Financial Systems Support				12,301	12,654
Alloc O/head - FAMIS				20,456	21,277
Allocated Holding Account (4.06)% 4.18%				124,554	127,840
TOTAL ALLOCATED COSTS				157,311	161,771
TOTAL COSTS				157,311	161,771
REVENUE					
External Revenue					0
Internal Recoveries				0	0
Corporate Overhead Recovery				157,311	161,771
TOTAL REVENUE				157,311	161,771
NET COST BANK RECONCILIATION				0	0

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

OUTPUT : TAXATION**Description**

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

Objectives for 2003/04	Performance Indicators
1. To ensure that all taxation and ACC Levies obligations of the Council are properly discharged at minimal levels.	<ul style="list-style-type: none"> • 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; 2001/02: Achieved – no penalties incurred.)

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

OUTPUT : TAXATION			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Administration Costs			22,740	36,740
ALLOCATED COSTS				
Allocated Holding Account	(1.06)%	1.09%	32,484	33,466
TOTAL COSTS			55,224	70,206
REVENUE				
Internal Recoveries (Service Level Agreements)			0	0
Corporate Overhead Recovery			55,224	70,206
NET COST TAXATION			0	0

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

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 2003/04	Performance Indicators
1. To ensure the Fixed Asset Register is maintained accurately and regularly in accordance with generally accepted accounting practice.	<ul style="list-style-type: none"> • Ensure the Fixed Asset 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; 2001/02: Achieved.)
2. To ensure infrastructural assets are recorded in total according to generally accepted accounting practice.	<ul style="list-style-type: none"> • Ensure the Fixed Asset 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; 2001/02: Achieved.)

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

OUTPUT : ASSET REGISTER			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
TOTAL DIRECT COSTS			0	0
ALLOCATED COSTS				
Allocated Overhead Financial Systems Support			43,108	44,346
Allocated Holding Account	(2.62)%	2.71%	80,336	82,764
TOTAL ALLOCATED COSTS			123,445	127,110
TOTAL COSTS			123,445	127,110
REVENUE				
Internal Recoveries (Service Level Agreements)			0	0
Corporate Overhead Recovery			123,445	127,110
NET COST ASSETS REGISTER			0	0

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

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 2003/04	Performance Indicators
1. Produce monthly financial reports for Unit Managers.	<ul style="list-style-type: none"> • 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. 2001/02: Achieved.)
2. Produce management accounts for Unit Managers.	<ul style="list-style-type: none"> • Produce 6 monthly management accounts for Unit Managers to report on to Standing Committees. (New measure in 2002/03.)
3. Complete all work on the Management Budgets as per the Annual Plan timetable.	<ul style="list-style-type: none"> • Ensure that the Management Budgets are available for loading into the Ledger by 1 August 2003. (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. 2001/02: Achieved.)

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

OUTPUT : MANAGEMENT ACCOUNTING			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Publication Costs			3,250	4,300
ALLOCATED COSTS				
Allocated Holding Account	(4.18)%	4.32%	128,309	132,092
Allocated O/Head Financial Systems Support			230,724	237,346
TOTAL COSTS			362,282	373,738
REVENUE				
Internal Recoveries			0	0
External Recoveries			0	0
Corporate Overhead Recovery			362,282	373,738
NET COST MANAGEMENT ACCOUNTING			0	0

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

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 2003/04	Performance Indicators
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.	<ul style="list-style-type: none"> • Prepare for audit before 30 September 2003, 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; 2001/02: Achieved.) • 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; 2001/02: Achieved.) • 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; 2001/02: Achieved.)
2. Complete financial statistics and other financial related data.	<ul style="list-style-type: none"> • Complete financial statistics (for Statistics New Zealand) by due dates. (2000/01: Achieved; 2001/02: Achieved.)

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

OUTPUT : ANNUAL REPORT			2002/2003 BUDGET \$	2003/2004 BUDGET \$
DIRECT COSTS				
Valuation Fees - Fixed Assets			0	0
Valuation Fees - Infrastructural Assets			45,000	45,000
Publication of Annual Report			20,000	20,000
Audit Fees			163,450	175,000
TOTAL DIRECT COSTS			228,450	240,000
ALLOCATED COSTS				
Allocated Holding Account	(4.98)%	5.13%	152,940	156,949
Allocated Overhead Financial Systems			27,705	28,500
TOTAL ALLOCATED COSTS			180,645	185,449
TOTAL COSTS			409,095	425,449
REVENUE				
External Revenue			48,000	40,000
Internal Recoveries			361,095	385,449
TOTAL REVENUE			409,095	425,449
NET COST ANNUAL REPORT			0	0

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

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 2003/04	Performance Indicators
1. Maintain a reconciled financial database.	<ul style="list-style-type: none"> • Reconciliation of the database every working day. (1996/97: Achieved; 1997/98: Achieved; 1998/99: Achieved; 1999/00: Achieved; 2000/01: Achieved; 2001/02: Achieved.)

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

OUTPUT : FINANCIAL SYSTEMS SUPPORT			2002/2003 BUDGET \$	2003/2004 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	(7.59)%	7.76%	233,162	237,386
Alloc O/Head - Core Business Solutions			290,929	302,609
TOTAL ALLOCATED COSTS			524,091	539,995
TOTAL COSTS			554,091	569,995
REVENUE				
Internal Recoveries			0	0
Internal Overhead Recoveries			554,091	569,995
TOTAL REVENUE			554,091	569,995
NET COST FINANCIAL SYSTEMS SUPPORT			0	0

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

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
RENEWALS & REPLACEMENTS					
Equipment & Office Furniture	25,000	25,000	25,000	25,000	25,000
TOTAL RENEWAL & REPLACEMENTS	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

ASSET IMPROVEMENTS

TOTAL ASSET IMPROVEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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TOTAL	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
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Annual Plan 2002/2003	\$17,000	\$26,000	\$28,000	\$31,000	\$26,000	\$28,000
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	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RENEWALS & REPLACEMENTS	25,000	25,000	25,000	25,000	25,000
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Annual Plan 2002/2003	\$28,000	\$28,000	\$28,000	\$28,000	

5.1.19

MONITORING COMMITTEE:		STRATEGY & FINANCE COMMITTEE				
BUSINESS UNIT:		FINANCIAL SERVICES				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2002/2003 Present Charge	2002/2003 Revenue from Present Charge	2003/2004 Proposed Charge	2003/2004 Projected Revenue From Proposed Charge	2003/2004 Projected Revenue as a percentage of Total Cost	Notes
Valuation Roll Charge	\$6 per Printed Assesment	\$200	\$6 per Printed Assesment	\$0	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	\$508,256	FCR	2
Commission on Insurance Deductions	2.50%	\$1,000	2.50%	\$1,500		
Payroll Service Charge (Other than Council Staff)	\$2 per person per week	\$1,500	\$2 per person per week	\$0		
Accounting Services provided to CCC LATES		\$48,000		\$40,000		
TOTAL		=====		=====		
		\$505,700		\$549,756		
(1) Prepared on a marginal cost basis. (2) FCR = Full Cost Recovery						