7. REPORTING FOR THE PERIOD ENDED 30 JUNE 2004

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The purpose of this report is to outline the background and new approach to year end reporting.

BACKGROUND

In previous years the year end reporting has been in two parts:

- **Unit Monitoring Reports** – Traditionally these have been considered by Standing Committees in September. The reports included a financial summary of actuals compared with budget, performance measures from the Corporate Plan and in some instances performance measures from the Annual Plan. The reports also included a commentary from Unit Management. The commentary generally included an explanation of the significant variances from budget/targets plus details about achievements.

  While not wanting to detract from the significant effort made to produce these reports, they are essentially management rather than governance reports. In many instances they provided a detailed analysis and explanation of variances from budget rather than reporting on an exception basis.

- **Annual Report** – The Annual Report is the principal accountability document of the Council. It compares the organisation's performance in matching the Annual Plan targets and budgets.

  In addition to the Standard Financial Statements, a Cost of Service Statement is prepared for each of the Council's significant activities. Performance indicators are also reported at the significant activity level.

  Performance indicators are presented in Triple Bottom Line (TBL) format. TBL is based on the idea that, as well as having a financial impact, organisations also have environmental and social impacts and these can be positive or negative, direct or indirect. Through TBL, organisations seek to convey their values and to measure how performance matches those principles.

  The adoption of the audited report is delegated to the Audit Subcommittee and this has always taken place in the last week of November. Printed copies of the report are distributed immediately prior to the Christmas break which is almost six months after the end of the financial year.

  The print run is limited and the Council accounts to its ratepayers by including an Annual Report highlights section in the December edition of 'City Scene'. The 'City Scene' Summary also advises ratepayers how they can obtain a printed copy of the Annual Report.

NEW APPROACH

The 'Background' section above has identified some deficiencies in terms of current process. The deficiencies can be summarised as follows:

- The Unit Monitoring Report is essentially a management report rather than a governance report.

- The Annual Report which is the principal accountability document is not part of the Standing Committee end of year review process.

- The release of the Annual Report is not timely.

In order to rectify these deficiencies a new approach has been developed for end of year reporting. It will take the following form:

- **Unit Reporting** – The Unit Monitoring Reports which were prepared for Standing Committees will now go to General Managers and will be used for management purposes.

- **Reporting to Standing Committee** – The reports to Standing Committees will include the significant activity pages from the Annual Report. The figures contained within the reports are subject to audit and may change as a result of the audit process. In addition to the Cost of Service Statements and performance measures General Managers have been asked to provide an overview. This overview should include an explanation of significant issues, projects not completed and carried forward, the operating result and capital expenditure. The report is attached. The main information source for these overviews will be the Unit Monitoring Reports.

  Significant activities have been 'matched' with the various standing committees. This matching is to reflect the activities that each Standing Committee is responsible for.

Significant Activity Pages from the 2004 Annual Plan	Standing Committee
Art Gallery	Arts, Culture and Heritage
Car Parking	Sustainable, Transport & Utilities
City Streets	Sustainable, Transport & Utilities
Community Development & Customer Services	Strategy and Finance Community and Leisure
Economic Development & Employment	Strategy and Finance Sustainable, Transport and Utilities
Environmental Policy & Regulatory Services	Regulatory and Consents
Housing	Community and Leisure
Library & Information Services	Arts, Culture and Heritage
Parks & Waterways	Parks, Gardens and Waterways
Public Accountability	Strategy and Finance
Sport, Leisure & Events	Community and Leisure Arts, Culture and Heritage
Waste Minimisation & Disposal	Sustainable, Transport and Utilities
Wastewater	Sustainable, Transport and Utilities
Water Supply	Sustainable, Transport and Utilities

  In most instances there is a one to one match between the Significant Activity and a Standing Committee. Where this is not the case, and responsibility is shared between two committees, the significant activity pages will go to both committees. Not included in the table is the Property and Major Projects Committee. This Committee is responsible for monitoring particular projects and these will be reported separately to the Committee.

  The Strategy and Finance Committee in addition to monitoring the Community Development & Customer Services, Economic Development & Employment and Public Accountability is also responsible for the Annual Plan. For this reason all 14 significant activities have been included in the Strategy and Finance Committee report. In addition to the activity pages, the Strategy and Finance Committee report also includes the Metropolitan Funding Committee grants for 2003/04.

  The Strategic Objectives referred to on the performance indicator pages represent the Strategic Goals and Objectives which were adopted as part of the 2004 Annual Plan. (See pages 11 to 13 of the 2004 Annual Plan.)

- **2004 Annual Report**

  Work on finalising the 2004 Annual Report is now well advanced. Council staff and Audit New Zealand have developed a work plan, which will ensure that the 2004 audited Annual Report is ready for adoption on 11 September 2004, nearly three months ahead of the previous adoption dates.

**Chairman's
Recommendation:**   That the information be received.