



FINANCIAL SERVICES UNIT

12 MONTHLY REPORT

FOR THE PERIOD ENDING

30 JUNE 2000

FINANCIAL SERVICES

In addition to the statutory requirements (like the Annual Report and Annual Plan) and other responsibilities (like the monthly reporting to Units) 1999/2000 has been a year of significant change and achievement for the Unit.



From left to right -
Jeff Woodham (Financial Services),
Craig Oliver (Parks), Ken Stevenson
(City Streets), and Craig Lynch
(Financial Services) share a joke at a
function to mark the completion of this
year's Annual Plan.

Details of the changes and achievements for 1999/2000 are as follows:

Customer Centre

In December 1999, the ground floor Customer Centre opened for business. This was the culmination of many months of planning by Joan Blatchford, Shona Willis and the Project Team.

Besides the achievements noted in the 6 monthly report other achievements include:

- further cross skilling of Customer Centre staff so that they can carry out all activities performed by the Centre, i.e. telephones, cashiering and backroom activities.
- the collection of statistics on the number of calls received and the abandonment rate. These statistics are important for resource planning. They also provide opportunities for identifying improvements to both processes and procedures.
- networking with other Customer Centres during peak periods.
- Graffiti Hotline established in May 2000. This is a dedicated 0800 number now shared with the Leisure Customer Centre. The calls are logged and notification of the clean up work is e-mailed to the Graffiti Co-Ordinator via the RFS System.

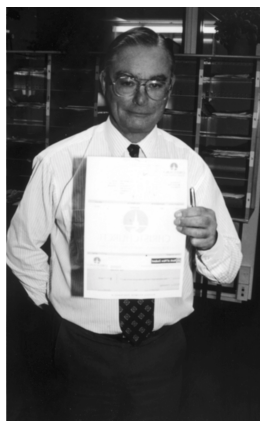
FAMIS

The Financial Services Unit (FSU) made a significant contribution to the FAMIS Project. This involvement which involved 5 FSU staff working full time on the project included user acceptance testing, mapping, data conversion, training and form design. It is very pleasing to be able to report that the majority of the SAP Financial Modules were successfully implemented in March 2000 and the GEMs Cash Receipting, Bank Management and Rates Modules on 1 July 2000.

While the implementation has not been problem free, the change over has gone very smoothly. This reflects the planning, testing work and the training programme.

An example of the changes resulting from the SAP implementation are payments by cheque. Under the old system about 1500 to 2000 cheques were signed manually each month and each cheque required two signatures.

All cheques are now prepared electronically (which includes the signatures) and the first cheques generated by the new SAP Accounts Payable Module were released in early April 2000.



Phillip Lilley, Senior Accounts Payable Officer, holds the first electronic cheque.

Rates

The GEM's Rates Module 'go live' on 1 July 2000 marked the end of the old Rating System which had been in existence since 1981/82. This system served the Council well but has now been surpassed by software which is more functional and more user friendly. The reporting features of the new GEM's Rating Module will enable better monitoring and greater analysis of the 136,846 rate accounts. Work is continuing on the Water Billing, Valuation and Debt Management Modules and when they are operational all three Modules will have linkages to the Rates System.

Accident Insurance

John Mackey, the Principal Accountant, in conjunction with the Corporate Assurance Team successfully implemented the requirements of the Accident Insurance Act (1988). This resulted in accident insurance savings in excess of \$750,000 for the year ending 30 June 2000. John has also been actively involved in putting in place the recently enacted full self cover option for ACC which has enabled the Council to retain the savings identified above.

In addition to the changes required by the Accident Insurance amending legislation, John in conjunction with the Corporate Assurance Team, initiated reviews of the old ACC experience rating claims. This has resulted in refunds to the Council of \$657,000.

Review of Financial Processes

Now that practically all the financial modules are in place it is appropriate to look at the processes which support the new systems. The Financial Services Unit is keen to ensure that these processes are still appropriate and has requested that a corporate team review them. This is seen as a logical next step to follow on from the FAMIS implementation. Planning work for this review is now underway.

Financials and Statistics

The Unit ended the year with a positive variance of \$6,570 against budget. If capital expenditure is included the overall result for the Unit was a positive variance of \$12,804 against budget (see page 8 for financial summary). Some key statistics for the year ending 30 June 2000 include:

- Number of rate assessments 136,846 (CF 1990 – 106,000 assessments)
- Number of ratepayers on direct debit 28,343
- Number of invoices and credit notes processed by Accounts Payable 107,123
- Number of invoices raised by Accounts Receivable 129,038

- Number of telephone calls answered by the Ground Floor Customer Centre in June 2000 – 32,334. Average speed on answer - 28 seconds
- Graffiti Hotline Calls since establishment – 2,242
Total calls answered by the Customer Centre from the period 8 December 1999 to 30 June 2000 – 310,699

Business Unit	Financial Services
Output Class	Accounting Services

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Accounts Payable	(50,397)	0	(12,508)
Asset Register	(1,489)	0	18,241
Bank Reconciliation	27,146	0	7,224
Payroll	(10,193)	0	15,417
Taxation	(31,775)	0	(3,442)
Accounts Receivable	(62,765)	(998)	(39,322)
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Net Cost of Accounting Services	(129,473)	(998)	(14,390)

Commentary

Actual expenditure reflects staff time spent by staff on each of the outputs.

Service Delivery Performance

Performance Indicator		Target	Actual
1.1	Cost to pay each external invoice no greater than.	\$3.20 per invoice.	Actual \$3.98. Total invoices processed 107,123. (1998/99 - \$3.51 per invoice)
2.1	Ensure fixed assets register is maintained during the year and balanced with general ledger within two months of end of financial year.	30 August 1999	Achieved (now self balancing under SAP). (1998/99 - Achieved one day later than target.)
3.1	Reconcile bank account to ledgers at end of each month.	End of each month.	Ongoing measure. Bank account reconciled to the ledger.
4.1	Cost to pay each employee no greater than.	\$177.50 per employee.	\$173.56 based on 2,058 staff on payroll as at 30 June 2000. (1998/99 - \$189.97)
5.1	Prepare income taxation and other taxation returns and pay by due dates.	Pay by due dates.	Achieved. No penalties incurred. (1998/99 - Achieved.)
6.1	Collect (by value) Council invoiced debts on the following basis: By 20th of month following - 75%	75%	78% achieved for 30 June 2000. (1998/99 – 75% achieved).
6.2	Collect (by value) Council invoiced debts on the following basis: Within two months of invoicing - 90%	90%	85% achieved for 30 June 2000. (1998/99 – 93% for year).

6.3	Collect (by value) Council invoiced debts on the following basis: Within three months of invoicing - 95%	95%	95% achieved for 30 June 2000. (1998/99 – 96% for year).
6.4	Unpaid invoice reports in the hands of Unit Manager or designated person within four working days of the end of the month	Four working days	Under SAP still working on producing reports.

Business Unit	Financial Services
Output Class	Customer Services

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Cashiering/Banking	165,885	173,766	185,896
Telephone and Information	62,332	39,869	0
Services			
Mail	(18,308)	0	(16,286)
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Net Cost of Customer Services	209,909	213,635	169,610

Commentary

Actual expenditure reflects staff time spent by staff on each of the outputs.

Service Delivery Performance

Performance Indicator		Target	Actual
1.1	No complaints on the level of service, promptness and helpfulness of staff	No complaints	One complaint received and registered.
2.1	Improvement from the previous year of the percentage of residents satisfied with the speed of service the last time they telephoned the Council	79%	83% satisfaction. Derived from the Annual Citizens Survey for 2000 (includes satisfied and very satisfied categories). (1998/99 - 79%)
3.1	Council business units satisfied with timeliness of distribution of mail and internal correspondence	Satisfaction and timeliness	(Process subject to review.)

Business Unit	Financial Services
Output Class	Financial Reporting

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Annual Report	(40,829)	0	26,008
Management Reports	21,909	0	16,363
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Net Cost of Financial Reporting	(18,920)	0	42,371

Commentary

While the Annual Report output was over recovered, the costs charge to Managements Reports were more than budgeted for. This reflects time spent by staff as a result of the FAMIS implementation.

Service Delivery Performance

Performance Indicator		Target	Actual
1.1	Prepare for audit before 30 September 1999 financial statements for the 1998/99 year for Christchurch City Holdings Limited and other Christchurch City Council LATEs	30 September 1999	Achieved - Accounts adopted 30 September 1999. (1998/99 - Achieved.)
1.2	Prepare for adoption before 30 November 1999 audited financial statements of Christchurch City Council for year ended 30 June 1999	30 November 1999	Achieved. Accounts adopted 30 November 1999. (1998/99 - Achieved.)
1.3	Complete financial statistics and other financially related data	By due dates	Achieved. (1998/99 - Achieved.)
2.1	Produce monthly financial reports for unit managers within 10 working days of the end of each month except December and June	Within 10 working days	Not achieved. No July reports produced - late finalisation of budgets, late reports in December to assist five month review; April and May delayed due to SAP go live.
2.2	Present financial reports for the Council as required	Financial reports as required	Achieved. (1998/99 - Achieved.)

Business Unit	Financial Services
Output Class	Advice and Support

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Financial Systems Support	379,211	(1,578)	(72,310)
Financial Management	(119,946)		66,903
Advice			
Finance Advice	8,905	0	(18,105)
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Net Cost of Advice and Support	268,170	(1,578)	(23,512)

Commentary

The over and under expenditure on these outputs relates to time spent by staff on the outputs and the impact of the FAMIS project which was not known when the budgets were first prepared.

Service Delivery Performance

Performance Indicator		Target	Actual
1.1	Reconciliation of the database every working day.	Every working day	Achieved. Database kept in balance daily.
2.1	That unit managers are satisfied with the timeliness and quality of financial advice affecting their business units.	Satisfied timeliness and quality	Achieved - feedback received indicated unit managers were satisfied given the limited resources available to provide this advice.
3.1	That the Director of Finance is satisfied with the quality and timeliness of advice.	Satisfied quality and timeliness	Achieved.
4.1	Complete reports on time.	On time	Complete on time (1998/99 - On time).

Business Unit	Financial Services
Output Class	Rating Services

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Valuation Information	0	(143,432)	0
Rates Administration	(256,659)	(42,967)	(204,810)
Water Billing	(20,786)	5,330	(51,779)
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Net Cost of Rating Services	(277,445)	(181,069)	(256,589)

Commentary

Under expenditure reflects staff time spent on all three outputs.

Performance Indicator		Target	Actual
1.1	Ensure all maintenance on the property database is actioned.	Within four working days.	The system has changed and responsibility for this work has now been transferred to the Core Data Team.
1.2	Complete a full transfer of building consents to Quotable Value NZ Ltd.	By 30 June 1999.	Has been completed to 30 June 2000. Reflected in 2000/01 Valuation Roll.
1.3	Have the client service agreement (contract) with Quotable Values NZ Ltd signed and in place by 1 August 1999.	1 August 1999	Contract signed on 15 November 1999.
2.1	Ensure that the cost per assessment is less than \$22.50 per annum	<\$22.50	Cost per assessment - \$17.20. (Total cost \$2,354,233 ÷ 136,846 assessments = \$17.20)
2.2	Rate arrears from current rates	No more than 4% at year end.	Rate arrears as a percentage of rates levied - 4.4%.
2.3	Increase the number of ratepayers using direct debiting.	27,000 by 30 June 2000	The number of direct debit users by 30 June 2000 – 28,343.
3.1	Collect (by value) invoiced charges on the following basis: 95% of current charges within the 1999/00 year. (Water A/c's)	95%	94%.
3.2	Minimise the arrears balance as at 30 June. (Water A/c's)	<\$250,000	End of year balance - \$155,000.

Business Unit	Financial Services
Output Class	Plans

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Service			
Management Budgets	(68,267)	(114)	(51,943)
Corporate Plan	(24,321)	(1,099)	5,604
Annual and Community Plans	31,098	(40,416)	35,078
Strategic Plan	(8,960)	0	(18,112)
Net Cost of Service for Plans	(70,450)	(41,629)	(29,373)

Commentary

The variance here reflects staff time spent on the outputs plus some small savings in production costs. These savings were reflected in the 2000/01 budget provisions.

Service Delivery Performance

Performance Indicator		Target	Actual
1.1	Ensure that the Management Budgets are available for loading into the ledger	By 1 August 1999	Not achieved - late finalisation of budgets.
2.1	Have the printed copy of the draft Corporate Plan available after it has been adopted by the Council	20 working days after the Council meeting	Achieved - available 27 April 2000. (1998/99 - Achieved.)
2.2	Have the published version of the final Corporate Plan available and distributed after it has been adopted	30 working days after the Council meeting	Achieved. (1998/99 - Achieved.)
3.1	Ensure that the Annual Planning procedures meet the approved timetable dates.	Comply with set dates.	Timetable delayed by one week due to additional Annual Plan Working Party meetings.
3.2	To make the published version of the final Financial Plan and Programme available	20 working days after the Council meeting	Achieved. (1998/99 - Achieved.)
3.3	Include in the Community Plan a listing of all local projects and cross reference these to a map.	Map based Plan.	Achieved. (1998/99 - Achieved.)
3.4	2000 Planning Guidance Notes available in a timely manner.	Available for distribution no later than 30 September 1999.	Achieved - available 23 September 1999. (1998/99 - Achieved.)
3.5	Run two courses and brief the Management Group on 2000 Planning requirements	Complete in September 1999.	Two courses were held - Introductory Course on 20 September 1999. Update Course on 21 September 1999. Separate Briefing of the Management Group on 23 September 1999.

Business Unit	Financial Services
Output Class	Capital Outputs

Financial Performance

	Current Year		Last Year
	Actual	Budget	Actual
Net Cost of Capital Outputs	8,881	15,115	28,070

Business Unit: Financial Services – Output Class Results Summary
Financial Results to 30 June 2000

Output Classes (Net Cost)	Actual 1999/2000	Budget 1999/2000	Last Year Actual
Accounting Services	(129,473)	(998)	(14,390)
Customer Services	209,909	213,635	169,610
Financial Reporting	(18,920)	0	42,371
Advice and Support	268,170	(1,578)	(23,512)
Rating Services	(277,445)	(181,069)	(256,589)
Plans	(70,450)	(41,629)	(29,373)
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Net Total Operating Cost	(18,209)	(11,639)	(111,883)
Net Cost - Capital Outputs	8,881	15,115	28,070
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Net Total Cost for Unit	(9,328)	3,476	(83,813)