

Audit, Finance & Risk Committee
15 October 2020

Report for Agenda Item | Rīpoata moto e Rāraki take 1

Department: Finance, Legal & Regulatory

Title | Taitara 2020:21 August Year to Date Financial Overview

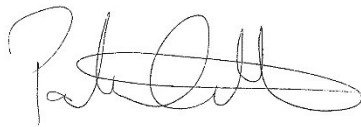
PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

- 1 The purpose of this report is to present the 2020:21 August Year to Date (YTD) Actual to Budget financial results and June 2020 Debtors Analysis and Statement of Financial Position to report on any significant transactions and/or variances to budget.

RECOMMENDATION | NGĀ TŪTOHUNGA

- 2 That the Audit, Finance & Risk Committee:
 1. **Note** the contents of this report;

Prepared by:



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5/10/2020

Reviewed and Authorised by:



Stewart Burns
General Manager Finance, Legal
& Regulatory

5/10/2020

CONTEXT | HOROPAKI

- 3 The main objective of this report is to give the Committee an overview of how the Council is performing from a financial perspective. The approach taken is one of management by exception, whereby officials are required to provide explanations when actual expenditure or revenue does not match the budget.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

2020:21 August YTD Actuals to August YTD Budget Overview:

- 4 The 2020:21 August YTD net operating deficit (\$2.8m) shows as (\$1.9m) favourable to the budget operating deficit of (\$4.7m).
- 5 The August YTD revenue has additional \$1.1m of Operational income and \$0.3m Grants and Subsidies which is offset by less than budgeted Regulatory income (\$0.2m).
- 6 The August YTD actuals has additional expenses within Infrastructure Maintenance (\$0.3m) which is offset by lower Interest expense \$0.7m, Professional Fees \$0.2m, Commercial Rent \$0.1m and Other \$0.1m.
- 7 For noting, the first five claims made to National Emergency Management Agency (NEMA) as part of the Covid-19 Welfare Emergency Operation Centre Response have been approved and reimbursed to council which totals \$2.5m. Council is awaiting the final two claims to be assessed by NEMA which totals \$240k.
- 8 Further in-depth commentary is provided within attachment A.

2019:20 June Debtors Analysis Overview:

- 9 Total outstanding debtors (excluding rates) has increased by \$0.8m compared to June 2019 with a \$1.9m increase in debtors greater than 90 days overdue. This is because the Accounts Receivable team held off from debt collection activities during lockdown and the months that followed. Debt collection has since resumed from August.
- 10 For noting, \$6.6m of the total outstanding 30 June 2020 Trade Receivables debt has since been collected with \$3.2m of this balance repaid from 5 large individual debtors.
- 11 Current year rates overdue was \$5.1m at year end however this is mainly due to the extension of instalment 4 due date to 31 July 2020 as a Covid-19 relief response.
- 12 Further in-depth commentary is provided within attachment B.

2019:20 Statement of Financial Position Overview:

- 13 Total increase in net assets for the year is \$232m which is made of the following significant movements:
 - \$263m increase in property, plant & equipment from \$172m revaluation for Roding infrastructural assets and \$117m of additions for the year;
 - Net increase in total borrowings of \$12.5m to fund the capital programme;

- \$8.0m increase in other current liabilities which includes a \$6.6m increase to the provision for legal claims as at 30 June 2020.

14 Further in-depth commentary is provided within attachment C.

Options

15 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

16 Option 1 The report is for noting, therefore no options are discussed.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

17 As the review of the financial results is an administrative matter, there are no budget or cost implications arising from this report. No anomalies have been identified and it is not proposed to make any significant changes to any internal practices or procedures.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

18 The following Council policies, strategies and bylaws were considered:

- Long Term Plan 2018:2028
- Annual Plan 2020:2021
- Refer to online documents here: <http://www.qldc.govt.nz/policies>

19 The recommended option is consistent with the principles set out in the named policy/policies.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

20 The recommended option:

- The recommended option is consistent with the Council's plans and policies.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Finance Management Report – 2020:21 August Year to Date Actuals to August Year to Date Budget variance.
B	June 2020 Debtors Analysis.
C	June 2020 Statement of Financial Position.