

CORPORATE INFORMATION

INTRODUCTION

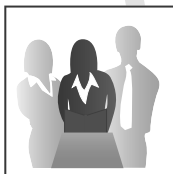
Every organisation needs to manage, develop and maintain internal systems in order to provide effective and efficient external services.

For example, a human resources department manages the organisational workforce, maintains compliance with employment law, controls performance and recruitment. Without this department the internal operations of the organisation would be much less efficient.

Similarly a council, or any organisation, cannot operate without a finance department. In this day and age there are ever more rigorous accounting standards and financial controls to adhere to, there are budgets and accounts to work through and the finance system needs to be maintained constantly.

This section of the LTCCP sets out information about corporate activities and the issues and costs facing these activities.

CONTRIBUTION TO COMMUNITY OUTCOMES



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

WHAT WE DO AND WHY

Communications

The Council provides the communications activity to inform, engage and enable the community to better understand what the Council does so they can be a part of decisions and projects.

Community engagement is a major part of Council activities and some types of public communication are required by law. The Local Government Act 2002 requires the Council to consult with its community and facilitate public debate about matters being considered by the Council. The underlying principle is to ensure issues and the Council decisions are presented in a factual, objective manner, avoiding subjective opinion or comment.

Finance

This internal activity provides financial and rating services to support the Council's activities. It is responsible for providing and developing effective mechanisms to monitor and report on Council's financial performance.

Customer Services

The Council must provide an efficient and consistent level of customer service to meet the continually changing expectations of internal and external customers. This activity must manage these expectations to ensure the agreed appropriate service is provided in compliance with the customer service standards and charter.

Corporate Information

The Council provides this activity to deliver information services to internal and external customers. For internal and external customers, providing the right tools and information at the right time and place enables efficient, effective, and prudent management. The Council is the guardian for its data, information and knowledge. These assets must be securely managed for current and future generations.

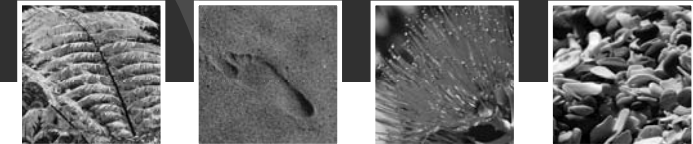
The Council must also comply with relevant legislation regarding the creation, collection, retention, and archiving of information. The Council's information and records management section ensures the Council complies with the mandatory requirements set out in the Public Records Act 2005 (PRA) and the Electronic Transactions Act 2002 (ETA) and all other acts governing the information it creates, collects, retains, stores and disposes of.

Corporate Property

Corporate property includes assets that provide essential services to the community and those that are supported by the local community. There are 20 properties in total, which include the Civic Centre, Museum and Gallery, the Whakatane Airport Terminal Building, workshops, depots, libraries, and the dog pound.

Human Resources

The purpose of this activity is to attract, retain, up skill, motivate and reward high calibre employees capable of having a positive impact in their areas of responsibility and delivering on the Annual and Long Term Council Community Plans actions for which they are responsible. As at the 31 March 2009 the Whakatane District employed 163.7 full time equivalent employees (excluding casuals).



RELEVANT ISSUES

- **Community engagement and consultation** – the Council needs to improve, and make available, opportunities for the community to be engaged and involved in the development of ideas, concepts and proposals as part of the Council decision-making processes. This is increasingly challenging as communities in many respects feel over consulted, while others feel they haven't had a choice. The cost of consultation is also increasing.
- **Legislative changes and audit requirements** - the finance activity needs to meet the challenges imposed by any legislative changes and support other Council activities to meet their financial service requirements, particularly in the sustainability of rating levels and rating methodology. To meet these challenges, accessibility to accurate and timely financial information must be continually developed and strengthened. Prudent management of the treasury function is required as the Council rapidly increases its investment in infrastructure.
- **Customer service trends** - constant change and national trends affect service demand and the number of customer service enquiries received.
- **Customer service expectations** - customers need to know what they can expect from the Council, what the Council's commitment to customer service is, and what they can expect if things go wrong. There is also a need to develop a quality assurance programme for all contractors with respect to customer service to ensure consistent service. Contractors engaged

by the Council may provide a service that may be considered inconsistent and inadequate by customers.

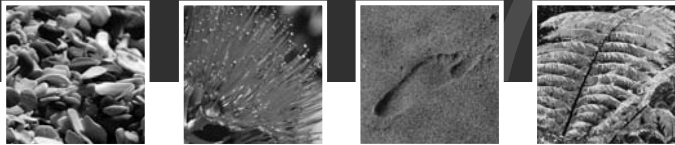
- **Demand for information services** - as demand for information increases, so too does the demand for information services. Issues include: increased demand for information services from internal and external customers at any location (mobile computing), security of physical systems and electronic data, business continuity and disaster recovery, and data quality. The Council has entered the 'enterprise' era, and is challenged to fund the necessary investment to properly operate its ICT services at the levels commensurate with the needs of its stakeholders. The Council does not have the critical mass to establish and retain the intellectual capital necessary to achieve comprehensive and sustainable knowledge capture and retention. Formative steps are under way to address this challenge at the BOP regional level.
- **Public Records Act 2005** - the Public Records Act 2005 is not expected to substantially alter the number of mandatory standards. Other compliance requirements will increase as the regime for public office and local authority record-keeping develops towards greater maturity. The public sector record-keeping regime will become increasingly comprehensive and complex in the next 10 years.
- **Retention** – the ability to attract high calibre candidates to a provincial location, overcome existing stereotypes of Whakatane, and awareness of highly mobile younger employees who change employment more often. Efficient

capture and transfer of intellectual property to new employees, especially when replacing long-serving employees. Also consider flexibility in work patterns and options to better accommodate working parents and an ageing workforce/ population.

- **Affordability/ levels of service** - the Council has a large catch up programme to ensure the long term sustainability of its assets. As part of developing this LTCCP the Council reviewed the services delivered, the levels of service offered and the way services are delivered.

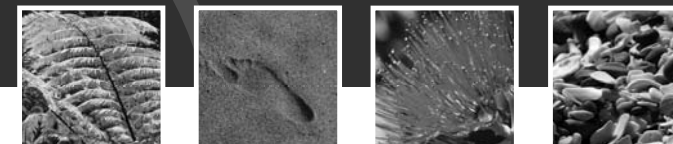
ADDRESSING ISSUES

- Communication issues are being addressed through community engagement (project specific communications plans), publications (e.g. Byways), public relations, occasional publications and the continued development of the Council's website.
- The finance activity continually reviews processes and procedures in an effort to move towards best practice guidelines. Audit New Zealand has various mechanisms to provide guidance to council staff in regard to best practice and areas for improvement.
- There are a number of customer service initiatives underway including: Service Level Agreements are being formalised with all departments the activity has a relationship with, development of Service Catalogues and a Customer Service Strategy.
- There is a vast amount of work underway in the area of Corporate Information as the Council



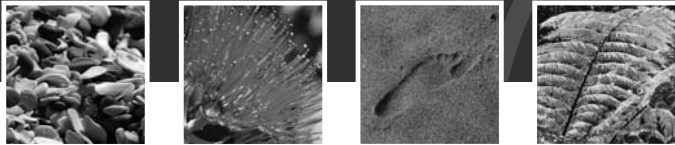
invests in system improvements and the establishment of the many frameworks necessary to deliver services sustainably at the enterprise scale. The size of investment required means that the development programme will have to span many years.

- In the human resources activity, there is ongoing reviews of flexible working arrangements, documenting of business processes to capture the way things need to be done and the information that supports this, provision of ongoing training, and training plans being developed for individuals which will be incorporated into the performance development system.
- In response to the issue of rates affordability, the Council has deferred or removed a number of projects and costs from the budget including:
 - proposals for additional staffing capacity
 - projects such as installing audio visual equipment in the Council Chambers
 - investment in business continuity and disaster recovery
 - investment in ICT architectural investment



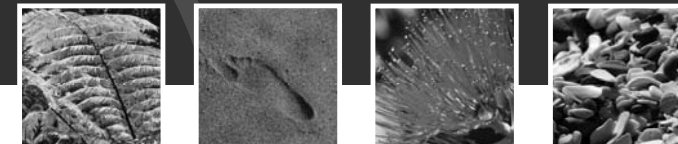
MEASURING OUR PERFORMANCE

COMMUNITY OUTCOME	ACTIVITY STRATEGIC OUTCOMES (LEVELS OF SERVICE)	MEASURE	CURRENT PERFORMANCE	TARGET			
				YEAR 1 (2009/10)	YEAR 2 (2010/11)	YEAR 3 (2011/12)	YEARS 4-10
Strong transparent and open leadership.	The community is provided with up-to-date, factual information about Council's current and planned activities.	Satisfaction with Council's provision of information.	2008 Customer Satisfaction Index score 64.2 (Fair: Needs improvement).	2008 CSI score 64.2 or higher (Fair: Needs improvement).	2008 CSI score 64.2 or higher (Fair: Needs improvement).	2008 CSI score 64.2 or higher (Fair: Needs improvement).	CSI score progressively increasing to 73 or higher by 2019. (Very good service).
		Byways is distributed to every household and non-resident ratepayers on a quarterly basis.	Byways produced and released four times in 2007/08	Byways produced and released quarterly.	Byways produced and released quarterly.	Byways produced and released quarterly.	Byways produced and released quarterly.
Strong transparent and open leadership.	The community and the Council have access to accurate and timely financial information.	Rates assessments are issued to ratepayers within a timely manner and contain accurate information.		Ratepayers are given at least two weeks notice to pay a rates instalment.	Ratepayers are given at least three weeks notice to pay a rates instalment.	Ratepayers are given at least three weeks notice to pay a rates instalment.	Ratepayers are given at least three weeks notice to pay a rates instalment.
Strong transparent and open leadership.	The community has access to Council's activities through fully competent and efficient Service Centres.	Satisfaction with overall service from Customer Service/Front Desk staff.	2008 CSI score 75.2 (Very good service).	2008 CSI score 75.2 or higher (Very good service).	2008 CSI score 75.2 or higher (Very good service).	2008 CSI score 75.2 or higher (Very good service).	CSI score progressively increasing to 77 or higher by 2019. (Excellent service).
		Percentage of non direct dial telephone calls answered within 30 seconds.	2008: 80%	85%	85%	85%	85%
High Quality Affordable Infrastructure. Strong, Transparent and Open Leadership.	Customer service efficiency is maximised through staff access to high quality information systems.	Information systems are available during business hours.	99% of users have access during business hours.	99% of users have access during business hours.	99% of users have access during business hours.	99% of users have access during business hours.	99% of users have access during business hours.



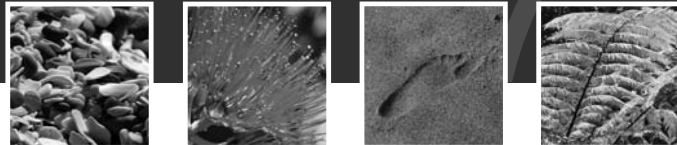
WHAT WE ARE GOING TO DO

DESCRIPTION	START YEAR	END YEAR	DEPRECIATION	FUNDING TOTAL								
				LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES	OTHER RESERVES	FEES & CHARGES	GENERAL RATES	TARGETED RATES	TOTAL	
Investigate works required to accommodate an upgrade in audio visual and sound technology in Council Chambers	2010	2010	15,000									15,000
Replacement of RAPID numbers due to deterioration of current numbers	2010	2010									116,000 (2010/11)	116,000
Develop a web strategy to deliver intranet and internet solutions	2010	2011							60,000			60,000
Telework. A pilot project to catalogue and trial technology related to remote work. Council facilities are at capacity, and flexible work arrangements are required to enable more efficient utilisation of our facilities. Anticipated results are improved employee efficiency and work satisfaction.	2010	2012	115,000									115,000
Information Management - Capex. Numerous software related projects (identity management, virtual servers backup, Windows 7 and Office 2007). Numerous hardware replacement projects (external wireless network equipment, disaster recovery hardware phase 2, internal video surveillance phase 2, storage area network additions).	2010	2012		740,000								740,000
Ozone Development. Continued implementation of Ozone modules, development of e-commerce and integration with Council systems.	2010	2013		725,000								725,000



DESCRIPTION	START YEAR	END YEAR	DEPRECIATION	FUNDING TOTAL								
				LOANS	DEVELOPMENT CONTRIBUTIONS	SUBSIDIES	OTHER RESERVES	FEES & CHARGES	GENERAL RATES	TARGETED RATES	TOTAL	
Electronic Content Management System. Continued implementation of the objective system, digitisation of existing paper documents.	2010	2013		1,815,000								1,815,000
Location Services implementation & investigation. Continued development of location service system, integration with Council systems.	2010	2019	780,950									780,950
The Bay of Plenty Local Authority Shared Services Council Controlled Organisation consortium is utilised to acquire aerial imagery. The consortium acquisition enables enhanced services, cost savings, and cost levelling year to year. Aerial photography rural and urban.	2010	2019	700,000									700,000
IT infrastructure - central hardware. Lifecycle replacement of server, firewall, email filtering and search appliance	2010	2019	1,855,000									1,855,000
Electronic Councillor Services. Analysis of services required for transparent democracy, implementation and integration with Council systems.	2011	2019		380,000								380,000

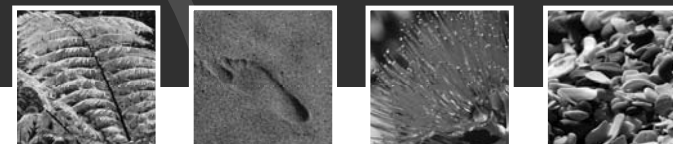
Note: The figures in this table are not adjusted for inflation.



SUMMARY OF COST OF SERVICES – CORPORATE AND DISTRICT ACTIVITIES

ANNUAL PLAN 2009 \$,000		FORECAST FOR THE YEARS ENDED 30TH JUNE									
		2010 \$,000	2011 \$,000	2012 \$,000	2013 \$,000	2014 \$,000	2015 \$,000	2016 \$,000	2017 \$,000	2018 \$,000	2019 \$,000
	EXPENDITURE										
896	Depreciation	1,094	1,703	2,256	2,817	2,536	2,470	2,548	2,894	3,045	3,237
196	Interest Paid	145	211	209	192	105	10	1	1	1	0
(676)	Operations	(1,039)	(1,713)	(2,264)	(2,806)	(2,430)	(2,254)	(2,317)	(2,657)	(2,802)	(2,987)
416	Total Expenditure	200	201	201	203	211	226	232	238	244	250
	REVENUE										
0	Development Contributions	0	0	0	0	0	0	0	0	0	0
226	User Fees & Charges	225	233	238	244	250	256	262	268	275	282
(858)	General Rates*	(918)	(954)	(995)	(1,024)	(1,140)	(1,024)	(1,134)	(1,164)	(1,195)	(1,219)
126	Interest Income	861	904	918	1,197	1,502	2,396	2,703	2,926	3,431	3,712
1,010	Sundry Income	857	886	907	929	950	973	996	1,020	1,046	1,072
0	Subsidies & Grants	0	0	0	0	0	0	0	0	0	0
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
504	Total Revenue	1,025	1,068	1,069	1,346	1,561	2,601	2,827	3,050	3,556	3,847
(88)	Net Cost (Surplus) of Operations	(825)	(867)	(868)	(1,143)	(1,351)	(2,375)	(2,595)	(2,812)	(3,312)	(3,597)
(88)	Transfer from (surplus)/deficit	(825)	(867)	(868)	(1,143)	(1,351)	(2,375)	(2,595)	(2,812)	(3,312)	(3,597)
2,444	Capex *	2,389	2,633	3,276	2,463	2,347	1,582	1,663	1,438	1,476	2,189
83	Loan Repayments	1,359	2,393	1,651	1,644	1,367	166	25	35	35	10
0	Payments to Reserves	771	811	823	1,099	1,402	2,293	2,599	2,819	3,321	3,600
0	Less Depreciation not Funded	0	0	0	0	0	0	0	0	0	0
2,438	Total Funding Requirement	3,695	4,970	4,881	4,063	3,766	1,667	1,692	1,480	1,519	2,202
	FUNDED BY:										
823	Depreciation Reserve	1,458	1,300	1,226	1,264	1,983	1,497	1,634	1,396	1,432	2,176
0	Development Contribution Reserve	0	0	0	0	0	0	0	0	0	0
1,485	Loans Raised	931	1,333	2,050	1,199	365	85	29	42	43	13
130	Operational Reserve	1,305	2,337	1,606	1,600	1,419	85	29	42	43	13
0	Sale of Assets	0	0	0	0	0	0	0	0	0	0
2,438	Total Funding Applied	3,695	4,970	4,881	4,063	3,766	1,667	1,692	1,480	1,519	2,202
	* CAPITAL EXPENDITURE										
	Level of Service	982	1,573	2,172	1,473	563	357	399	339	468	463
	Growth	35	77	176	92	17	74	17	18	19	19
	Renewals	1,373	983	927	898	1,767	1,152	1,247	1,080	990	1,707

Note: The statement above includes general revenue items such as petrol tax and a small portion of external interest income. This income is used to offset the general rate which is shown as negative rate income.



AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the readers of Whakatane District Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Whakatane District Council (the District Council). The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of the District Council dated 13 July 2009 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

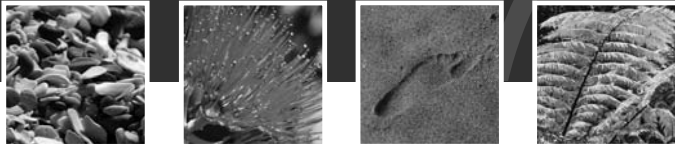
Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;**
- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 13 July 2009, and is the date at which our opinion is expressed.



The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

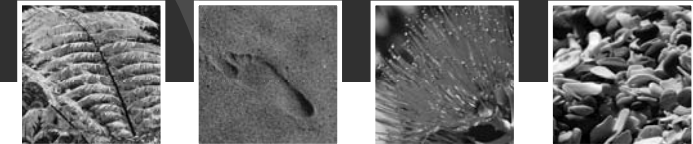
We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;

- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.



Responsibilities of the Council and the Auditor

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.

F Caetano
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Matters Relating to the Electronic Presentation of the Audited Long-term Council Community Plan

This audit report relates to the Long Term Council Community Plan of Whakatane District Council for the ten years commencing 1 July 2009 included on Whakatane District Council's website. Whakatane District Council is responsible for the maintenance and integrity of Whakatane District Council's website. We have not been engaged to report on the integrity of Whakatane District Council's website. We accept no responsibility for any changes that may have occurred to the Long Term Council Community Plan since they were initially presented on the website.

The audit report refers only to the Long Term Council Community Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long Term Council Community Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long Term Council Community Plan as well as the related audit report dated 13 July 2009 to confirm the information included in the audited Long Term Council Community Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.