Finance

Activity Management Plan

2027-37

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Doc no: <<#>>

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Part 1: Strategic Management

About this Activity

What does it deliver to our community?

The Finance activity provides the financial management, reporting, planning, revenue, treasury, insurance, rating and transactional support required for Timaru District Council to make informed decisions, meet statutory obligations, maintain prudent financial settings, and provide transparent accountability to elected members and the community.

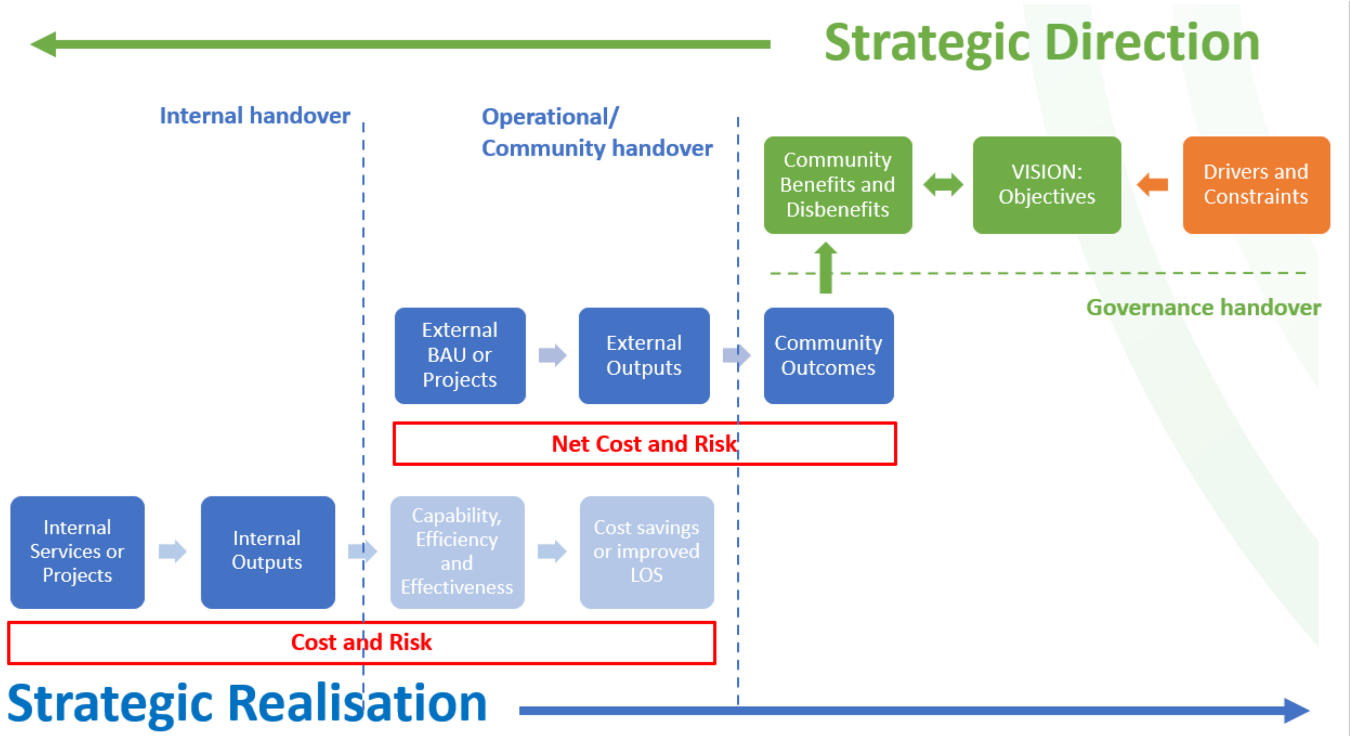
Financial Management

- Ensures that Council complies with its statutory financial obligations, manages all financial transactions, including borrowing, and calculating and collecting rates
- Manages tax compliance
- Delivers organisational financial reporting and forecasting
- Manages Cash Flow requirements and Treasury compliance
- Monitors investment in Council Controlled Organisations, (CCOs) and equivalent operational or commercial entities or activities
- Provides the framework, review and calculation of the setting of non-rates revenue streams
-

Financial Reporting

- Supports each business area by partnering and supporting, to achieve their planned financial and commercial outcomes.
- Annual and long-term budgets are developed in conjunction with budget owners
- Financial, performance and commercial advice and support is provided to each business activity within Council, including monthly forecasts of financial performance
- Work alongside other performance management activities to ensure managers understand fulfil their roles and responsibilities in complying with Council's financial and performance frameworks, policies and processes.
- Provision of financial reporting and self-service financial reporting tools for the organisation
- On-going development of new reporting tools and functionality to improve access to and transparency of financial data
- Supports and provides the reporting of project processes and outcomes

Strategic Alignment



NB Note that Outcomes and Benefits for *internal* services or projects will *also* be internal in the form of enabling capability, efficiency or effectiveness in *other* business units who can then improve or maintain a LOS or realise cost savings. Outcomes and Benefits for internal services or projects should therefore describe the opportunities they enable *across other business units.*

How does this activity contribute towards Council/your key stakeholders’ stated strategic priorities for 2027-37?

Finance BAU Activities: Strategic Alignment Map

BAU Activities →	Outputs →	Outcomes →	Benefits →	Strategic Priorities	← Drivers
Prepare, monitor and review budgets, forecasts, Annual Plan and Long Term Plan financial inputs.	Financial plans, budget advice, forecasts and decision-ready financial information.	Activity managers and elected members use timely financial information to make informed decisions and manage delivery.	Prudent financial decisions, affordability, transparency and accountability.	Affordability	Local Government Act 2002, financial strategy, revenue and financing policy, affordability, audit requirements.
Deliver financial reporting, accounting, treasury, tax, and audit support.	Monthly/quarterly reports, statutory financial statements, treasury compliance monitoring, insurance programme support and audit evidence.	Council, SLT and managers understand performance, risks, compliance and financial position.	Reduced financial, legislative and reputational risk; improved governance confidence.	Enhanced Lifestyles	LGA 2002, accounting standards, OAG audit requirements, treasury/risk policies, insurance market conditions.
Administer rates, accounts payable/receivable and revenue processes.	Rating assessments, debt collection processes, supplier payments, receipting and revenue information.	Ratepayers, customers, suppliers and internal teams obtain required goods/services and/or receive payment for goods/services.	Reliable cashflow, fair revenue collection, supplier confidence and customer service.	Sustainable Environment	Local Government (Rating) Act 2002, Council rates policy, fees and charges, customer expectations.
Provide financial policy, funding, commercial and procurement-related financial advice where applicable.	Policy advice, funding analysis, business case inputs, procurement financial assessments and contract cost advice.	Project and activity owners provide decision makers with robust investment options that reflect whole-of-life costs and impact on public funds.	Better value-for-money decisions and improved investment discipline.	Resilient Infrastructure	Financial strategy, procurement policy/manual, climate response, local government reform, market conditions.
LTP 2027-37 financial model, policies and supporting information.	Financial forecasts, financial strategy inputs, revenue/funding analysis and consultation material.	Council and community provide feedback/make decisions on affordability, debt, rates and funding trade-offs.	Improved alignment between users, community benefit, and affordability.	Diverse Economy	LGA 2002, audit, financial strategy, significant forecasting assumptions.
Revenue and rating settings review.	Review of rating differentials, fees and charges, funding allocations and revenue settings.	Council endorses policy/ies to ensure that costs are fairly and sustainably funded by the community.	Efficiency, accuracy and stronger internal control.	Connected Citizens	Revenue and Financing Policy, Funding Impact Statement, affordability and equity considerations.
Finance system and reporting improvement programme.	Improved reporting dashboards, templates, workflows and data quality controls.	Managers use accurate and current financial information to forecast and budget both BAU activities and projects.			Authority Altitude Upgrade, GL Consolidation and integration with MagiQ.

What are the key constraints, dependencies and assumptions for this activity for the next ten years?

Constraints	What are the implications?	How is this being managed?
Affordability and funding policy parameters.	Rate increases, user charges and debt settings affect the pace of service delivery and capital investment.	Finance supports modelling of trade-offs, clear reporting to governance, and alignment with financial strategy and Revenue and Financing Policy.
Labour market, system capacity and specialist financial capability.	Limited capacity can affect statutory timelines, reporting quality and improvement projects.	Prioritise statutory deliverables, maintain documented processes, cross-train where practicable and escalate resourcing risks.
Dependencies	**What are the implications?**	**How is this being managed?**
Inputs from all activity managers and project owners.	Delayed or incomplete budgets/forecasts reduce the reliability of financial decisions.	Use agreed timetable, templates, review cycles and escalation through SLT/LTP governance.
External audit, legislation, accounting standards, and finance system availability.	Changes or delays can affect Annual Report, LTP, Annual Plan and monthly reporting timeframes.	Maintain early engagement with audit, monitor legislative change, and maintain system support arrangements.
Assumptions	**What are the implications?**	**How is this being managed?**
Council will continue to plan and report on the basis of a 10-year Long Term Plan framework for the duration of the 2027-37 planning period.	The Government's Simplifying Local Government reforms may change future planning and reporting requirements, potentially affecting long-term financial forecasts and planning assumptions.	Council monitors legislative developments and reviews planning assumptions regularly to ensure financial planning remains aligned with any future statutory changes.
Council will provide financial support and corporate finance	Finance resourcing, costs, and work programmes will need to accommodate support for Central South Island Water,	Council and Central South Island Water are developing a Service Level Agreement to define service requirements, responsibilities,

services to Central South Island Water through a Service Level Agreement from its establishment on 1 July 2027.	including financial management, reporting, budgeting, treasury, and other agreed services.	resourcing, and funding arrangements. These assumptions will be reviewed as the organisation becomes operational. At this stage - we may or may not support CSIW
No major physical assets are managed directly by Finance.	Most asset-related costs are system, software, office equipment and corporate overheads rather than infrastructure renewals.	Treat asset requirements through appropriate unit/group overhead budgets unless separately approved.

Who are the key stakeholders for this activity?

This activity has a significant or strategic relationship with the following:

Group/Organisation	**Nature of relationship**
Mayor, Councillors, Community Boards, SLT and activity managers	Use financial advice, budgets, forecasts and reports to make decisions and monitor delivery.
Audit New Zealand / Office of the Auditor-General	Audits LTP, Annual Report and statutory financial information; provides assurance over financial reporting.
LGFA	Main funding supplier
Ratepayers, residents, customers, suppliers, Council Controlled Organisations and external funders	Receive rating and revenue services, supplier payments, public financial information and funding/commercial advice. Council Controlled Organisations, banks, insurers, auditors and key system providers as appropriate.

Part 2: Performance Management (Levels of Service)

Levels of service for 2027-37

Commented [SF1]: Pause on this for now - we will likely be getting set measures through reform

Performance Measure	Levels Of Service	Community or Technical LOS (C/T)	Benchmarks (Targets)	Future Performance Targets				Method of Measurement (where & how)
				Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Years 4-10 2027/34	
Eg For Project/Activity Output or Outcome	Eg For Project/Activity Outcome or Benefit	C	100%	80%	85%	90%	95%	Follow up customer survey results to consent applicants (CM9 # xxxxxx)

Levels of service are measurable qualities or attributes of an activity that relate to the way people experience the service.

Performance measures are the indicators that are used to determine whether levels of service are being delivered.

Benchmarks relate to your performance measures – for example, are there benchmarks set by industry standards for your activity?

Performance targets are the desired levels of performance against the performance measures.

Proposed Changes to Activities, Projects and Levels of Service

(**Note for any changes that the Investment Summary in Part 7 must be completed for <u>EACH</u> proposed change**)

What changes are being proposed for this activity for the LTP 2027-37 (cf LTP 2024-34 LTP)?

Proposed Activity Change or Project	Change from 2024/34 LTP (New or Amended)	Impact on Level of Service (Start, Stop, Change higher/lower)	Reason/Rationale	Options for consultation	Project Brief or Business Case Completed?

Part 3: Activity Management

Overall Management

How is the activity managed, including roles, staffing levels, accountabilities, monitoring, evaluation, and reporting processes including key delegations?

The activity is managed through the Finance leadership structure, with responsibilities expected to include financial planning and business partnering, accounting and reporting, treasury, rates/revenue, accounts payable/receivable, insurance, audit liaison and financial policy advice. Reporting is provided through monthly internal reporting, statutory LTP/Annual Plan/Annual Report processes, and governance reporting as required.

The activity is delivered through combination of specialist finance roles and shared organisational responsibilities. Finance staff work in partnership with activity managers and budget holders, who are responsible for managing the financial performance of their respective activities within approved budgets and delegated authorities. Staffing levels and structure of the team are reviewed periodically to ensure the activity has the capability and capacity required to meet Council's operational, strategic and statutory obligations.

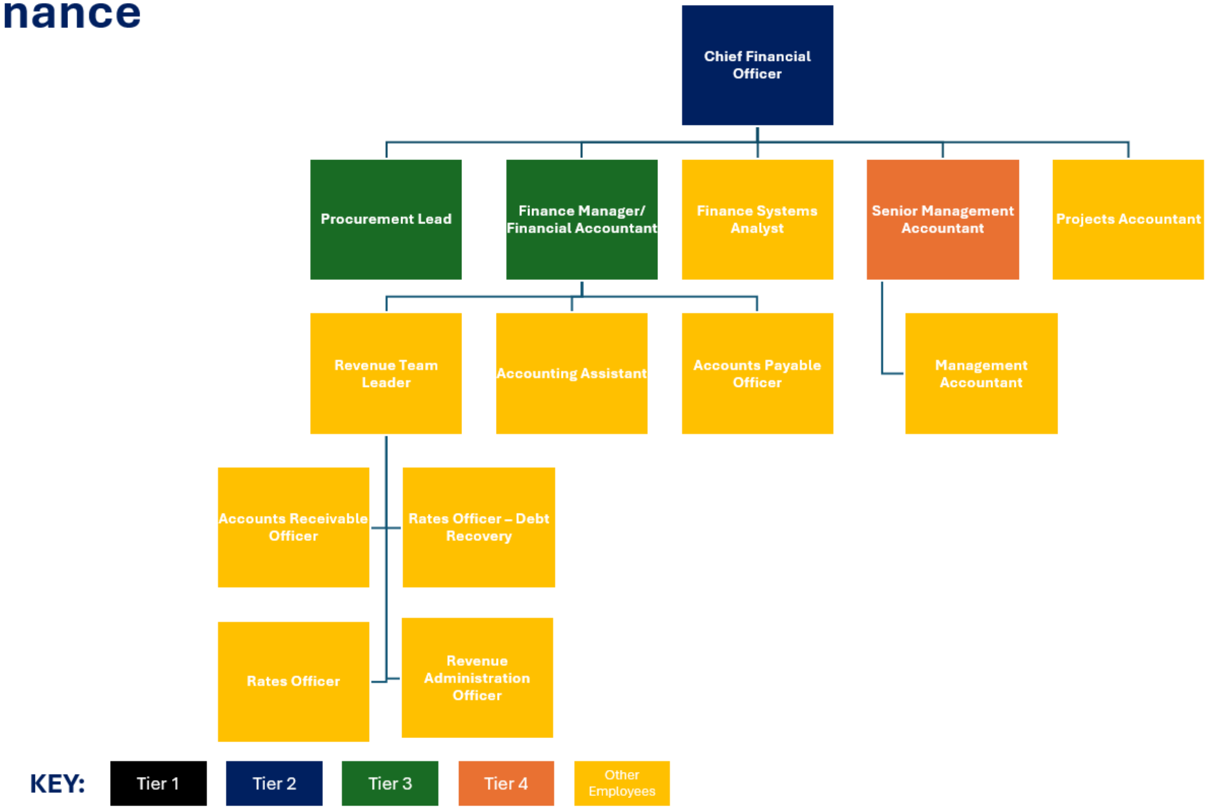
Clear accountabilities are established through position descriptions, management responsibilities, financial policies and delegated authorities. Financial delegations define the authority of elected members, the Chief Executive and staff to make financial decisions, commit expenditure, approve transactions and enter into financial agreements. These delegations are supported by appropriate internal controls, approval processes and separation of duties.

The performance and effectiveness of the Finance activity is monitored through a combination of financial and non-financial measures, including the timeliness, accuracy and quality of financial reporting, budget and forecast performance, compliance with financial policies and legislative requirements, audit findings, and feedback from internal stakeholders.

Regular reporting is provided to management, the Senior Leadership Team, Council and relevant committees. This includes reporting on Council's financial performance and position, budgets and forecasts, key financial risks, treasure and debt, capital expenditure and other matters requiring governance oversight. The activity is also subject to internal and external audit and other assurance processes.

The Finance Management Plan is reviewed and updated as required to reflect changes in Council's strategic direction, legislative requirements, organizational structure, financial systems and processes, and emerging risks or improvement opportunities.

Finance



Officer time is generally treated as operating expenditure unless attached to an approved capital project and eligible for capitalisation under accounting policy.

Workflow Management

How does the activity intersect with other activities and workflows across the business?

Other business unit	Other business activity	Point of intersection	Workflow solution	Relationship owner this unit (role)	Relationship owner other unit (role)
All activity units	Budgeting, forecasting and monthly reporting	Budget owners provide inputs; Finance provides review, challenge and reporting.	Magiq/reporting templates; budget timetable; monthly forecast cycle.	Finance Business Partner / Finance Manager	Activity Manager / Budget Owner
Governance and Strategy / Corporate Planning	LTP, Annual Plan, Annual Report	Alignment of budgets, levels of service, policies, consultation information and statutory reporting.	LTP/AP project governance, shared templates, audit timetable.	Finance lead for LTP/AP/Annual Report	Corporate and Strategic Planner/ GM Corporate
Digital / Customer Services	Systems, data, rates and customer financial processes	Finance depends on accurate system data and customer channels for revenue and payment processes.	System workflows, reconciliations, service requests and documented procedures.	Finance systems/process owner	Digital / Customer Services owner

Systems Management

What different management systems are used for this activity?

Key Systems include Authority, MagiQ, ESKER, EASYREV and GETZ for financial management, rating and receipting, invoicing and procurement.

Information Management

What are the key information sources used for decision making in this activity, including for asset management/replacement/renewals (as appropriate), and for determining priorities for this activity?

Finance uses budgets, actual expenditure and revenue data, forecasts, asset and project information from activity managers, rates and valuation data, treasury records, insurance information, audit guidance, accounting standards, and Council policy documents. Information is collected through system transactions, budget templates, reconciliations, management review, reporting cycles and statutory planning processes.

Commercial Management

What are the key considerations for procurement and contract management in this activity?

Finance supports procurement and commercial management by advising on budgets, affordability, funding sources, whole-of-life costs, financial evaluation, contract payments and financial delegations. Procurement-specific policy ownership is the responsibility of the relevant activity.

What are the key estimation and forecasting tools/methodologies relevant to this activity?

Budget and forecast estimates are prepared using prior year actuals, current year forecasts, approved service levels, known contractual commitments, inflation/escalation assumptions, staffing assumptions, policy changes, activity manager input, project estimates and corporate assumptions for the LTP/Annual Plan.

Communication Management

How does this activity ensure effective communication and engagement with governance and the community?

Communication occurs through budget workshops, SLT and management reporting, Council and committee reports, audit processes, LTP and Annual Plan engagement material, rating information, Annual Report disclosures, and direct advice to activity managers. Public-facing financial information should be clear, consistent and aligned with adopted policies.

Part 4: Asset Management

Asset Management Overview

How will the assets be managed to deliver the service?

This activity does not directly manage major physical infrastructure assets. The assets used to deliver the service are primarily corporate office accommodation, computers, software such as Authority, MagiQ, , ESKER and GETZ, financial systems and records, which are managed through corporate property, digital and information management processes.

Any renewal or replacement needs are expected to relate mainly to system upgrades, reporting tools, office equipment and process improvements.

Asset Management Plan (if relevant)

Please refer to the Asset Management Plan here. (hyperlink to Asset Management Plan if activity has one)

Part 5: Financial Management

Commented [SF2]: Pause on this for now until we get the layout and prior years info from Finance

Ten Year Operating and Capital Budget

What financial resources are needed?

(Insert Magiq table here of whole budget summary)

Identify the changes to any financial line items and explain the rationale for this change.

Planned Capital Expenditure for Key Capital Projects

How much capital expenditure will be spent, on what asset, and what are the key capital projects for this activity for the next ten years?

(Insert Magiq table here of capex projects. Include whole of Life costs/future operating projections if different from above, and consider NPV. Remember to include officer resource requirements where time will be capitalized, and assets that will be created with corresponding depreciation values). **TABLE TO COME or INSERT FROM Asset Management Plan**

How much capital expenditure will be spent, on what asset, and what are the key capital projects beyond the next ten years?

(Insert Magiq table here of capex projects. Include whole of Life costs/future operating projections if different from above, and consider NPV. Remember to include officer resource requirements where time will be capitalized, and assets that will be created with corresponding depreciation values). **TABLE TO COME or INSERT FROM Asset Management Plan**

Funding Considerations

LGA s101 Funding Considerations

Funding Policy

Funding Principles

User-pays	Exacerbator-pays	Inter-generational equity	Separate funding
Low/Med/Hi	Low/Med/Hi	Low/Med/Hi	Low/Med/Hi

This table shows how Council has considered the funding in relation to the activity, using a simple high to low scale. The categories are:

- User-pays – the degree to which the activity can be attributed to individuals or identifiable groups rather than the community as a whole;
- Exacerbator-pays – the degree to which the activity is required as a result of the action (or inaction) of individuals or identifiable groups;
- Inter-generational equity – the degree to which benefits can be attributed to future periods, and;
- Separate funding – the degree to which the costs and benefits justify separate funding for this activity.

When an activity is paid for through a number of funding mechanisms, Council's practice is to meet its operating costs in the first instance through fees & charges and grants & subsidies (subject to the considerations outlined above). If the activity requires further operational funding, this remainder is funded through rates.

Capital Cost Funding Policy

This capital programme will be funded in accordance with the following principles: (example below)

Investment type	Initial funding	Serviced and/or repaid by

• Renewal/replacement • Service improvement and other assets • growth	• rates and debt • debt • debt	• rates • rates • rates

Rates	Borrowing	Financial Contributions	Grants and other funds
Low/Medium/High/Not Applicable	Low/Medium/High/ Not Applicable	Low/Medium/High/ Not Applicable	Low/Medium/High/ Not Applicable

Operating Cost Funding Policy

This table below shows Council's broad funding target for the activity (i.e. how much is paid by individuals/groups versus the community as a whole), and the associated funding mechanism used (i.e. general rates, targeted rates, user charges etc.). Because there are variations in the balance between individual/group and community funding, the funding target is expressed in broad terms rather than specific percentages. These broad ranges are:

- Low = this source provides 0%-25% of the funding for this activity;
- Medium = this source provides between 26% and 75% of the funding for this activity, and;
- High = this source provides between 76% and 100% of the funding for this activity.

	Funding Target	Funding Mechanisms
Individual/Group	Low/Medium/High	Fees & Charges/Targeted rates (Low, Medium, High)
Community	Low/Medium/High	General rates/Grants & Other (Low, Medium, High)

Part 6: Risk and Opportunity Management

What specific risks are identified for this activity, and what controls and mitigations are planned or in place to address these?

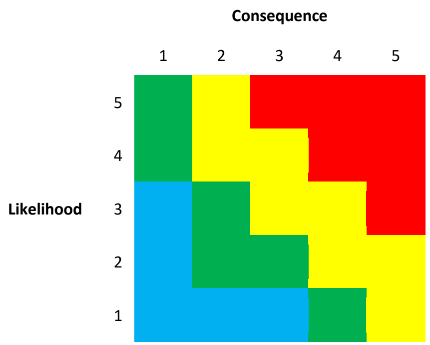
Description	Triggered by	Resulting in	Risk Level*		Controls and/or Mitigations	Residual Score
			Likelihood	Consequence		
Statutory financial planning or reporting deadlines are missed.	Delayed inputs, system issues, audit delays or capacity constraints.	Reduced governance confidence, audit risk and reputational impact.	Possible	Moderate	Agreed timetable, early audit engagement, milestone reporting, escalation and documented review controls.	Medium
Financial forecasts, budgets or reports are inaccurate or misaligned with activity plans.	Incomplete data, late changes, weak assumptions or inconsistent system coding.	Poor decisions, affordability pressure, audit findings or loss of confidence.	Possible	Moderate	Quality assurance, budget owner sign-off, reconciliations, peer review, variance analysis and clear assumptions.	Medium
Climate and emergency events increase financial pressure or disrupt service delivery.	Extreme weather, insurance changes, asset resilience needs or emergency response costs.	Additional funding requirements, insurance affordability issues and staff/supplier disruption.	Possible	Moderate	Maintain prudent financial strategy, debt headroom, insurance review, business continuity and flexible working arrangements.	Medium

What specific opportunities are identified for this activity, and what measures are planned or in place to exploit these?

Description	Triggered by	Resulting in	Risk Level*		Controls and/or Exploitation (incl climate adaptation and mitigation)	Residual Score
			Likelihood	Consequence		

Improved financial reporting and self-service information.	System/reporting improvements and demand for better management information.	Faster decisions, reduced manual effort and better visibility of financial performance.	Likely	Moderate	Prioritise reporting improvements, standard templates, data quality and training.	Low
Revenue and funding review improves fairness and transparency.	2027-37 LTP policy review and affordability pressures.	Funding settings better align with users, community benefit, affordability and growth.	Possible	Major	Use s101 analysis, consultation where required and plain English public material.	Medium
Finance advice embeds climate and whole-of-life cost considerations.	Climate response planning and investment decisions.	Improved resilience, lower long-term cost and better sustainability decisions.	Possible	Moderate	Include climate, insurance, depreciation and lifecycle assumptions in business cases and LTP advice.	Low

Risk Matrix



Key (as per Risk Management Policy):

Likelihood

1. Rare
2. Unlikely
3. Possible
4. Likely
5. Almost Certain

Consequences

1. Less than minor
2. Minor
3. Moderate
4. Major
5. Extreme

Risk Categories

- Political
- Environmental
- Social
- Reputational
- Financial
- Operational
- Health & Safety
- Legislative/Regulatory
- Levels of Service

(USE PROMPTS TO COMPLETE ALL FIELDS)

Part 7: New Projects or Programmes Investment Summary

Business Justification and Scope	
Project/Programme	• Name • Scope (what will be delivered, what won't be delivered)
Purpose	• Purpose (drivers, problem or opportunity statement)?
Level of Service	• Impact per Activity Management Plan ie Achieve compliance, Maintain LOS, Improve LOS, Meet demand/growth (select all that apply)
Business Justification	• Implications of Current State/Status Quo Option • Options Considered and Preferred Option, reasons • Outcomes (what changes – business or community) - will successful delivery enable? (per above section, Strategic Alignment) • Benefits (what advantages – internal or community) – are enabled by the outcomes? (per above section, Strategic Alignment) • Evidence to support the case for investment – attach Project Brief, Business Case or Optioneering Assessment if completed
Risks, Opportunities	• Most relevant only, describe key risks/opportunities and mitigations/exploitations – attach supporting evidence if available
Assumptions, Constraints and Dependencies	• Statutory and Regulatory context (compliance parameters, requirements or conditions) • External decision makers or approvals required • Affordability and funding availability • Sustainability, climate change impacts • Coordination with other agencies/projects/activities (internal or external, public or private) • Previous consultation/stakeholder perspectives • User Acceptance Criteria (UACs) or stakeholder requirements • Minimum Viable Product (MVP) for technical parameters

Cost Summary	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Internal Resource to be capitalised	$									
CAPEX (excl internal resource)	$									
OPEX	$									
Revenue	$									
Project Total (excluding GST)	$									
Detailed cost breakdown attached Y/N?										

Investment Summary – Critical Success Factor evaluation

Notes for users

- These criteria are intentionally generic. The terms in **bold** — such as 'compliance', 'strategic priorities', 'LOS', 'growth/demand', and 'other strategies, programmes and projects' — are placeholders. You will need to define these terms for your activity (using the details populated in Parts 1 and 2 of your Activity Management Plan above) before evaluating the investment proposal. Level of Service' (LOS) refers to the agreed performance standard for a given activity per Part 2 above.
- Scoring by the activity/project manager should be reviewed by at least one other person (eg Team Lead, Manager or PMO) to reduce subjectivity. Supporting reasons should be provided.
- This tool operates within Council's Procurement Policy and Procurement Manual and the Procurement Lead must be engaged if/when progressing to formal procurement planning.
- Scoring does not determine funding priority but is one input into decision making to be read alongside the relevant Investment Summary above and any supporting evidence (Project Brief, Business Case, or Optioneering Assessment).

Critical Success Factor (CSF)	Rating	Does Not Meet/Poorly Meets (DNM/PM)	Partially Meets/Mostly Meets (PM/MM)	Fully Meets/Exceeds (FM/E)
Strategic fit and business needs		Non-compliant, poor **compliance**, medium compliance risk Not at all aligned to **strategic priorities** Not required to maintain **LOS or for growth/demand** Disrupts **other strategies, programmes and projects** No/limited **stakeholder** or community support	Not required for **compliance**/low compliance risk Somewhat aligned to **strategic priorities** Not required to maintain **LOS** but may improve **LOS** or meet **growth/demand** Doesn't disrupt other **strategies, programmes and projects** Some **stakeholder**/community support	Required for **compliance**, fully compliant Fully aligns with agreed **strategic priorities** Required to maintain **LOS** or will improve **LOS** or meet **demand** Fits well with other **strategies, programmes and projects** Considerable **stakeholder**/community support
Potential value-for-money		Low value/improbable benefits, insufficient evidence High costs or costs unknown, insufficient evidence High risk or risks unknown, insufficient evidence	Moderate value/possible benefits, limited supporting evidence Moderate costs and reasonable cost confidence Moderate risk and reasonable confidence in risk analysis	Compelling evidence supports investment, high benefits probability and value Low cost and/or costs well understood and acceptable Low risk and/or risks well understood and manageable
Supplier capacity and capability		No suppliers available to deliver required services Risk of diminishing value for money or unsustainable terms	Non-local suppliers can deliver required services Acceptable contract terms/value for money anticipated	Local suppliers can deliver required services Value-for-money arrangement over contract term is anticipated
Potential affordability		Cannot be met from likely available funding, does not align with activity or corporate priorities Funding gap/other funding constraints Other funding opportunities are more appropriate	Can be met from likely available funding, aligns with either but not both activity and corporate priorities Matches/no other funding constraints Does not leverage any other funding opportunities	Can be met from likely available funding, aligns with both activity and corporate priorities Matches/no other funding constraints Leverages other funding opportunities
Potential achievability		Skills and resource required for successful delivery cannot be prioritised without unacceptable impact on BAU delivery	Skills and resource required for successful delivery constrained, resourcing costs or impact on BAU delivery requires consideration	Sufficient skills and resource available to support successful delivery in parallel with BAU delivery
Overall Rating		Comments:		