

1. Executive Summary for Audit, Risk and Assurance Committee

1.1 Group overview

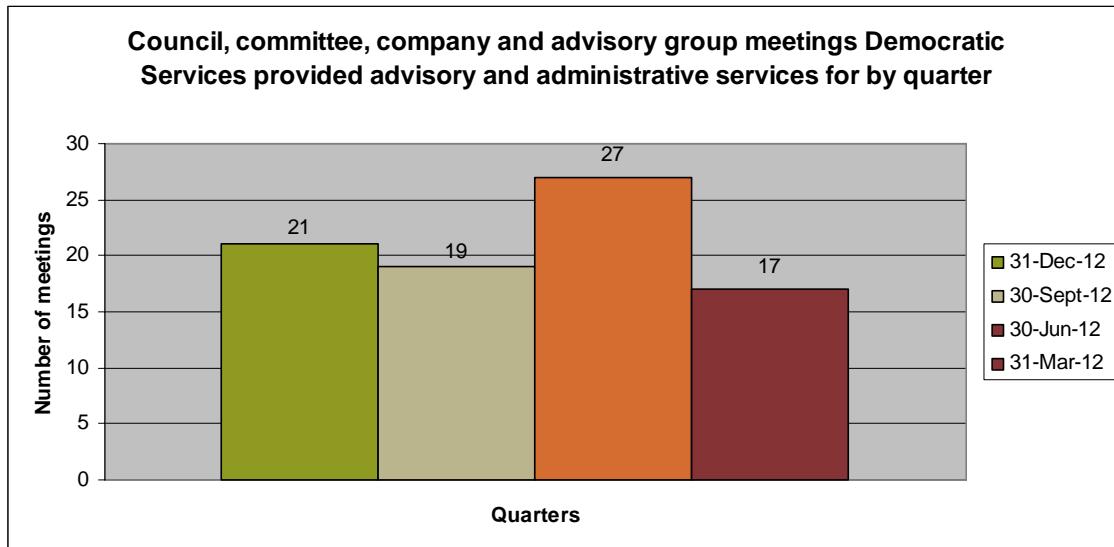
The main activities and functions carried out by the People and Capability Group over the last quarter were:

- Finalising the Regional Council's Collective Employment Agreement negotiations, negotiating individual employment agreements and briefing management teams on changes to terms and conditions of employment
- Running a number of workshops and programmes focusing on employee health and wellbeing
- Managing an external review of the Regional Council's contractor management policies and processes
- Working with the Executive on publication and roll-out of the organisation's 2012 engagement results
- Finalising the Council's representation arrangements for the 2013 triennial elections
- Preparing feedback on the Remuneration Authority's proposals for local authority remuneration setting
- Preparing an officer submission on the Local Electoral Amendment Bill (No. 2)
- Providing training on the Local Government Official Information and Meetings Act 1987
- CDEM became part of the People & Capability Group

1.2 Quarterly Report on Democratic Services

1.2.1 Servicing of meetings

During this quarter Democratic Services provided advisory and administrative services to 21 Council, committee, company and advisory group meetings. The following graph shows the number of meetings serviced by the Democratic Services Department over the past 12 months.



1.2.2 Representation review

On 19 November 2012 the Local Government Commission made a determination on the Council's representation arrangements for the 2013 triennial elections. The determination provides for the continuation of the existing electoral arrangements, as proposed by the Council.

1.2.3 Remuneration setting for local authorities

In December 2012 Democratic Services prepared the Council's response to the Remuneration Authority's proposals for local authority remuneration setting.

1.2.4 Local Electoral Amendment Bill (No. 2)

In December 2012 Democratic Services prepared the officer submission to the Justice and Electoral Committee on the provisions of the Local Electoral Amendment Act (No. 2).

1.2.5 Wellington Regional Strategy Committee vacancy

Democratic Services undertook the public advertising process for the current vacancy on the Wellington Regional Strategy Committee. Eight applications were received and the Council is scheduled to make an appointment at its meeting on 12 February 2013.

1.2.6 Local Government Official Information and Meetings Act 1987

In October 2012 training on the requirements of the Local Government Official Information and Meetings Act 1987 was held. The training was delivered by Antonia Di Maio, Senior Business Adviser, Policy and Professional Practice Advisory Group, Office of the Ombudsman.

1.2.7 2012/13 elected member remuneration

On 3 October 2012 the Remuneration Authority approved the Council's Policy on Elected Members' Allowances and Expenses 2012. The policy contains new provisions relating to mileage and travel time thresholds that align with

the Local Government Elected Members (2012/13) (Certain Local Authorities) Determination 2012.

1.2.8 Annual Plan performance measures

Level of service	Performance measure	Performance targets			
		Baseline	2012/13 Planned	2012/13 Actual	
Provide information to enable the public to be informed of, and participate in, Council and committee meetings	Percentage of time meeting agenda is available to the public at least two working days prior to each meeting	100% (2010/11)	100%	100%	
	Percentage of residents satisfied that they have had an opportunity to participate in decision making	New measure	Establish a baseline (1)	Establishing a baseline(1)	

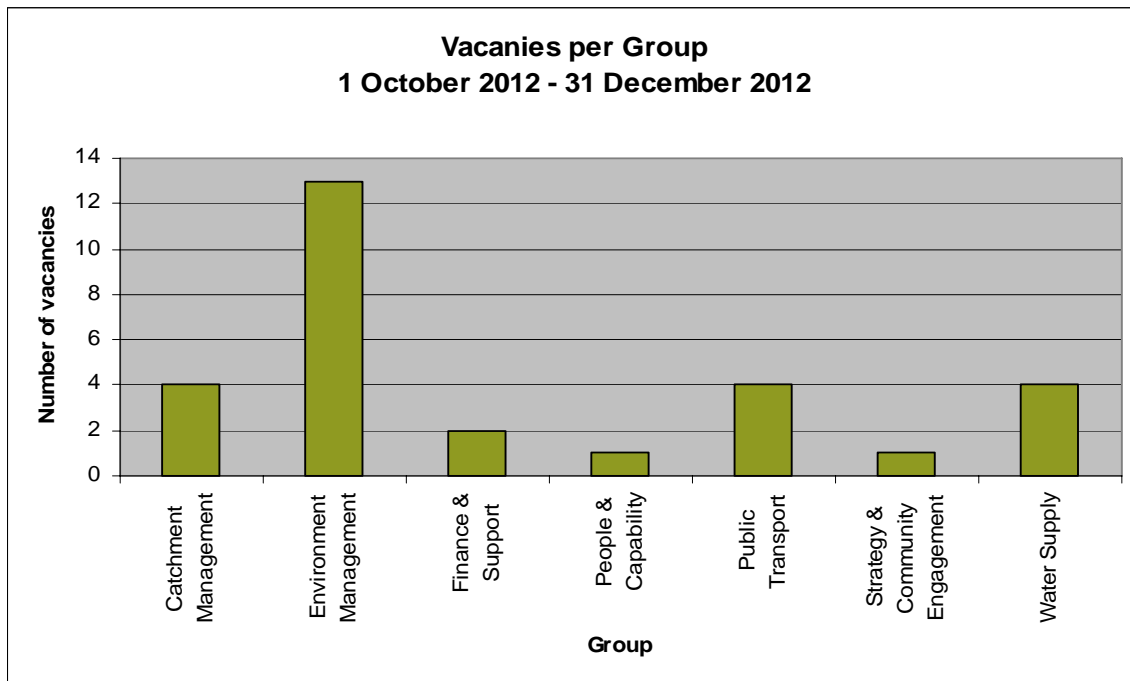
(1) consultancy to be engaged to survey residents

1.3 Quarterly Report on Human Resources

1.3.1 Recruitment

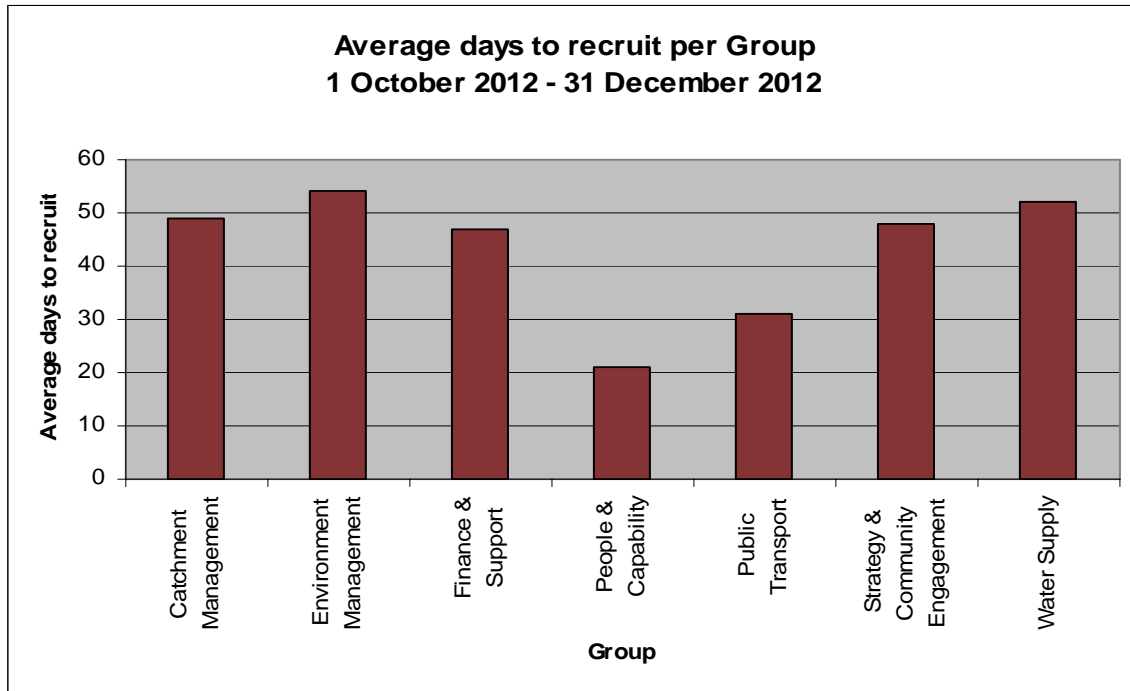
(a) Vacancies

The number of vacancies per group is outlined in the following graph.



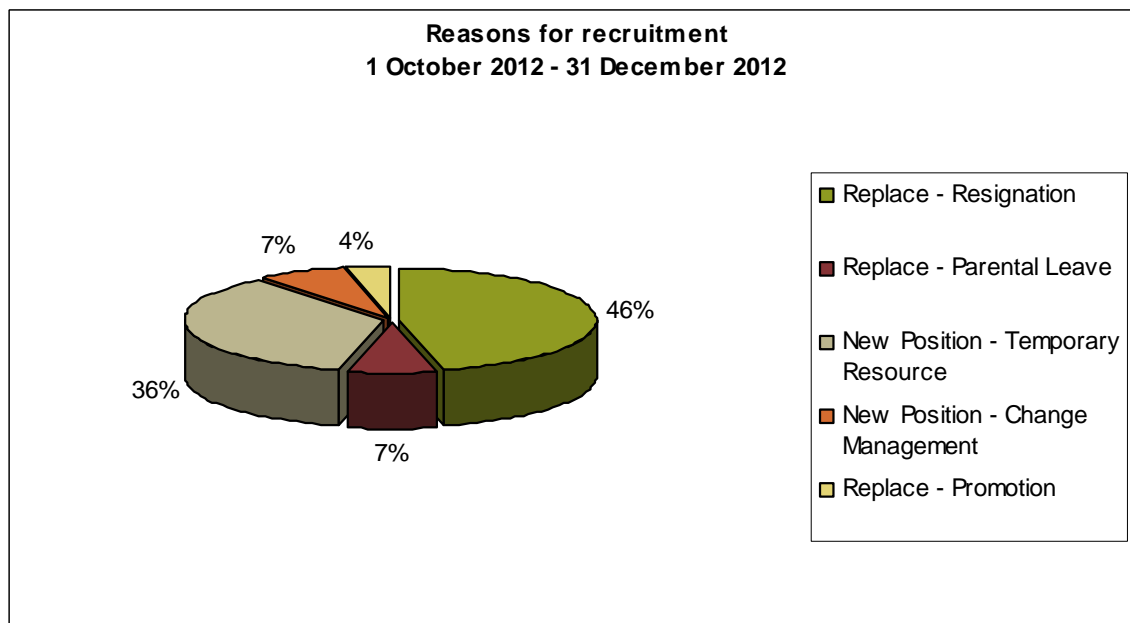
(b) Average days taken to recruit

The “Average days to recruit per Group” graph (below) provides an overview of how long it has taken to recruit vacancies within each Group. Where vacancies have been difficult to fill, the recruitment period has been longer.



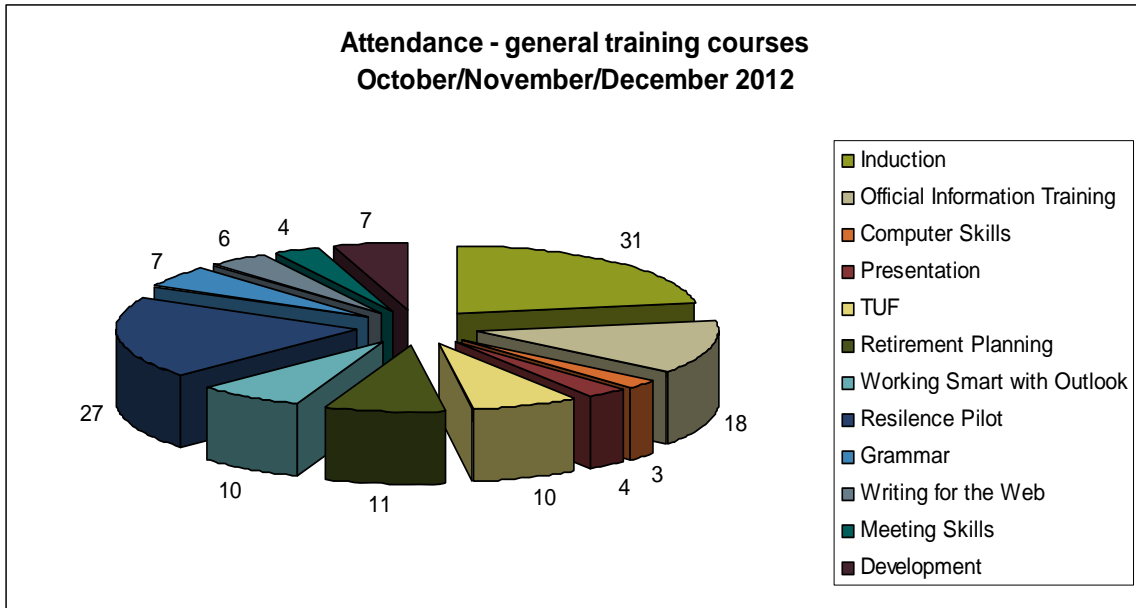
(c) Reason for recruitment

The following graphs identify the reasons for recruitment during the last quarter:

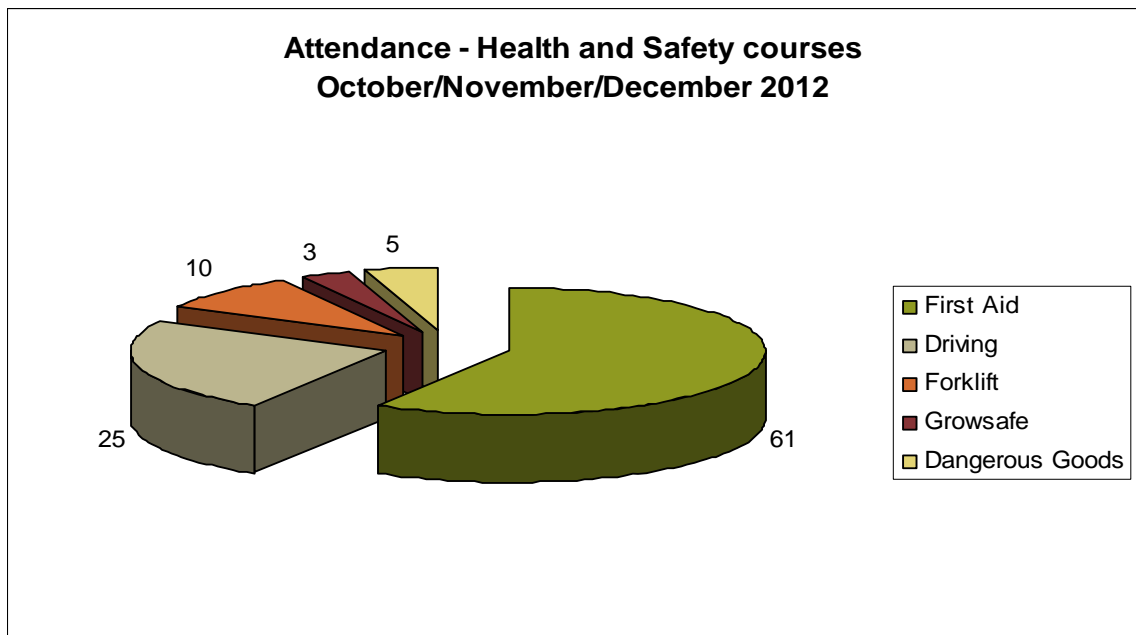


1.3.2 Training and Development

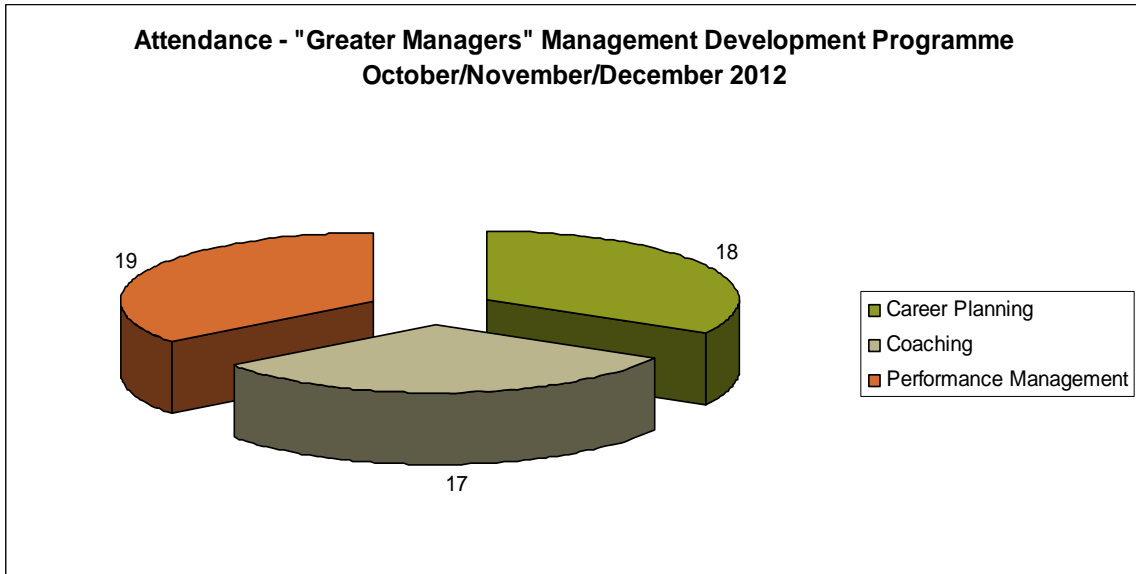
(a) Course attendance



(b) Health and Safety training courses



(c) "Greater Managers" Management Development Programme



1.3.3 Industrial relations

The union members ratified the Collective Employment Agreement (CEA) and it was signed on 6 November 2012.

Briefing sessions have been held with our management group (Department Managers and Team Leaders) to inform them of changes to the CEA and any process changes.

The new Individual Employment Agreement (IEA) for the Harbour Communications Officers located at Beacon Hill were finalised and all individuals covered by that agreement have signed up to an IEA.

1.3.4 Engagement Survey

The results of the October Gallup Engagement Survey were released in December. The Survey shows that there has been a slight decline in the level of engagement from 4.01 in 2011 to 3.99 in 2012, which given the environment that we are currently in, is better than expected. There has been a lot of movement within teams and groups and further analysis needs to be done to identify areas of concern. Our engagement journey since 2007 is as follows:

Year	Engagement Grand Mean	Worldwide percentile
2007	3.69	35th
2008	3.86	47th
2009	3.98	54th
2010	4.02	56th
2011	4.01	53th
2012	3.99	50th

1.3.5 Wellbeing seminars and workshops

Two pilot groups comprising managers/team leaders and staff were taken through a series of workshops on building personal resilience. Feedback from these pilot groups will be incorporated into a programme for staff on building resilience.

Seminars on prostate cancer awareness were held at RCC, Masterton, Upper Hutt and Mabey Road. Many staff (particularly men) attended these workshops and the discussions were very informative.

1.4 Quarterly Report on Health and Safety

1.4.1 Greater Wellington Regional Council health and safety activity

In addition to business as usual, key health and safety activity that occurred during the last quarter included:

- A full review of the Greater Wellington Regional Council's Contractor Health and Safety Management Policy, processes and documentation. Revised draft documents have been prepared for feedback from the project stakeholder representatives.
- Completion of the annual internal self assessment of Greater Wellington Regional Council's health and safety management system in the Water Supply Group. We engaged an external Health and Safety consultant to complete the assessment. A report has been received, confirming that as an organisation, we remain at ACC WSMP secondary performance level. An action plan is currently being prepared following consideration of the report's findings and recommendations. This action plan will be implemented in the new year.
- Initiation of the formal review project of SafeTsmart, the Regional Council's health and safety database. The focus of this project is:
 - to rationalise and simplify the data captured; and
 - to establish agreed protocols to make better use of the database functionality to assist with the routine health and safety management activity.
- A field based interactive safety training session with Flood Protection staff, examining manual tasks. The session was facilitated by two guest physiotherapists and focused on:
 - understanding the body dynamics and the loads taken on during the performance of routine manual tasks;
 - minimising potential risks;
 - recommended recovery activity.

This is part of the evolving injury prevention activity associated with the large amount of manual based tasks performed by staff across the Regional Council

1.4.2 Business group health and safety performance summary

The following graphs summarise Greater Wellington Regional Council's health and safety performance over the last 12 months.

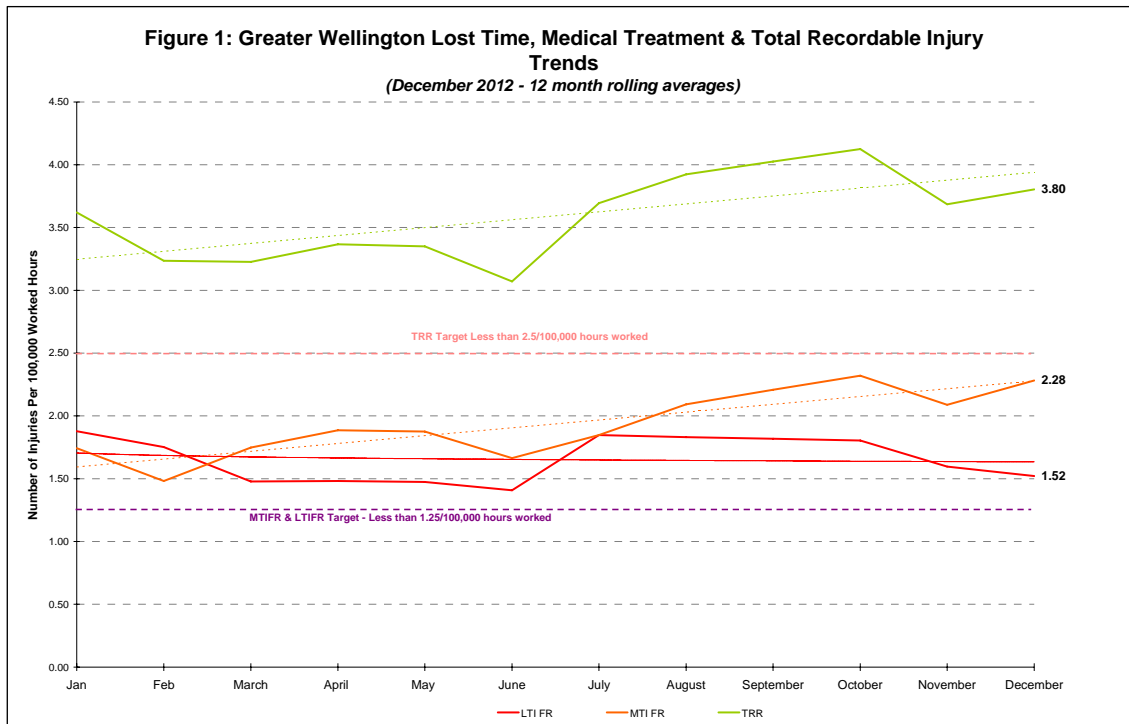


Figure 1 shows the relationship between frequency of *Lost Time Injuries* which result in time off work (*LTIFR*) and *Medical Treatment Injuries* which require treatment by a registered medical practitioner (*MTIFR*). The *Total Recordable Rate (TRR)* is the combination of the *LTIFR* and *MTIFR*.

The graph shows that our *TRR* has increased over this quarter due to four new *LTIs* and four *MTIs*. The Executive Leadership Team have signed off the performance target of 2.5 *TRR* occurrences/100,000 hours worked for the 2012 – 2013 year. It is currently sitting at 3.80.

The *LTIFR* target agreed to by the executive for the 2012 – 2013 year is 1.25/100,000 hours worked. With four *lost time injuries* in the last quarter the *LTIFR* has decreased to 1.52 from 1.82 *LTIs*/100,000 hours worked from the previous quarter.

The *MTIFR* target agreed to by the Executive Leadership Team for the 2012 – 2013 year is also 1.25/100,000 hours worked. Due to the additional four *MTIs* to staff this quarter the *MTIFR* has increased slightly over this quarter from 2.21 to 2.28 *MTIs*/100,000 hours worked.

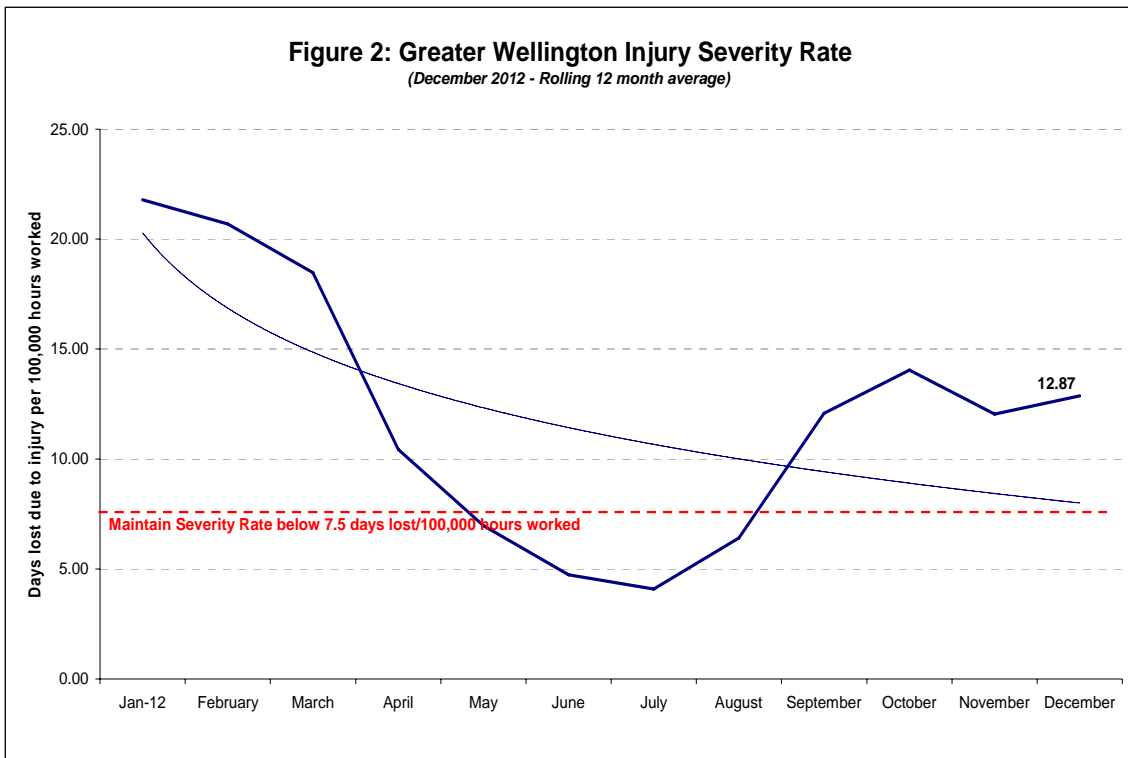


Figure 2 shows the days lost per 100,000 hours worked due to work related injuries. The Executive Leadership Team have agreed to the *Severity Rate* performance target of 7.5 days lost/100,000 hours worked for the 2012 – 2013 year.

This graph shows that our *Severity Rate* increased slightly from 12.08 to 12.87 days lost due to injury/100,000 hours worked. During the last quarter there were 32.5 recorded days lost across the business due to *LTIs*.

1.4.3 Reportable “Serious Harm” accidents

In the last quarter there were no reportable serious harm accidents suffered by employees or contractors’ employees.

2. Group financial summary

2.1 Financial summary

Direct expenditure of \$2.4 million is on budget. All work programmes are running to schedule.

The sale of the departmental vehicle was actioned shortly after the year closed, leaving a variance of \$10k.

2.2 Group consolidated financial statements

People & Capability Group Financial Performance Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	1,709	1,709	-	3,418	3,418	-	1,555	3,110
External Revenue	9	9	-	18	18	-	9	18
Investment Revenue	5	5	-	10	10	-	3	6
Internal Revenue	126	126	-	252	252	-	1,516	3,011
TOTAL INCOME	1,849	1,849	-	3,698	3,698	-	3,083	6,145
less:								
Personnel Costs	860	864	4	1,694	1,726	32	808	1,746
Materials,Supplies & Services	696	707	11	1,503	1,503	-	776	1,466
Travel & Transport Costs	37	61	24	122	122	-	40	81
Contractor & Consultants	30	98	68	198	198	-	54	151
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	805	812	7	1,625	1,625	-	1,301	2,594
Total Direct Expenditure	2,428	2,542	114	5,142	5,174	32	2,979	6,038
Financial Costs	-	-	-	-	-	-	1	1
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(799)	(799)	-	(1,599)	(1,599)	-	(45)	(89)
Depreciation	21	32	11	64	64	-	22	43
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
Total Indirect Expenditure	(778)	(767)	11	(1,535)	(1,535)	-	(22)	(45)
TOTAL EXPENDITURE	1,650	1,775	125	3,607	3,639	32	2,957	5,993
OPERATING SURPLUS / (DEFICIT)	199	74	125	91	59	32	126	152
Add Back Depreciation	21	32	(11)	64	64	-	22	43
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions	11	-	11	(32)	(32)	-	(153)	(149)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	231	106	125	123	91	32	(5)	46
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(5)	(5)	-	(90)	(90)	-	79	36
NET FUNDING SURPLUS (DEFICIT)	226	101	125	33	1	32	74	82

6 Months ended 31 December 2012 Capital Expenditure Statement People & Capability Group	Actual \$000	YTD Budget \$000	Variance \$000	Forecast \$000	Full Year Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	32	32	-	60	60
Capital Project Expenditure	-	-	-	-	-	-	93	89
Asset Disposal Cash Proceeds	(11)	-	11	-	-	-	-	-
Net Capital Expenditure	(11)	-	11	32	32	-	153	149
Investments Additions	-	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	(11)	-	11	32	32	-	153	149

notes

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2.3 Group financial summary for Audit, Risk and Assurance

2.3.1 Human Resources department financial report

Human Resources Financial Performance Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
External Revenue	-	-	-	-	-	-	-	-
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	98	196
TOTAL INCOME	-	-	-	-	-	-	98	196
less:								
Personnel Costs	658	609	(49)	1,218	1,218	-	592	1,305
Materials,Supplies & Services	12	52	40	95	95	-	35	57
Travel & Transport Costs	5	3	(2)	6	6	-	4	12
Contractor & Consultants	23	64	41	131	131	-	52	150
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	71	92	21	183	183	-	85	175
Total Direct Expenditure	769	820	51	1,633	1,633	-	768	1,699
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(816)	(816)	-	(1,633)	(1,633)	-	(716)	(1,433)
Depreciation	4	4	-	7	7	-	4	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
Total Indirect Expenditure	(812)	(812)	-	(1,626)	(1,626)	-	(712)	(1,426)
TOTAL EXPENDITURE	(43)	8	51	7	7	-	56	273
OPERATING SURPLUS / (DEFICIT)	43	(8)	51	(7)	(7)	-	64	47
Add Back Depreciation	4	4	-	7	7	-	4	7
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	47	(4)	51	-	-	-	68	54
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	47	(4)	51	-	-	-	68	54

2.3.2 Human Resources department financial summary

Direct expenditure of \$769,000 is \$51,000 less than budget. Savings have been made in employee engagement and training, contributing to the \$41,000 favourable variance in contractors.

2.3.3 Democratic Services department financial report

Democratic Services Financial Performance Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year FY Actual \$000	notes
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000		
External Revenue	8	8	-	15	15	-	15	
Investment Revenue	-	-	-	-	-	-	-	
Internal Revenue	126	126	-	252	252	-	840	
TOTAL INCOME	134	134	-	267	267	-	855	
less:								
Personnel Costs	191	230	39	428	459	31	416	1
Materials,Supplies & Services	5	15	10	30	30	-	36	
Travel & Transport Costs	3	4	1	7	7	-	9	
Contractor & Consultants	-	24	24	47	47	-	2	2
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	
Internal Charges	44	38	(6)	77	77	-	299	
Total Direct Expenditure	243	311	68	589	620	31	762	
Financial Costs	-	-	-	-	-	-	-	
Bad Debts	-	-	-	-	-	-	-	
Corporate & Department Overheads	(177)	(177)	-	(353)	(353)	-	-	
Depreciation	4	5	1	9	9	-	9	
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	
Total Indirect Expenditure	(173)	(172)	1	(344)	(344)	-	9	
TOTAL EXPENDITURE	70	139	69	245	276	31	771	
OPERATING SURPLUS / (DEFICIT)	64	(5)	69	22	(9)	31	84	
Add Back Depreciation	4	5	(1)	9	9	-	9	
Other Non Cash	-	-	-	-	-	-	-	
Net Asset (Acquisitions)/disposals	11	-	11	-	-	-	(54)	
Net External Investment Movements	-	-	-	-	-	-	-	
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	79	-	79	31	-	31	39	
Debt Additions / (decrease)	-	-	-	-	-	-	-	
Debt Repaid	-	-	-	-	-	-	-	
Net Reserves (Increase) / decrease	-	-	-	-	-	-	22	
NET FUNDING SURPLUS (DEFICIT)	79	-	79	31	-	31	61	

Democratic Services Capital Expenditure Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year FY Actual \$000	notes
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000		
Total Asset Acquisitions	(1)	-	1	-	-	-	55	
Capital Project Expenditure	-	-	-	-	-	-	-	
Asset Disposal Cash Proceeds	(11)	-	11	-	-	-	-	3
Net Capital Expenditure	(12)	-	12	-	-	-	55	
Investments Additions	-	-	-	-	-	-	-	
Net Capital and Investment Expenditure	(12)	-	12	-	-	-	55	

2.3.4 Democratic Services department financial summary

Direct expenditure of \$243,000 is \$68,000 favourable mainly due to the staff taking leave without pay and parental leave (note 1). There is a currently a favourable variance in the contractors and consultants budget but it is expected that this will be utilised before the end of the year (note 2).

The departmental vehicle was in use by another department resulting in a delay in its sale (Note 3).

2.3.5 Democratic Services department business plan performance indicators

During the period under review all Order Papers were available to the public at least two working days prior to each meeting.

2.3.6 Elected members financial report

Elected Members Financial Performance Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
External Revenue	2	2	-	3	3	-	2	3
Investment Revenue	5	5	-	10	10	-	3	6
Internal Revenue	-	-	-	-	-	-	988	1,975
TOTAL INCOME	1,716	1,716	-	3,431	3,431	-	2,548	5,094
less:								
Councillor costs	11	24	13	49	49	-	11	25
Materials,Supplies & Services	679	641	(38)	1,379	1,379	-	721	1,374
Travel & Transport Costs	29	54	25	109	109	-	30	60
Contractor & Consultants	7	10	3	20	20	-	-	(1)
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	690	682	(8)	1,365	1,365	-	1,068	2,119
Total Direct Expenditure	1,419	1,423	4	2,945	2,945	-	1,832	3,583
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	194	194	-	387	387	-	672	1,344
Depreciation	13	24	11	47	47	-	13	27
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
Total Indirect Expenditure	207	218	11	434	434	-	685	1,371
TOTAL EXPENDITURE	1,626	1,641	15	3,379	3,379	-	2,517	4,954
OPERATING SURPLUS / (DEFICIT)	90	75	15	52	52	-	31	140
Add Back Depreciation	13	24	(11)	47	47	-	13	27
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	(32)	(32)	-	(99)	(95)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	103	99	4	67	67	-	(55)	72
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(5)	(5)	-	(90)	(90)	-	57	14
NET FUNDING SURPLUS (DEFICIT)	98	94	4	(23)	(23)	-	2	86

Elected Members Capital Expenditure Statement 6 Months ended 31 December 2012	YTD			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	32	32	-	5	5
Capital Project Expenditure	-	-	-	-	-	-	93	89
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	-	-	-	32	32	-	98	94
Investments Additions	-	-	-	-	-	-	-	-
Net Capital and Investment Expenditure	-	-	-	32	32	-	98	94

2.3.7 Elected members financial summary

Direct expenditure of \$1.4 million was on budget. There are no significant variances from budget.