



26 March 2019

Audit New Zealand
Client Update:
Wellington

Reflections on our recent work: Themes and issues for central government organisations

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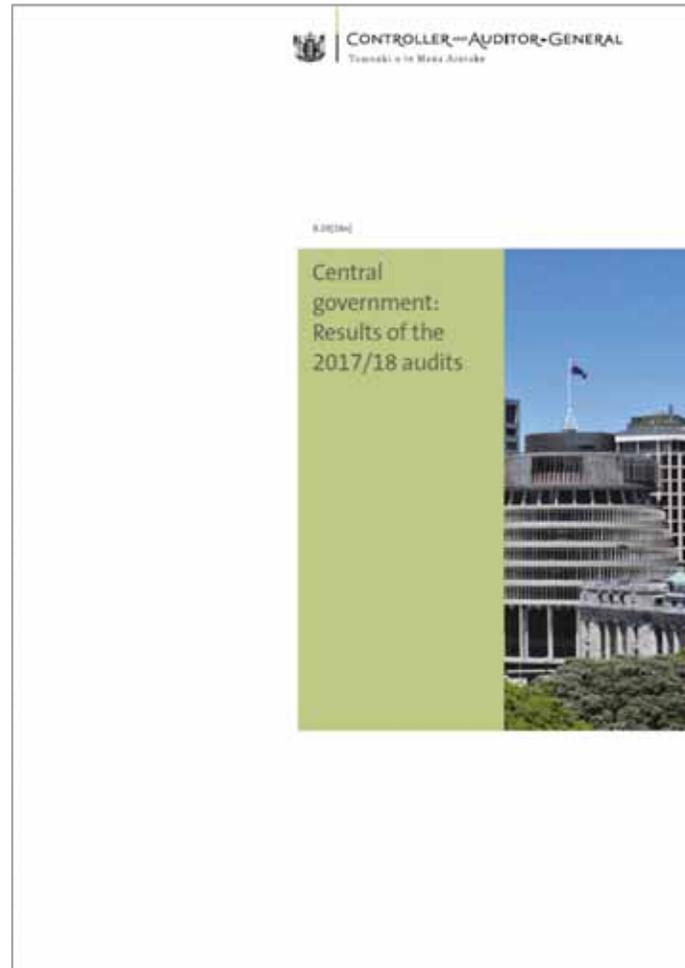
Our work



Your operating environment

- Big policy reviews
- New institutional & funding arrangements
- Changes at CE and Board levels
- New frameworks for planning and reporting

Observations from our recent work



1 - How are the fundamentals?

- **Control settings:** generally tidy
- **Governance:** improved, but risk management still needs focus
- **Asset management:** progress is being made
- Some **housekeeping** is still wanting – for example, ICT controls



2 - Integrity

How we do things matters as much as *what* we do



3 - Performance

What is the story you can tell?

- What difference have you made?
- What are the outcomes that matter to New Zealanders?



What can you do?

- Keep things tidy amidst change: controls are a safety net
- Governance needs to be robust and effective
- Connect with the public: focus on reporting what matters

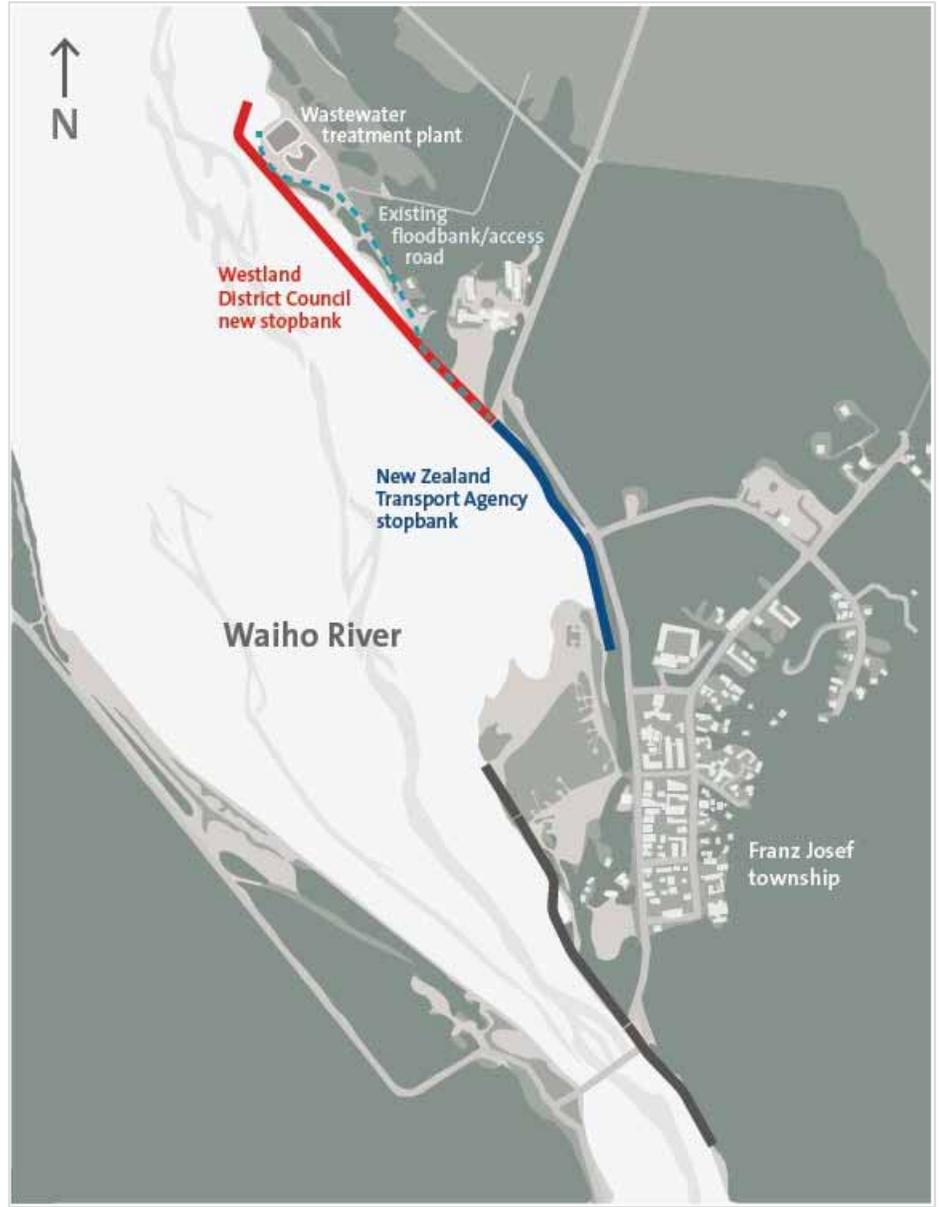
And finally, work with us

Talk to your Appointed Auditors and Sector Managers:

- Independent sounding board
- Sharing of good practice: know who does what well
- Advice and guidance on performance reporting

Westland District Council: Procurement of works at Franz Josef





Messages

- How a perceived risk (flooding) was addressed
- Losing sight of role (need to govern, not manage)
- Lack of expert input, no assurance about right solution
- Apparent disregard for legislated decision-making
- Lack of clear contracting arrangements
- Question about whether work was authorised
- Take care to manage conflicts of interest
- “The end does not justify the means”

Waikato Institute of Technology



- Allegations about overseas travel expenses
- Additional assurance work
- Executive travel expenses
- Severance / redundancy

Messages

“... in many cases Wintec has been unable to provide an account of how it has spent public money. This is unacceptable for a public entity charged with the stewardship of public resources ...”

“While we have not found direct evidence of serious wrongdoing, we have found weaknesses that provide an increased opportunity for the misuse of public money. Because of the problems outlined above, we are unable to provide assurance that all expenditure was appropriate or not of a personal nature.”

An observation or two...

