

*Independent Māori
Statutory Board:
Assessment of the Council's
expenditure on projects to
achieve Māori outcomes*

Summary of findings
6 November 2017

Scope of our assessment



***Assess
Expenditure***

We reviewed the reported expenditure for CCO projects linked to Maori outcomes in FY15/16 and FY16/17 to relevant records in Te Toa Takitini



***Assess
Project
Initiation
Process***

We assessed the effectiveness of project initiation processes within 4 CCOs (ATEED, AT, Panuku and Watercare) and Te Toa Takitini in:

- identifying, planning, approving and measuring projects to deliver direct/indirect Māori outcomes
- contemplating value for money considerations at the outset

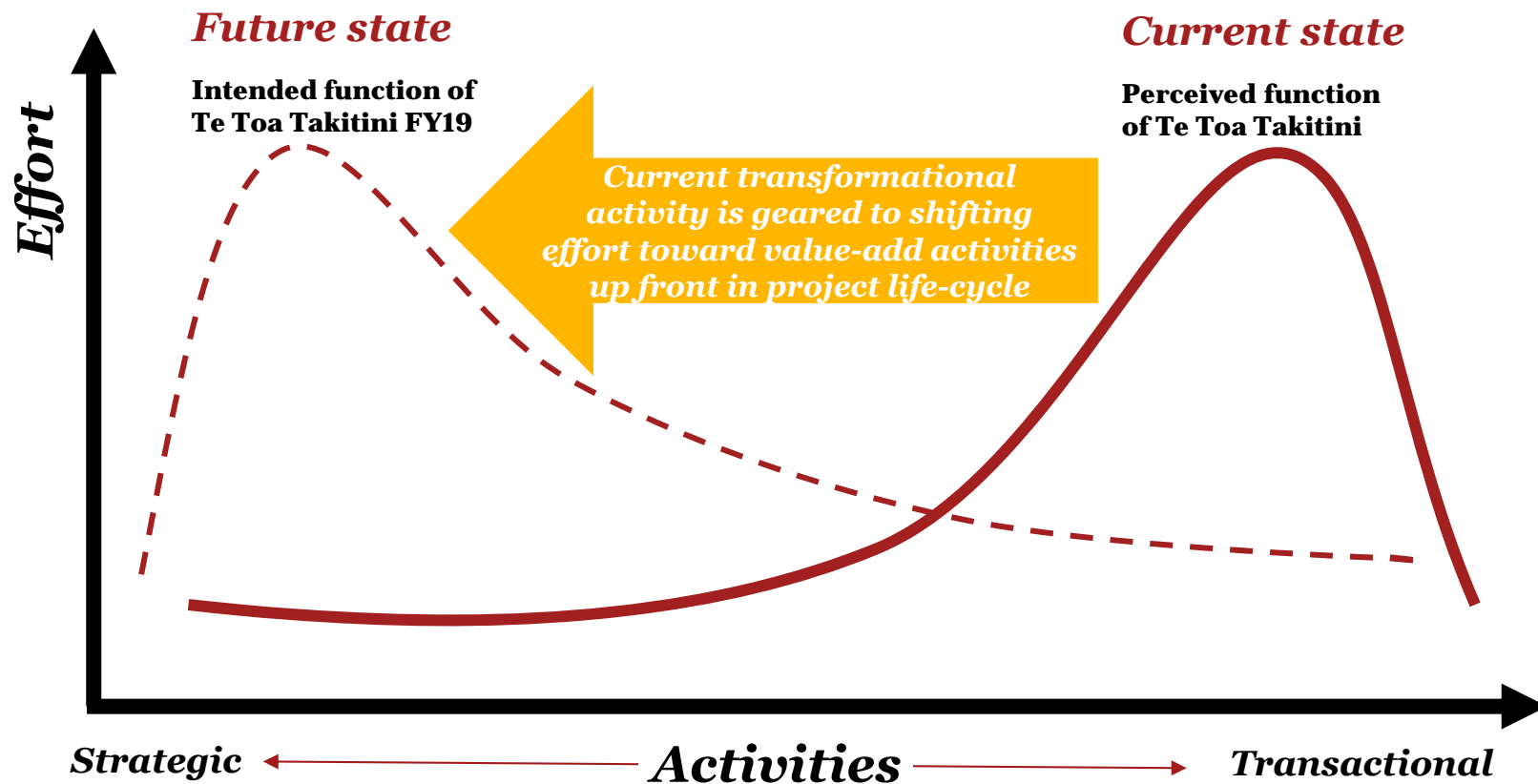


***Assess
Project
Management
Process***

We assessed the effectiveness, capability, commitment and sustainability of project management processes in:

- managing the delivery of Māori outcomes on an ongoing basis
- delivering value for money

Te Toa Takitini are shifting their focus to better influence the achievement of Māori outcomes

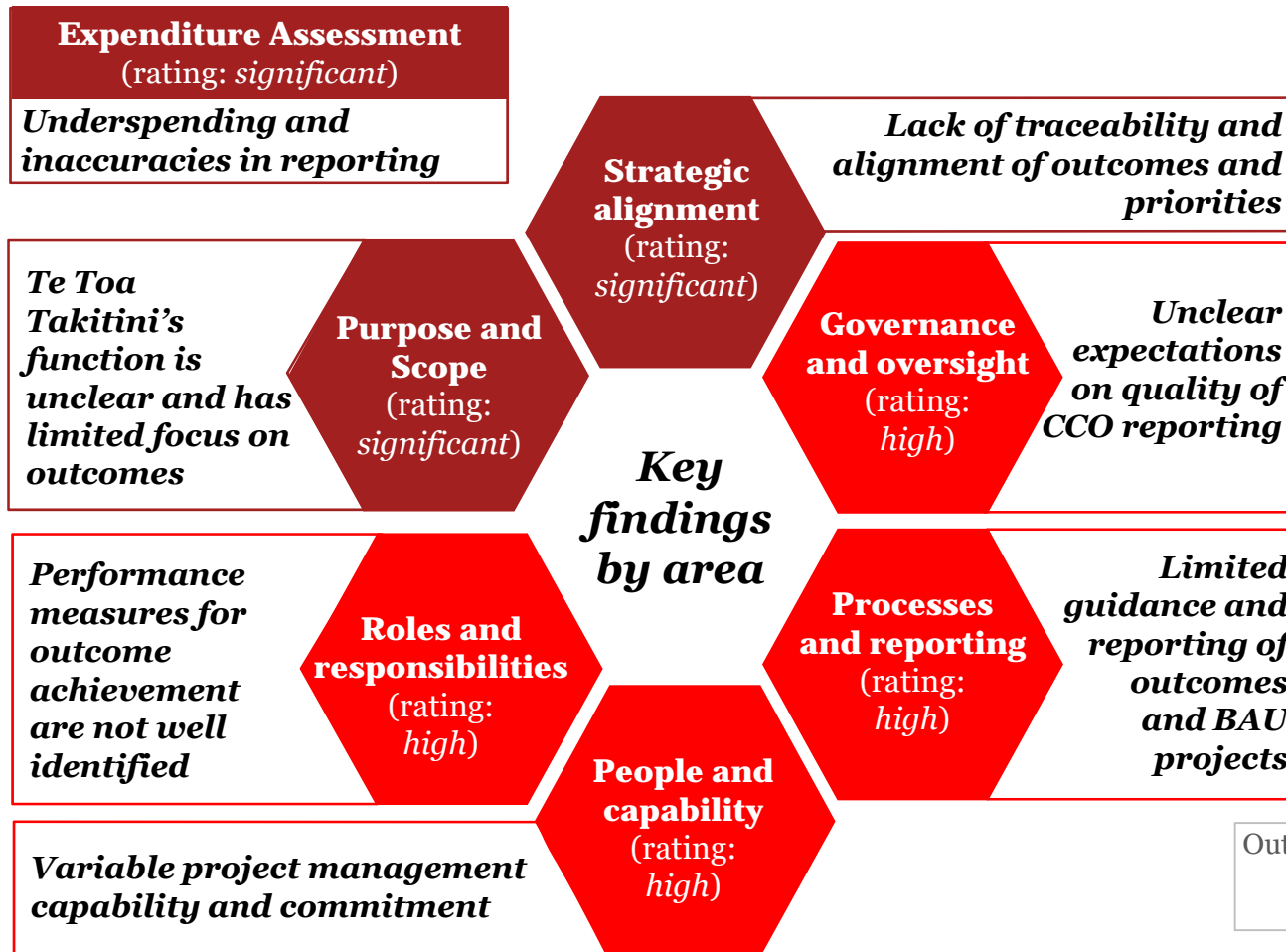


“What needs to happen”

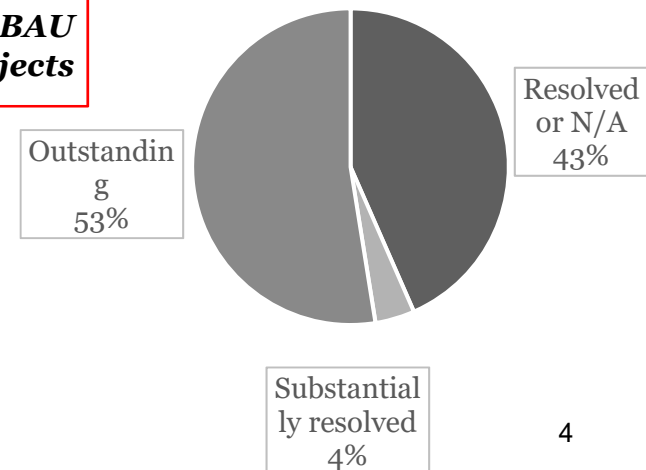
e.g. Strategic Assessment – Business Case – Monitoring – Financial Management – Reporting

“What has happened”

Summary of key findings



Progress to address KPMG's 2014 Assessment recommendations

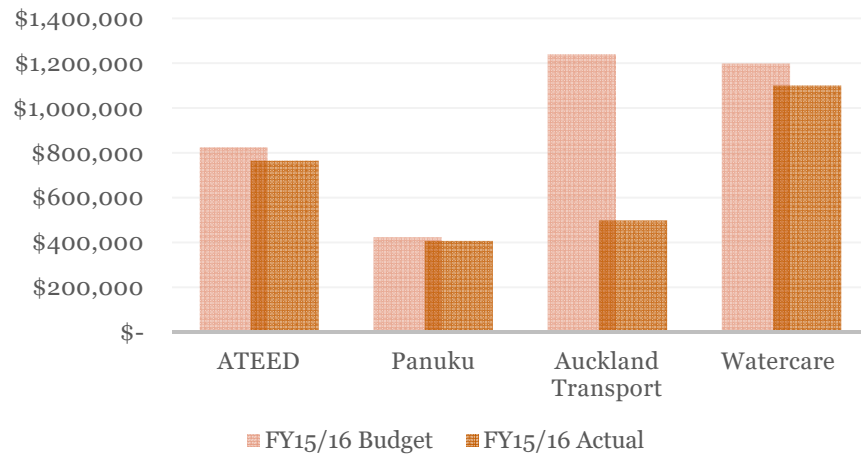


Expenditure Assessment

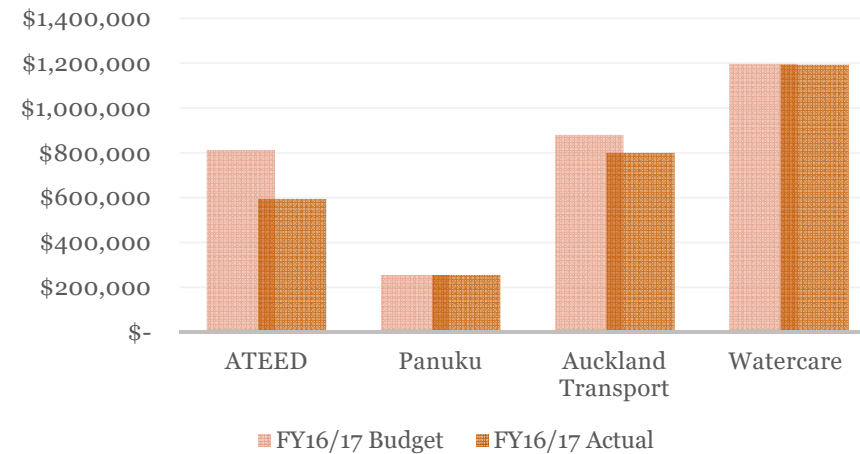
Underspending on Māori related outcomes in FY2015/2016 and FY2016/2017 and inaccuracies in reporting

- FY2015/2016 shortfall of **\$925,000**
- Significant underspend at Auckland Transport
- FY2016/2017 shortfall of **\$300,600**
- Key project underspend at ATEED
- For some ATEED projects, figures reported to Te Toa Takatini did not agree to underlying reports → **overstated budget (of \$6,000) and overstated actual spend (of \$222,600)**

Budget and actual comparison FY15/16



Budget and actual comparison FY16/17



Summary of recommendations

| Framework element | # | Title | Priority Rating | Raised in 2014? | Included in Te Toa Takitini's transition? |
|--|-----------|---|--------------------|-----------------|---|
| Expenditure assessment | | | | | |
| Expenditure assessment | 1 | Underspending on Māori related outcomes in FY2015/2016 and FY2016/2017 | Significant | N/A | N/A |
| | 2 | Inaccuracies in reporting for FY2016/2017 | High | N/A | N/A |
| Portfolio management, project initiation and project management | | | | | |
| Purpose and scope | 3 | The function, role and governance of Te Toa Takitini needs to be clarified | High | N/A | Yes |
| | 4 | More focus on project/activity outcomes is needed, rather than spend | Significant | Yes | Yes |
| Strategic alignment | 5 | The strategic vision and priorities for Māori need to be better aligned through plans, activities and reports | High | Yes | No |
| | 6 | Further guidance should be developed to provide clarity on the four whai strategy and Māori Responsiveness Framework outcomes | Significant | Yes | No |
| Governance and oversight | 7 | Consistent reporting and better transparency of key initiatives and projects in the Statements of Intent is needed | High | Yes | No |
| Roles and responsibilities | 8 | Watercare's Māori Responsiveness Plan needs to be finalised | Moderate | Yes | N/A |
| | 9 | A performance management framework for Māori outcomes is required | High | Yes | Yes |
| Processes and reporting | 10 | Potential of smaller-funded and business-as-usual projects to achieve Māori outcomes should be considered | High | Yes | No |
| | 11 | Improvements to project reporting processes and report quality are required | High | Yes | Yes |
| | 12 | Guidelines for budget reallocations should be developed | Moderate | N/A | No |
| People and capability | 13 | Project management capability and processes require improvement | High | Yes | No |

Road map of recommendations

