

Subject	Investment Monitoring Audit Programme 2012/13
Circulation	All Territorial Local Authorities All Regional Councils Auckland Council Auckland Transport Department of Conservation Office of the Auditor- General Local Government New Zealand
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Purpose	To advise approved organisations of the Investment Monitoring Team’s programme of investment monitoring activities for the 2012/13 financial year.

Development of the investment monitoring work programme

The Investment Monitoring Team of the NZ Transport Agency (NZTA) is introducing a new investment monitoring framework in 2012/13. This will support NZTA’s new approach of moving from funding outputs towards planning and investing for outcomes. Our monitoring will enable us to track whether we are meeting the government’s desired outcomes.

The main objectives of our new framework are to:

- improve the level of assurance that our auditing and monitoring activities provide
- enable greater flexibility to monitor and audit wherever risks or opportunities are, and
- enhance the systematic identification of business improvement opportunities to improve both NZTA’s and the transport sector’s performance.

We will be using three main audit and monitoring activities to support our work to provide assurance and facilitate business improvement:

- assurance monitoring
- investment audits, and
- post implementation reviews.

We discuss each of these below.

Assurance Monitoring

This area of our work primarily seeks to improve NZTA's own planning and investment business processes. Each year, we will target certain aspects of our business for review. For 2012/13, one of the aspects we have chosen is NZTA's review of approved organisations' planning documents. Our review will be based primarily on Activity Management Plans, but will also consider other relevant documents and processes. A list of approved organisations, whose planning documents will be used as examples, is included as Attachment 3. While this audit is intended to assess our own business processes, we may need to contact relevant approved organisations to clarify questions that may arise.

Investment Audits¹

Investment audits provide assurance to NZTA that its land transport investments are being well managed and are providing value for money. These audits take a risk based approach and will consider some or all of the following components:

- Planning and prioritisation of land transport activities
- Actual activity versus planned activity
- Validity of information informing decision making, eg. RAMM data, Transport investment online (TIO) achievement returns
- Procurement
- Contract and programme management
- Financial systems and claiming processes
- Special conditions of funding

All road controlling authorities (approved organisations and NZTA's Highways & Network Operations Group) are subject to Investment Audits. NZTA's authority to audit can be found in section 95(1)(e)(ii) of the Land Transport Management Act 2003. The period between investment audits depends on an NZTA assessment of risk, and ranges from one to five years. Each approved organisation will be advised at least one month before the planned start of an investment audit.

Our programme of investment audits for 2012/13 is included as Attachment 1 of this General Circular. Factors influencing our selection included: the size of NZTA's financial contribution, the complexity of each organisation's programme, network condition (pavement and safety), time since previous audits and any known issues or challenges existing at the time of planning.

¹ Investment audits replace what were previously called "Technical Reviews" and "Procedural Audits." These audits will focus on aspects that NZTA considers of most risk and may also consider planning processes.

Post implementation reviews

Post implementation reviews provide assurance that funded projects or packages have achieved what they intended, and for the expected cost. We are redesigning the reviews for 2012/13 to more clearly:

- assess how well projects (or packages) have delivered their expected benefits and outcomes
- explain variation between actual outcomes and expected benefits and costs, and
- identify any lessons learned that can be used to improve future investments.

Our planned programme of post implementation reviews is included as Attachment 2. With each project or package selected for review being substantially complete for at least two years, the factors influencing our selection were:

- Value of project/package (some large, some smaller)
- Type of initiative (to ensure reasonable coverage of various types), and
- Ensuring some safety and some travel time initiatives were included.

Enquiries

For further information on the audit programme, please contact Glenn McGregor at the NZTA National Office on 04 894 6179 or by email glenn.mcgregor@nzta.govt.nz.

- Attachment 1: Investment Audits for 2012/13
- Attachment 2: Post Implementation Reviews for 2012/13
- Attachment 3: Activity Management Plan Review Programme for 2012/13



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Investment Audit Programme 2012/13

Region	No.	Approved organisation	Quarter programmed to visit	Last visit
Auckland/ Northland	1.	Auckland Highways and Network Operations*#	3 rd	Mar 2009
	2.	Auckland Transport#	2 nd	Sep 2011
	3.	Kaipara District Council	2 nd	Oct 2011
Waikato/Bay of Plenty	4.	Bay of Plenty Regional Council	3 rd	Apr 2009
	5.	Kawerau District Council	4 th	Nov 2008
	6.	Opotiki District Council	4 th	Jan 2009
	7.	Tauranga City Council	1 st	Sep 2009
	8.	Thames-Coromandel District Council #	1 st	Apr 2009
	9.	Waikato Regional Council	2 nd	Sep 2009
Central	10.	Hastings District Council #	1 st	Dec 2008
	11.	New Plymouth District Council #	3 rd	Jul 2009
	12.	Rangitikei District Council	1 st	May 2009
	13.	South Taranaki District Council	4 th	Oct 2008
Wellington	14.	Porirua City Council #	1 st	Jun 2009
	15.	Tasman District #	3 rd	Apr 2009
	16.	Upper Hutt City Council	4 th	Oct 2008
Canterbury/ West Coast	17.	Buller District Council	2 nd	Apr 2008
	18.	Canterbury Highways & Network Operations*	4 th	Mar 2009
	19.	Christchurch City Council ²	3 rd	Jun 2009
	20.	Environment Canterbury	3 rd	Apr 2009
	21.	Hurunui District Council	2 nd	Dec 2008
	22.	Kaikoura District Council	4 th	Mar 2009
	23.	Selwyn District Council	1 st	Sep 2008
	24.	Waimate District Council #	1 st	Aug 2008
Otago/ Southland	25.	Otago Highways and Network Operations*#	2 nd	Dec 2009

* Part of NZ Transport Agency. # Also included in sample for AMP review (see Attachment 3).

² While Christchurch City Council's investment audit is scheduled for the third quarter of the year, work is already under way to understand its alliance arrangements for the rebuild of the City (Stronger Christchurch Infrastructure Rebuild Team - SCIRT). We are working with CERA, Christchurch City Council and Audit New Zealand to agree an appropriate monitoring and auditing framework for the alliance.

Post Implementation Reviews 2012/13

We have committed to complete seven Post Implementation Reviews in 2012/13. Additional reviews from a sample of 12 other completed projects may also be completed, subject to confirmation.

As we are re-designing our Post Implementation Review methodology, these reviews will not start until October 2012. Each Approved Organisation will be advised at least one month before the planned start of a Post Implementation Review.

A. Confirmed Post Implementation Reviews for 2012/13

Region	No.	Approved organisation (or HNO office)	Project name
Auckland	1.	Auckland HNO	Mt Roskill Extension
	2.	Auckland Transport	New Lynn Transit Oriented Design (TOD) Passenger Transport Interchange (Package)
	3.	Auckland Transport and Auckland HNO	Waiouru to State Highway 1 and Waiouru Connection Interchange (multi party project)
Central	4.	Palmerston North City Council	Railway Road improvement
Waikato/ Bay of Plenty	5.	Tauranga City Council	Cameron Road Cycle Lane
	6.	Waikato HNO	Avalon Drive Bypass
	7.	Waikato HNO	Mangatawhiri Deviation

B. Additional Post Implementation Reviews that may be completed in 2012/13 (subject to scheduling)

Region	No.	Approved organisation (or HNO office)	Project name
Auckland/ Northland	1.	Auckland HNO	Waitangi Bridge to Basil Orr Road Seal Widening
	2.	Auckland Transport	Central Transit Corridor (Construction)
	3.	Auckland Transport	Twin Streams Walk and Cycleway
	4.	Northland HNO	Kaingaroa Safety Improvement
Waikato	5.	Hamilton City Council	Mill Street Intersection Upgrades
	6.	Waikato HNO	Waikato Road Information System
Central	7.	Hawkes Bay HNO	SH2 Kennedy Road Intersection Improvements
	8.	Hawkes Bay HNO	Te Mahanga North Passing Lane
	9.	Manawatu-Wanganui HNO	Hansen Line and Taonui North Curve
	10.	Taranaki HNO	Finnerty Road Right Turn Bay
Otago/ Southland	11.	Otago HNO	Balclutha to Clinton Northbound Passing Lane
	12.	Otago HNO	Jefferis Road Realignment

Activity Management Plan review programme 2012/13

Region	No.	Approved organisation (or HNO office)
Auckland/ Northland	1.	Auckland HNO - Regional Asset Management Plan
	2.	Auckland Transport
	3.	Whangarei District Council
Waikato/ Bay of Plenty	4.	Thames-Coromandel District Council
	5.	Western Bay of Plenty District Council
	6.	Waipa District Council
Central	7.	Hastings District Council
	8.	New Plymouth District Council
Wellington	9.	Porirua City Council
	10.	Tasman District Council
Canterbury	11.	Waimate District Council
Otago/ Southland	12.	Dunedin City Council
	13.	Otago HNO Regional Asset Management Plan
	14.	Queenstown Lakes District Council
National	15.	HNO State Highway Asset Management Plan