

**Subject** **Investment Assurance Programme 2017/18**

**Circulation** All Territorial Local Authorities  
All Regional Councils  
Auckland Council  
Auckland Transport  
Department of Conservation  
Office of the Auditor General  
Local Government New Zealand  
NZ Transport Agency (internal circulation)

**Circulated by** Antony Flux –Investment Assurance Manager (Acting)

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## **Purpose**

To advise approved organisations and other relevant parties of the Investment Assurance team's programme of investment audits and post implementation reviews planned for the 2017/18 financial year.

## **Development of investment assurance programme**

The Investment Assurance Programme provides assurance to the Transport Agency that its investments in Approved Organisations and the state highway network are being well managed and providing value for money outcomes.

The programme consists predominantly of investment audits and post implementation reviews. Other assurance work, such as theme audits, may also be done on an ad-hoc or as required basis. One theme audit is planned for 2017/18.

Each approved organisation will be advised at least one month in advance of an audit or review commencing.

## **Enquiries**

For further information on the audit programme, please contact Glenn McGregor at the Transport Agency's National Office on 04 894 6179 or by email [glenn.mcgregor@nzta.govt.nz](mailto:glenn.mcgregor@nzta.govt.nz).

Attachment 1: Investment Assurance Programme 2017/18






Antony Flux  
Investment Assurance Manager (Acting)

## Investment Audits planned for 2017/18

Investment audits are either procedural or technical in their focus, or a combination of the both. Procedural investment audits provide assurance that the NLTP investment in approved organisations' and state highway land transport programmes is being well managed and delivers value for money outcomes. Technical investment audits provide assurance over approved organisations' and state highway activity management planning, adequacy of data used to assess network quality, value for money, and safety and network management.

### Key

	Combined procedural and technical audit
	Procedural audit
	Technical audit

### A. Approved Organisations

	Region	Approved Organisation	Proposed financial quarter for visit
1.	Auckland	Auckland Transport	2
2.	Auckland	Far North District Council	4
3.	Auckland	Kaipara District Council	4
4.	Auckland	Northland Regional Council	4
5.	Waikato/BoP	Waikato Regional Council	1
6.	Waikato/BoP	Waipa District Council	3
7.	Waikato-BoP	Hamilton City Council	4
8.	Waikato/BoP	Waitomo District Council	2
9.	Waikato/BoP	Taupo District Council	4
10.	Waikato/BoP	Whakatane District Council	1
11.	Waikato/BoP	Kawerau District Council	3
12.	Waikato/BoP	Matamata-Piako District Council	1
13.	Waikato/BoP	Opotiki District Council	3
14.	Waikato/BoP	Western Bay of Plenty District Council	1
15.	Waikato/BoP	South Waikato District Council	1
16.	Central	Hastings District Council	4

	Region	Approved Organisation	Proposed financial quarter for visit
17.	Central	Gisborne District Council	1
18.	Central	Central Hawkes Bay District Council	2
19.	Central	Hawkes Bay Regional Council	3
20.	Central	Rangitikei District Council	2
21.	Central	Palmerston North City Council	2
22.	Central	Stratford District Council	2
23.	Central	Taranaki Regional Council	2
24.	Central	Dept. Conservation Manawatu/Whanganui	3
25.	Central	Wellington City Council	1
26.	Central	Masterton District Council	3
27.	Central	Marlborough District Council (with Marlborough Roads)	4
28.	Southern	Waimakariri District Council	3
29.	Southern	Christchurch City Council	1
30.	Southern	Selwyn District Council	3
31.	Southern	Hurunui District Council	1
32.	Southern	Ashburton District Council	3
33.	Southern	Buller District Council	1
34.	Southern	Timaru District Council	3
35.	Southern	Dept. Conservation Mt. Cook	4
36.	Southern	Waitaki District Council	2
37.	Southern	Chatham Island Council	4
38.	Southern	Gore District Council	3
39.	Southern	Grey District Council	2
40.	Southern	Mackenzie District Council	2
41.	Southern	Clutha District Council	3
42.	Southern	Southland District Council <sup>a</sup>	1

Note:

<sup>a</sup> Carried over from 2016/17.

## B. NZ Transport Agency – Service Design and Delivery (formerly these were audits of HNO regions and national office functions)

The Transport Agency was in the process of undertaking a major transformation of its organisational structure and operating model at the time this general circular was prepared. Previously, investment audits assessed functions and operations performed by the Highways & Network Operations (HNO) group. Many of these functions will be done by the new Service Design and Delivery group under the new organisational structure. But this will be confirmed and/or amended as required during 2017/18 before the following audits are carried out.

	<b>System Design &amp; Delivery</b>	<b>Proposed financial quarter for visit</b>
1.	Wellington (previously National Office)	4
2.	Hamilton (Waikato)	3
3.	Napier (Hawkes Bay)	4
4.	Marlborough Roads (with Marlborough District Council)	4
5.	Christchurch (Canterbury & West Coast)	3

## 2. Post implementations reviews planned for 2017/18

A new approach for doing post implementation reviews will be used in 2017/18. The reviews have previously assessed how well projects had delivered all their main expected benefits (including travel time and safety outcomes), with explanation of variation between actual results and expected benefits and costs.

However, there is a practical difficulty with selecting the optimal time to do a post implementation review of a completed project. Travel time related outcomes can be assessed almost immediately (and before other changes in the local network might affect observed results). In contrast, assessment of safety effects requires several years of crash data before reliable conclusions can be made about observed trends.

To overcome this review timing difficulty, the revised approach planned for 2017/18 will be to separately evaluate:

- travel time related benefits for several recently completed major projects (including some which have not been completed yet but will be later in 2017), and
- safety outcomes of projects which were previously reviewed but where it was either too soon after completion to properly analyse crash trends or safety concerns were raised.

In addition, it is also planned to review the benefits realisation of a sample of recently completed cycleway projects.

## A. Travel time savings and reliability reviews

	Project	Approved Organisation or HNO office*
1.	Albany Highway North Upgrade	Auckland Transport
2.	Waikato Expressway – Cambridge section	Waikato HNO
3.	Waikato Expressway – Ngaruawahia and Te Rapa sections	Waikato HNO
4.	SH3 Vickers Road to City Upgrade (New Plymouth)	Taranaki HNO
5.	Wellington Roads of National Significance (RoNS) – Ngauranga to Aotea Quay: Active Traffic Management (“Smart Motorway”)	Wellington HNO
6.	Wellington RoNS – SH1 McKays to Peka Peka (“Kapiti Expressway”)	Wellington HNO
7.	SH2/58 Intersection Improvement (“Haywards Interchange”)	Wellington HNO
8.	Johnsonville Triangle Roding Improvements SH1 Optimisation of Northbound Off-ramp at Johnsonville <i>(Deferred from 2016/17 programme)</i>	Wellington City Council Wellington HNO

## B. Safety outcomes reviews

	Project	Approved Organisation or HNO office*
1.	Kaingaroa Safety Improvements (H10) Northland	Northland HNO
2.	Mangatawhiri Deviation	Waikato HNO
3.	Lake Road Widening Rotorua	Rotorua District Council
4.	Waipukurau Overbridge Realignment	Hawkes Bay HNO

\* Highways & Network Operations offices as existed pre-NZ Transport Agency reorganisation July 2017.

## C. Cycleway project reviews

Several cycleway projects have been completed in the past two years. This reflects a boost in government funding for these types of projects. A sample of completed cycling projects will be

reviewed in 2017/18 to cover a regional spread around the country, and a mix of urban and non-urban projects.

### 3. Theme audit for 2017/18

Theme audits seek to address a specific topic that is common to or affects many approved organisations.

**Road safety audits** – investment audits and post implementation reviews have found limited adherence to road safety audit requirements. These audits are a funding condition for capital improvements. They are designed to identify any potentially serious issues with a project's design or build which might generate safety problems. They should be done at critical stages of a project's life cycle unless an exemption is granted.

The purpose of this theme audit will be to:

- assess the extent of this apparent lack of adherence to road safety audit requirements across a sample of approved organisations,
- identify any common or systemic reasons for non-adherence, and
- recommend any mitigation measures required to address identified issues.