

10 October 2024

s9(2)(a)

REF: OIA-16303

Dear s9(2)(a)

### Request made under the Official Information Act 1982

Thank you for your email of 30 August 2024 requesting the following information under the Official Information Act 1982 (the Act) relating to the Buller Council forensic audit:

1. *What is NZTA's response to this finding?*
2. *How is it assessing the value of ineligible claims?*
3. *Does it have any concerns about lack of detail on claim invoices (ie making it difficult to assess the work actually done)?*
4. *What time period do the claims cover?*
5. *Who are the contractors/consultants who have made the ineligible claims?*
6. *When does NZTA expect to finish assessing the claims?*
7. *What is the sum of the ineligible claims to date?*
8. *What could the total sum amount to?*
9. *Has NZTA put on hold or is it reviewing any funding for the Buller council as a result of the issues raised by KPMG?*
10. *If so, how much funding and what is the funding for?*
11. *Does NZTA agree with KPMG's finding of no evidence to warrant prosecution?*
12. *Has NZTA contacted the Office of the Auditor General or the Serious Fraud Office in relation to the report or its own concerns?*
13. *When and how did NZTA become aware of concerns with the council's PMO?*

I will respond to each of your questions in turn.

1. **What is NZTA's response to this finding?**
2. **How is it assessing the value of ineligible claims?**

NZ Transport Agency Waka Kotahi (NZTA) is continuing a review into the findings of this audit, and investigations are ongoing, including assessing the value of ineligible claims. NZTA has completed a review of the KPMG findings, and this has included an assurance visit to Buller Council to review policies, procedures, and interview current staff. The assurance review also looked at findings from NZTA's previous procedural audit and a technical roading audit has also been completed in September 2024. NZTA has requested further evidence of invoices and procurement spend to further analyse so we can determine if there has conclusively been ineligible claims and the total value that is in question.

**3. Does it have any concerns about lack of detail on claim invoices (ie making it difficult to assess the work actually done)?**

We have not formed an opinion on this as part of our assurance.

**4. What time period do the claims cover?**

The claims were made in the time period of 2021-23.

**5. Who are the contractors/consultants who have made the ineligible claims?**

I am withholding this information under section 9(2)(a) of the Act to protect the privacy of natural persons.

**6. When does NZTA expect to finish assessing the claims?**

Work is ongoing, and we anticipate that we will have our initial findings of our assurance review completed by the end of November 2024. We will have ongoing assurance requirements and reviews planned to maintain confidence in Buller Council over the next 36 months, this will enable sufficient evidence to prove robust financial assurance processes are in place.

**7. What is the sum of the ineligible claims to date?**

**8. What could the total sum amount to?**

Investigations are ongoing to determine the potential scale of ineligible claims, and NZTA is unable to confirm the sum of the claims at this time. NZTA has requested further evidence of invoices and procurement spend to further analyse so we can determine if there has conclusively been ineligible claims and the total value that is in question, this work is also being done collaboratively across other Government agencies.

**9. Has NZTA put on hold or is it reviewing any funding for the Buller council as a result of the issues raised by KPMG?**

**10. If so, how much funding and what is the funding for?**

Yes. We are currently seeking further assurance around funding matters and will not be making decisions on funding and claims for the Council whilst this occurs. We have therefore paused the Council's access to Transport Investment Online (TIO) and will reinstate access once assurance and forward processes are agreed. Funding for urgent work will be reviewed on a case-by-case basis and increased assurance will be required for any requested procurement. This is being done as NZTA understands that the Buller community cannot be disadvantaged in regard to its infrastructure requirements due to compliance issues with the council.

**11. Does NZTA agree with KPMG's finding of no evidence to warrant prosecution?**

NZTA is still undertaking its reviews into the findings of the audit. This part of your request requires NZTA to form an opinion or provide an explanation and so create new information to answer the request. Under the Act, there is no obligation to create new information in order to respond to a request.

**12. Has NZTA contacted the Office of the Auditor General or the Serious Fraud Office in relation to the report or its own concerns?**

The Office of the Auditor General is aware of the situation.

**13. When and how did NZTA become aware of concerns with the council's PMO?**

In April 2024, several Government entities including NZTA were made aware of potential issues with Buller Council and started working collaboratively to look into the matter. Investigations are ongoing.

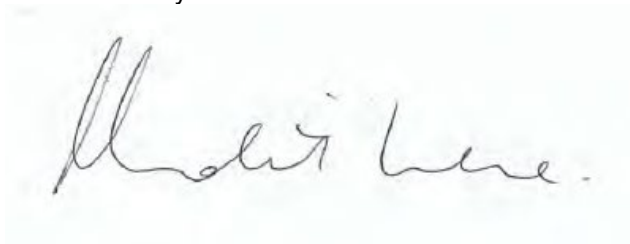
With respect to the information that has been withheld, I do not consider there are any other factors which would render it desirable, in the public interest, to make the information available.

Under section 28 of the Act, you have the right to ask the Ombudsman to review my decision to withhold some information. The contact details for the Ombudsman can be located at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

In line with NZTA policy, this response will soon be published on our website, with personal information removed.

If you would like to discuss this reply with NZTA, please contact Andy Knackstedt, Senior Manager, Media by email to [andrew.knackstedt@nzta.govt.nz](mailto:andrew.knackstedt@nzta.govt.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Meredith Ussher', is written over a light blue rectangular background.

**Meredith Ussher**  
Group General Counsel