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*Assessment of
expenditure incurred
by Auckland Council
on projects to deliver
Māori outcomes*

*Independent Māori
Statutory Board*

Independent Māori
Statutory Board

13 November
2017

Final Report



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An internal audit engagement is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. In addition, an internal audit engagement does not provide all the evidence that would be required to form an audit opinion of the design or operating effectiveness of the controls subject to assessment.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.



Mihi

E te Pōari motuhake o Tāmaki, e mihi nei mātau kia koutou, e pōkaikaha nei ki te rapu ngā huarahi oranga mō ngai Māori i Tāmaki Makaurau.

Kai te mihi atu ki te wairua o tēnei kaupapa e ārahi atu ana e koutou te poari.

Me kī he mihi ānō tēnei kia koutou te poari mo ngā mahi kua oti kē i a tāua e mahi tahi ana.

Mai i tō Tumu whakarae, Tiamana o te poari, ngā mema, me o kaimahi he mihi tēnei mai i a mātou ki a koutou mo to pupuri i te wairua Māori.

We acknowledge you the Board, as you continue to seek positive solutions for Māori in Tāmaki Makaurau.

We respectfully acknowledge the intent and purpose of the work you are currently leading and managing. In acknowledging your leadership we also acknowledge the relationship that has evolved and developed in the work we have completed together, with your Chief Executive, Chairman of the Board, board members and staff. We thank you for this opportunity for us to work together under your leadership.



Brandi Hudson
Chief Executive Officer
Independent Māori Statutory Board
Private Bag 92311
Auckland 1142

13 November 2017

Tēnā koe Brandi,

In accordance with our contract dated 31 August 2017, we are pleased to report the findings arising from our assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes, conducted on behalf of the Independent Māori Statutory Board (the Board).

We would like to extend our appreciation for the assistance provided by the Council, Council Controlled Organisations and Board staff and management in the completion of this engagement.

Inā he pātai wā koutou, whakapā mahi.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Lara Hillier', written in a cursive style.

Lara Hillier
Partner
PwC

A handwritten signature in black ink, appearing to read 'Craig Rice', written in a cursive style.

Craig Rice
Partner
PwC

Executive Summary

Background

Purpose of this assessment

The Independent Māori Statutory Board (the Board) continue to see an opportunity for the Council and Council Controlled Organisations (CCOs) to improve their systems and processes for identifying, managing and reporting transformational projects in a more effective and collaborative way, that delivers optimum value for Māori in Tāmaki Makaurau.

This re-assessment of the Council's expenditure on projects to deliver Māori outcomes and processes to ensure performance supports the Board advocacy role to better deliver the outcomes specified in the Schedule of Issues of Significance/Māori Plan, Te Tiriti o Waitangi and statutory obligations to Māori.

This re-assessment is undertaken with the support of Auckland Council and is the second assessment of its kind. KPMG performed the first assessment in 2014 (Independent Assessment of Expenditure Incurred by Auckland Council to Achieve Māori Outcomes, reported in May 2014 by KPMG). We note that while the Council responded formally to KPMG's findings and recommendations in 2014, no further follow up or tracking was performed of the progress made to address the recommendations.

Following limitations observed in the Council's approach to allocating resources for Māori outcomes in the first assessment, the Board is seeking to understand the improvement in the delivery of targeted transformational projects to ensure they achieve the outcomes they intended to deliver and represent value for the resources spent.

Objectives of this assessment

The objectives of this assessment are:

- examine the reported expenditure on projects to achieve Māori outcomes against Council records, approved plans and budgets
- assess the effectiveness of portfolio management and project initiation processes (in CCOs and Council) to plan, approve and measure value for money projects that deliver direct/indirect Māori outcomes
- assess the effectiveness, capability, commitment and sustainability of project management processes, Council systems and capability to manage the delivery of Māori outcomes and value for money on an ongoing basis.

The projects in scope are:

- delivered by four CCOs – Auckland Tourism, Events and Economic Development (ATEED), Auckland Transport, Panuku and Watercare
- delivered during the financial years of 2015/16 and 2016/17, and
- recognised by the Council as transformational activity.

Māori outcomes – clarity of intent and action

In the Māori Plan for Tāmaki Makaurau, the Board have identified 20 key cultural, social, economic and environmental outcomes for Māori (see Appendix II) to uplift the well-being of the community.

One intention for the Māori Plan was the provision of strong direction and leadership to the Council for consideration in planning and resourcing. This is supplemented by the Board's Schedule of Issues of Significance that sets out issues and proposed actions.

The Council articulates priorities and goals for increasing its responsiveness to Māori through its key strategy and policy documents (Auckland Plan and Māori Responsiveness Framework (MRF), Long-term Plan and CCO Statements of Intent). The MRF is a high-level framework that sets out three goals and four lenses providing a context to Council's outcomes and strategic directions.

Te Toa Takitini – a key plank in KPMG's 2014 recommendations

Te Toa Takitini, a Council top management group, was established in response to the 2014 assessment to lead and influence better outcomes with Māori and embed a top-down Auckland Council family approach to overseeing delivery on commitments to significantly uplift Māori economic, social and cultural well-being. It follows that in executing the specific objectives in our scope, the effectiveness of the project planning, monitoring and reporting processes performed by this group has been a central consideration.

What this report covers

This report considers the effectiveness of expenditure incurred on projects to deliver Māori outcomes in past years, as well a 'forward thinking' assessment of project initiation and management processes. It provides recommendations for a more effective strategic, collaborative approach for Council and CCOs to deliver optimum value for Māori in Tamaki Makaurau.

Our recommendations are based on a consideration of:

- the processes undertaken by the Council when identifying, planning and approving projects as part of the Council's strategic planning and Māori Responsiveness Framework goals
- stakeholder interviews discussing leadership, planning, budgeting and reporting of projects and activities to deliver Māori outcomes
- documentation, and
- review of projects attributed to achieving Māori outcomes across four Council CCOs and Te Toa Takitini.

Summary of findings and recommendations

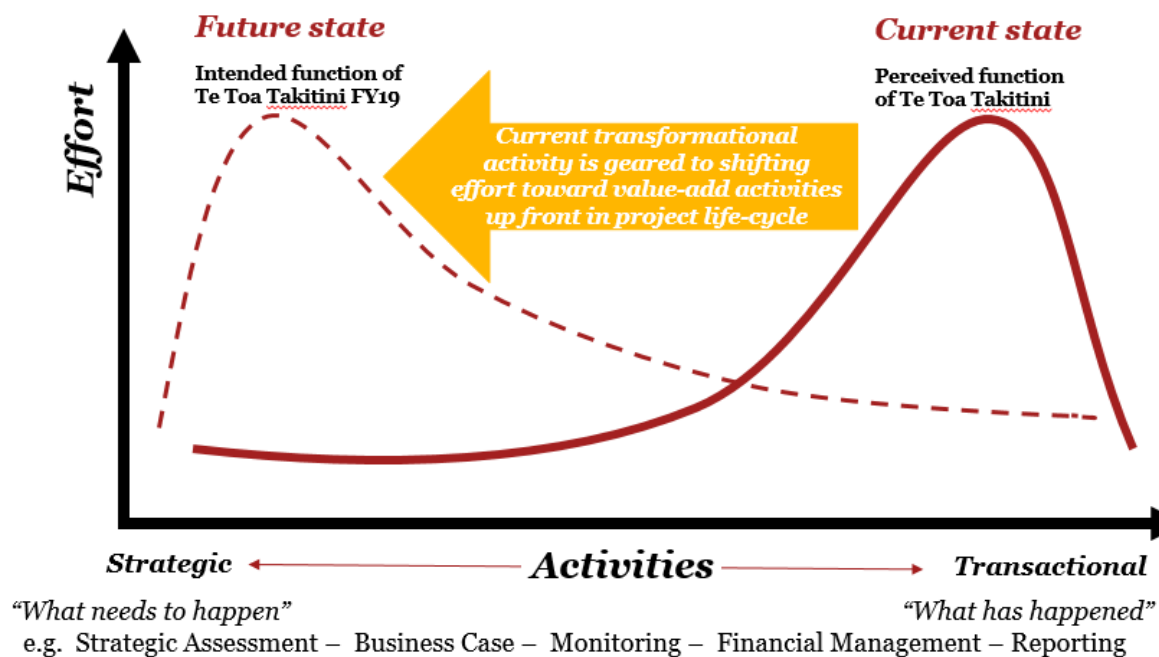
The transition of Te Toa Takitini

Te Toa Takitini was established to provide the Council's governing body with a strategic top down view of financial commitments to, and understanding of, Māori priorities.

Currently, Te Toa Takitini's resources and efforts are focused on project outputs, such as the achievement of project tasks, monitoring processes and reporting requirements, rather than tracking the delivery of outcomes or benefits realised relative to Māori priorities.

This creates a reporting burden for both Te Toa Takitini and CCO stakeholders as they align outcomes to project objectives in retrospect. Te Toa Takitini's plan to further refine its scope – shifting focus toward value-adding activities earlier in the project life-cycle, prospectively aligning projects to broader all-of-Council strategic objectives across the programme portfolio. A summary of this shift in Te Toa Takitini's activity is outlined below.

We acknowledge this important, positive step forward.



Assessment of the current state

While our observations from this assessment acknowledge that Te Toa Takitini is undergoing a period of transition as a business management and co-ordination function some of the issues identified in the 2014 assessment remain unresolved. This means that project initiation and governance processes to ensure the delivery of Māori outcomes have remained largely focused on activity, rather than outcomes.

Attributing project spend to outputs was an important first step for Te Toa Takitini to gain oversight of projects and activity. However, this has restricted its function to focus on processes, rather than the achievement of outcomes. The coordination and delivery of projects funded to improve outcomes for Māori are not necessarily aligned with Council strategic priorities for Māori, or the Board's Schedule of Issues of Significance/Māori Plan.

Efficiency and collaboration opportunities do not appear to have been actively sought in operating the Te Toa Takitini portfolio, further highlighting there is opportunity to improve the value for money invested.

Our expenditure assessment identified underspending on Māori outcomes in FY2015/2016 (primarily by Auckland Transport) and in FY2016/2017(primarily by ATEED) due to various reasons outlined in the Detailed Findings and Recommendations section of this report. This further impacts on the achievement of Māori outcomes.

Recommendations

We have summarised our recommendations and organised our detailed findings against the dimensions of an organisational operating model. These are:

- Purpose and scope
- Strategic alignment
- Governance and oversight
- Processes and reporting
- People and capability
- Roles and responsibilities.

We have also categorised our recommendations using the previous rating scale.

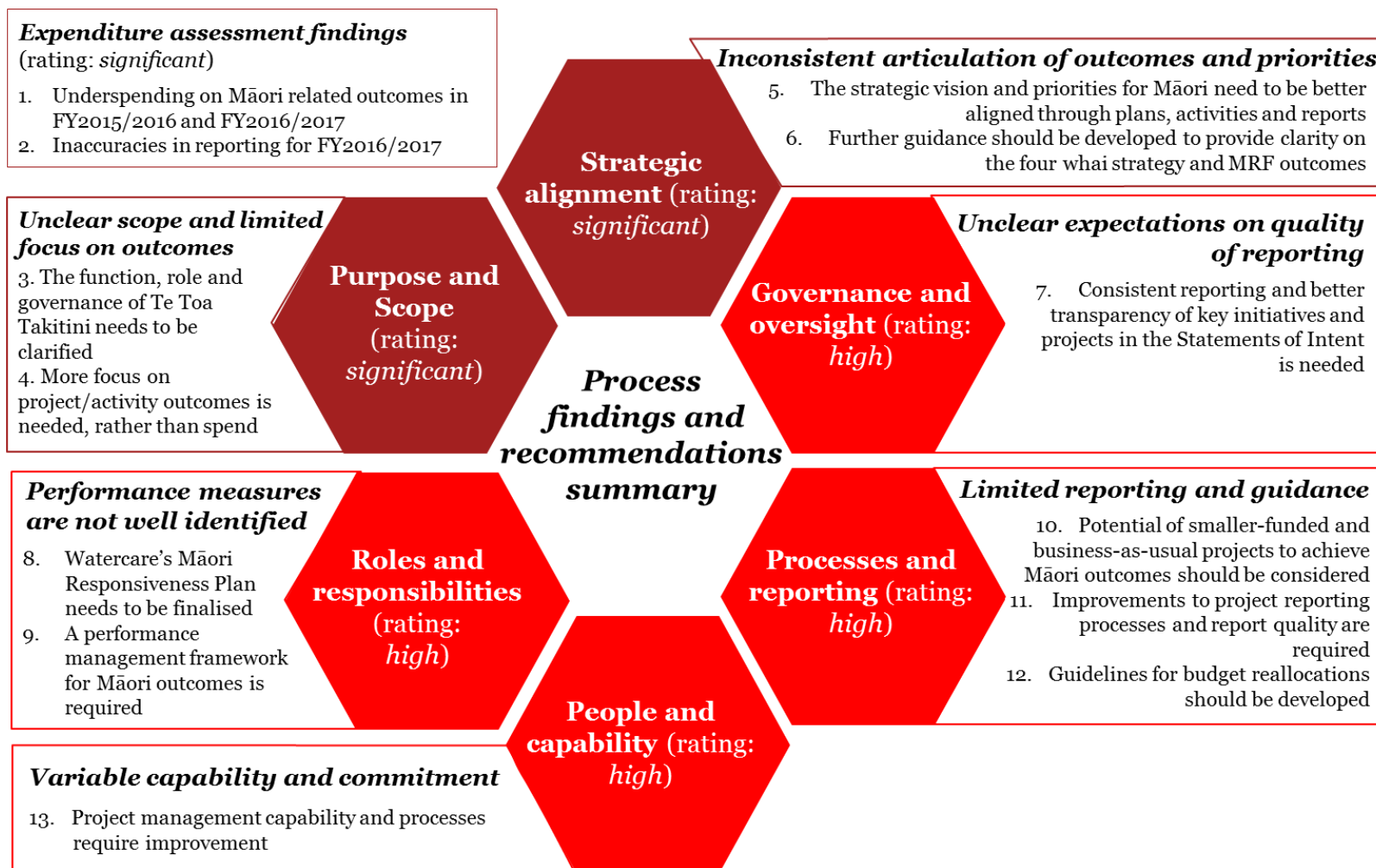
Rating	Definition
Significant	A significant weakness or gap, which is almost certain to compromise the delivery of Māori outcomes and should therefore be addressed as a matter of some urgency. Issues of this nature relate to fundamental weaknesses in the core building blocks of a robust control framework, or critical elements required to give effect to Council achieving Māori outcomes.
High	A serious weakness or gap in process or control, which is likely to compromise the delivery of Māori outcomes and should therefore be addressed as a matter of importance.
Moderate	A moderate weakness or gap in process or control, which may compromise the delivery of Māori outcomes and should therefore be addressed as a medium term priority.
Minor	A minor weakness, which is unlikely to compromise the delivery of Māori outcomes, however may improve or refine a process.

Summary recommendation

As Te Toa Takitini transitions, and shifts its focus to have a greater influence on the achievement of Māori outcomes, the recommendations in the **purpose and scope** section should be addressed as a priority. In particular, the transition should include greater **strategic alignment** and traceability of projects to broader Council and the Board’s priorities, through earlier involvement in the project life-cycle. This early engagement includes seeking strategic guidance from the Board upfront in portfolio strategy discussions, project brainstorming and initiation to help set a clear path for the successful delivery of Māori outcomes.

This early engagement has benefits for both Council and the Board. It enables the Board to perform its evaluation function more effectively, in real time. It enables the Council to better leverage the Board’s knowledge and insights – from their key work programmes of the Schedule of Issues of Significance to Māori, Māori Plan and Te Tiriti o Waitangi Audit. Working together to improve Māori wellbeing ultimately will lead to greater collaboration, more effective advocacy and reporting.

The diagram below outlines our **detailed recommendations** to address the issues identified, for each dimension of an organisational operating model. Recommendations 3, 4, 9 and 11 will be incorporated as part of the planned transition activities already underway by Te Toa Takitini. These largely relate to the recommendations made in the 2014 assessment. There is significant value in focusing on those recommendations relating to **purpose and scope** and **strategic alignment** as these drive strategic connection between desired outcomes and activity.

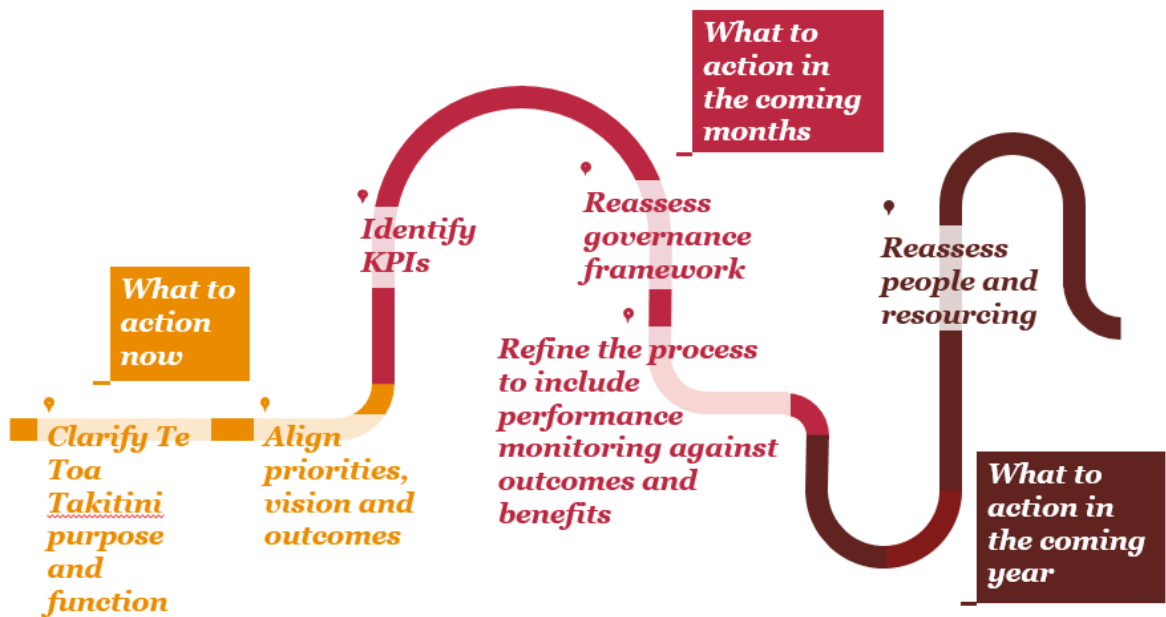


Recommended roadmap for change

In recognition of the time and effort required to implement the above recommendations, outlined below is a high-level implementation road map to illustrate the priority activities. The roadmap focuses on implementing change in a logical sequence, recognising that addressing the two fundamental issues of:

- a clearly defined purpose and scope for Te Toa Takitini, and
- strategic alignment of the Schedule of Issues of Significance/Māori Plan outcomes, with the Council's strategic objectives as they related to Māori, and the documents and projects that give effect to them

This will provide a framework from which the other issues can be resolved.



Management comment from Auckland Council

Management comment, including action date, to be provided to the Independent Māori Statutory Board.

Summary of Findings

Summary of 2017 findings

Our assessment identified 3 Significant, 8 High and 2 Moderate findings as summarised in the table below. Further detail is set out in the Detailed Findings and Recommendations.

Priority ratings assigned to the findings are based primarily on the criticality of the finding in contributing towards successful delivery of Māori outcomes and the timeframes within which the action plans should be implemented. To ensure consistency of priority ratings in this assessment we have applied the priority ratings agreed by the Board in the 2014 assessment, as detailed below.

Set out below is our priority rating of all the 2017 recommendations.

Framework element	#	Finding title	Priority Rating	Page
Expenditure assessment				
Expenditure assessment	1	Underspending on Māori related outcomes in FY2015/2016 and FY2016/2017	Significant	18
	2	Inaccuracies in reporting for FY2016/2017	High	19
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	21
	4	More focus on project/activity outcomes is needed, rather than spend	Significant	23
Strategic alignment	5	The strategic vision and priorities for Māori need to be better aligned through plans, activities and reports	High	24
	6	Further guidance should be developed to provide clarity on the four whai strategy and Māori Responsiveness Framework outcomes	Significant	25
Governance and oversight	7	Consistent reporting and better transparency of key initiatives and projects in the Statements of Intent is needed	High	26
Roles and responsibilities	8	Watercare's Māori Responsiveness Plan needs to be finalised	Moderate	28
	9	A performance management framework for Māori outcomes is required	High	29
Processes and reporting	10	Potential of smaller-funded and business-as-usual projects to achieve Māori outcomes should be considered	High	30

Framework element	#	Finding title	Priority Rating	Page
	11	Improvements to project reporting processes and report quality are required	High	32
	12	Guidelines for budget reallocations should be developed	Moderate	34
People and capability	13	Project management capability and processes require improvement	High	35

Current status of findings identified in the 2014 assessment

As part of this assessment, we considered whether the actions taken by the Council to remedy the shortcomings reported in the Independent Assessment of Expenditure Incurred by Auckland Council to achieve Māori outcomes, in May 2014 by KPMG.

Of the 23 findings raised, we consider:

- 10 (43%) to be resolved or no longer relevant (due to findings relating to a specific financial year, not recurring in the current assessment)
- 1 (4%) to be substantially resolved, with some elements of the issue outstanding
- 12 (52%) to remain outstanding.

Framework element	Finding title	Priority rating	Status at October 2017
Expenditure assessment	Significant under-spending on Māori related outcomes in FY2012/2013	Significant	No longer relevant
	Incomplete allocation of budgets across Council and CCOs in FY2012/2013	Significant	No longer relevant
	Budget for Māori specific expenditure for FY2013/2014 is overstated	Significant	No longer relevant
	Inaccuracies in quarterly reporting for FY2013/2014	Significant	No longer relevant
	Expenditure in other areas in FY2012/2013 – potential reprioritisation	High	No longer relevant
Strategy	Takes a 'bottom up' approach when a 'top down' view is critical	Significant	Substantially addressed – refer to Finding 6
	Māori outcomes are not clearly articulated in strategic documents	High	Outstanding – refer to Finding 6, 7, 8
People	Limited capability	High	Outstanding – refer to Finding 13
	Lack of clear KPIs, incentives and rewards	High	Outstanding – refer to Finding 9
	Staff time not included in Māori related expenditure	Moderate	Outstanding – refer to Finding 10
Process	Inadequate processes for capturing spend on Māori outcomes	High	Resolved
	Inadequate processes for compiling reports on Māori outcomes	High	Outstanding – refer to Finding 11
	Incomplete policies and procedures	High	Outstanding – refer to Finding 6

Framework element	Finding title	Priority rating	Status at October 2017
	Māori Engagement Framework – fragmented approaches to engaging with Māori	High	Resolved
	The Annual Plan does not articulate specific Māori projects	High	Resolved
	Alignment of Māori Responsiveness Plan to the Schedule of Issues of Significance/Māori Plan is work in progress	High	Outstanding – refer to Finding 5
	Improvements in the planning and budgeting process have not been properly embedded	High	Resolved
	No proper consideration of Māori outcomes in project delivery	High	Outstanding – refer to Finding 4
	Lack of clarity around the criteria for measuring Māori outcomes	High	Outstanding – refer to Finding 6
	The ongoing debate – outputs vs. outcomes	High	Outstanding – refer to Finding 4, 10
	Risk not identified and mitigated effectively	Moderate	Outstanding – refer to Finding 11
Monitoring and oversight	Poor quality of reporting to Council Committees	Significant	Outstanding – refer to Finding 11
	No proactive monitoring of Māori expenditure	High	Resolved

Detailed Findings and Recommendations

Background and context – Te Toa Takitini

Purpose, responsibility and structure of Te Toa Takitini

The purpose of Te Toa Takitini was to embed a top-down Auckland Council family approach to overseeing delivery on commitments to significantly uplift Māori economic, social and cultural well-being. Te Toa Takitini is convened by the Chief Executive of Auckland Council.

Te Toa Takitini's responsibilities include:

- being a *central leadership point* with a *strategic overview* of the Council family Māori responsiveness activity
- ensuring *accountability for delivery, monitoring and reporting* of Māori responsiveness activity
- maintaining a *clear line of sight* between the Council's commitments and delivery.

Te Toa Takitini oversees a portfolio of projects deemed as transformational activity for Māori. Projects are categorised into four unique streams of work programmes or whai – Whai Tika (Effectiveness for Māori), Whai Rawa (Māori economic well-being), Whai Painga (Māori social well-being) and Whai Tiaki (Māori cultural well-being).

Te Toa Takitini's structure as of this year comprises three governance layers:

1. *Strategic governance* – through the Executive Leadership Group (ELG), to confirm strategic direction and promote transformational achievements. Membership of this ELG includes the Council's Chief Executive, Governance Director, Executive Leadership Team Whai Sponsor (one for each of the four Whai – responsible for championing Whai activity and providing strategic leadership), Independent Māori Statutory Board Chief Executive, GM – Te Waka Angamua ki Uta, Head of Te Toa Takitini and CCO Chief Executives (as required).
2. *Investment Governance* – through the Council's Investment Group, to consider business cases that seek approval to start or amend a project and request funding authorisation. The GM – Te Waka Angamua ki Uta is a member.
3. *Performance Governance* – through the Performance Delivery Group, to establish, monitor and report portfolio activity. Membership of this Performance Delivery Group includes the Head of Te Toa Takitini, Te Toa Takitini Portfolio Delivery Manager, Te Toa Takitini Portfolio Support Analyst and the Whai Programme Leads - one for each of the four Whai.

Project Managers (from Council departments/CCOs) are responsible for planning, delivery, monitoring and reporting individual projects. Programme leads support project managers in delivery of outcomes, resolution of risks and issues, project reporting as/when required.

Te Toa Takitini – in transition

Scope

On the establishment of Te Toa Takitini, more than 50 projects/activities were identified across the Council family as contributing to the achievement of better outcomes for Māori.

In FY18, the scope of projects within Te Toa Takitini's portfolio was refined to target focus on transformational projects, with the removal of projects deemed non-transformational/'business-as-usual' (based on set criteria and a tiering system). As such Te Toa Takitini will no longer monitor and report on these removed projects, as they are not considered as directly contributing to the transformational shift to significantly lift Māori social and economic wellbeing.

Te Toa Takitini is also shifting its focus toward value-adding activities earlier in the project life-cycle, prospectively aligning projects to broader all-of-Council strategic objectives across the programme portfolio.

Funding

Te Toa Takitini portfolio targets the level of spending identified as Māori Transformational Spend in the LTP 2015-2025, for each year.

The way that funding is managed by Te Toa Takitini is in the process of transition – moving from project budgets held and managed by individual departments/CCOs to a centralised budget held by Te Toa Takitini. The plan is to seek centralised funding for Te Toa Takitini portfolio through the LTP planning process for 2018-2028, and if a centralised budget is adopted, transformational projects will be able to apply for funding from the centralised budget from FY19. Decisions regarding LTP budgets will be finalised and adopted in June 2018.

By making these changes, Te Toa Takitini intends to be better able to collectively achieve improved Māori outcomes and deliver better value for money.

Expenditure assessment findings

Through the establishment of Te Toa Takitini and the Council’s LTP 2015-2025, activities and budgets were identified by the Council to contribute over the next ten years to significantly lift Māori economic, social and cultural well-being, strengthen the Council’s effectiveness for Māori, and optimise post-Treaty settlement opportunities for the benefit of mana whenua and the wider public of Auckland.

The focus of this assessment was expenditure by 4 CCOs during the 2015/16 and 2016/17 years, being the first and second years of Te Toa Takitini’s operation. Appendix I details the transformational projects/activities reported by Te Toa Takitini to the Financial and Performance Committee for financial years 2015/2016 and 2016/2017.

1. Underspending on Māori related outcomes in FY2015/2016 and FY2016/2017

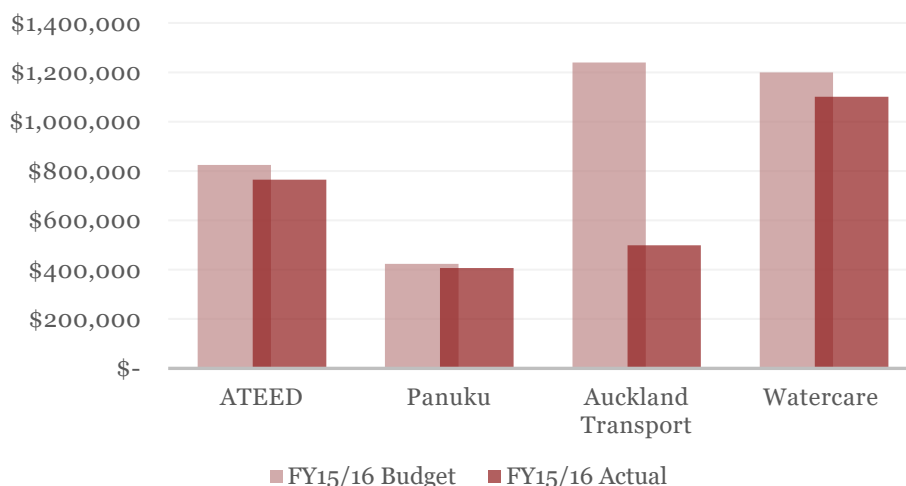
Priority rating: Significant

Both years reported underspending on projects/activities to achieve Māori outcomes, with shortfalls of \$925,000 and \$300,600 respectively. In FY2015/2016, Auckland Transport held the key project variances with some significant underspending.

In FY2015/2016 \$741,000 underspend (60% of budget) was seen across the following Auckland Transport projects:

- Māori Wardens security provisions on trains – \$600,000 budget, and the service delivery cost was \$395,000. Shortfall of \$205,000.
- Road safety programme - young Māori drivers and passengers – \$540,000 budget, with limited planning for the budget, actual spend was \$104,000. Shortfall of \$436,000.
- Road safety - marae – \$100,000 budget, and none was spent. Shortfall of \$100,000.

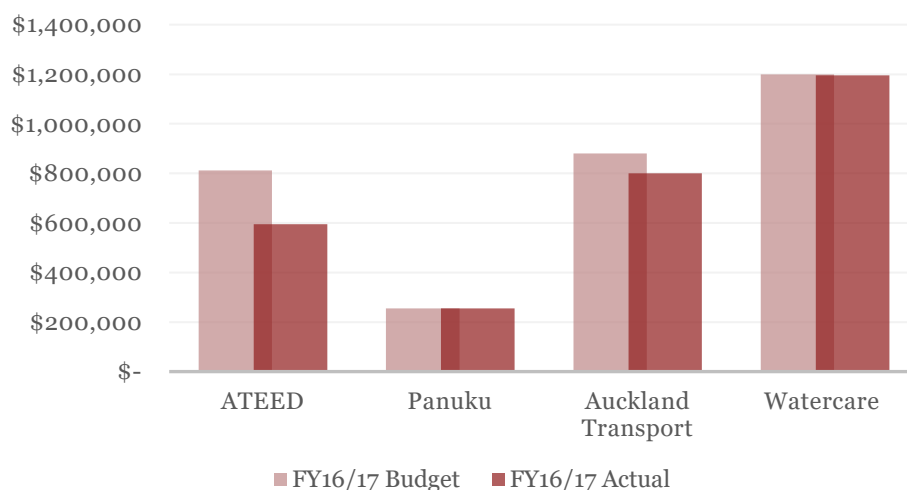
Budget and actual comparison FY15/16



Auckland Transport staff advised the underspending is due to a combination of factors – including scope changes, budget accuracy and unrealistic timeframes – that created delays in project initiation and spend. These projects continued in FY16/17.

In FY2016/2017 \$217,600 underspend was reported by ATEED across 5 projects, representing 27% underspend of budget. Project level variances can be seen in Appendix I.

Budget and actual comparison FY16/17



Reasons for underspend include changes in staff resulting in lower activity and redirection of focus/effort to other Māori transformational activity. ATEED confirmed that some unspent budget was included in the following year budgets (Māori economic growth forum); however unspent budget from the Māori tourism development programme was not rolled forward. The Indigenous Economic/Innovation Conference was moved from Auckland to Northland, and therefore is no longer in ATEED's portfolio.

Recommendation

Any shortfall in spending on Māori outcomes should be included in future year budgets.

2. Inaccuracies in reporting for FY2016/2017

Priority rating: High

In our examination of project budget and actual spend reports produced by CCOs and those prepared by Te Toa Takitini, we noted that for some ATEED projects in FY2016/2017, the figures reported to Te Toa Takatini did not agree to underlying reports. This has resulted in overstated budget (of \$6,000) and overstated actual spend (of \$22,600). We have detailed these differences below:

Project	FY16/17 budget per TTT	FY16/17 budget per ATEED	Difference in budget?	FY16/17 actuals per TTT	FY16/17 actuals per ATEED	Difference in actuals?
Māori signature festival-Te Herenga Waka Festival	500	513	-13	513	506	7
New Sector Development	24	24	0	24	5	19
New Sector Development	24	24	0	24	5	19
Indigenous Economic / Innovation Conference	48	48	0	48	0	48

Project	FY16/17 budget per TTT	FY16/17 budget per ATEED	Difference in budget?	FY16/17 actuals per TTT	FY16/17 actuals per ATEED	Difference in actuals?
Maōri Economic Growth Forum	48	48	0	48	0.4	47.6
Auckland visitor and industry promotional video	24	20	4	10	20	-10
Maōri Tourism Development Programme	150	135	15	150	58	92
Total differences	818	812	6	817	594.4	222.6

ATEED confirmed the accuracy of their reported figures above, however we received no comment from Te Toa Takitini.

Recommendation

This issue is an example of errors in reporting through weaknesses in the current process. We have made recommendations in finding 11 in this regard.

Portfolio management, project initiation and project management findings

Purpose and scope

Strategic alignment

Governance and oversight

Roles and responsibilities

Processes and reporting

People and capability

3. The function, role and governance of Te Toa Takitini needs to be clarified

Priority Rating: **High**

Our discussions with CCO staff highlighted a lack of a clear understanding of the function and role of Te Toa Takitini.

Confusion was expressed over:

- Te Toa Takitini's shift in focus and approach for FY18 towards the role of strategic influencer, rather than project monitor.
- The lack of clarity over the reallocation of budgets, which occurred with little consultation with stakeholders, reducing buy-in and commitment to the projects. We understand Te Toa Takitini is drafting a communications plan to better inform stakeholders of the transition.
- The scope of projects that Te Toa Takitini monitors the funding for, that is, 'transformational' projects to deliver Māori outcomes. There is a lack of awareness of the categorisation and classification of transformational projects across the CCOs.
- How projects are classed into tiers (according to their contribution to transformative outcomes), the requirements to secure project funding and what projects should be incorporated as part of core CCO business (and therefore reported via the Māori Responsiveness Plans).
- The role of Te Toa Takitini as distinct from Te Waka Angamua and the Board.
- The structure, leadership and governance layers of Te Toa Takitini.
- Engagement protocols between CCOs and Te Toa Takitini (timelines, meetings, agendas). CCOs were at times reluctant to commit to governance and monitoring processes stipulated by Te Toa Takitini, due to inconsistent coordination of meetings agendas.

Recommendations

1. Clearly articulate the function and role of Te Toa Takitini, outlining the steps it is taking in the period of transition.
2. Communicate Te Toa Takitini's portfolio scope and project tiering, clarifying what is in and out of scope, and why.
3. Clarify the relationship and governance structure between CCOs, Te Toa Takitini, Te Waka Angamua and the Board.
4. Clarify engagement protocols between CCOs and Te Toa Takitini. Meetings, agendas and all governance processes should be planned in advance and formally communicated to all parties to maximise participation and engagement, and minimise invite delegation.

3. The function, role and governance of Te Toa Takitini needs to be clarified

Recommendations

Implications

This confusion has led to frustration being felt by some CCOs and lack of engagement/buy-in to Te Toa Takitini. As a result, the potential value of Te Toa Takitini and benefits have not been fully realised.

Confusion of what constitutes a ‘transformational’ versus a ‘business as usual’ commitment to achieving Māori outcomes has resulted in a mismatch of expectations on Te Toa Takitini’s portfolio between the Board, Te Toa Takitini and CCOs. This in turn increases the risk of lost funding opportunities, as well as an increased risk that value-adding projects contributing to improved outcomes are not captured in reporting and celebrated.

4. More focus on project/activity outcomes is needed, rather than spend	Recommendations
<p>Priority Rating: Significant</p> <p>The key delivery functions of Te Toa Takitini are to strengthen monitoring and reporting, with better visibility and accountability, of Māori transformational activities. To enable this, Te Toa Takitini has sought clear financial commitment from the Auckland Council group to projects and initiatives, and has focused on monitoring project spend against budget with some reporting on project activities completed three times a year (was quarterly). There are now clear reports showing expenditure on projects to deliver Māori outcomes – an improvement since the first assessment.</p> <p>However, the Council family does not assess the achievement of Māori outcomes by projects/activities nor delivery quality. This is a key theme of this report.</p> <p>As was identified in the 2014 assessment (findings on no proper consideration of Māori outcomes in project delivery, and the ongoing debate – output vs outcomes), the nature of some projects is such that outcomes derived from the respective project may not be measurable by project spend. There were a number of initiatives and projects established by CCOs that could have a significant or transformative impact on Māori outcomes, but which do not sit within the scope of Te Toa Takitini because they were a lower dollar spend. For example, Watercare have a number of initiatives that assist both direct Māori employment (e.g. through scholarships) and broader economic development (e.g. by creating demand for nursery tree propagation to support revegetation initiatives). The focus on only transformational projects may not drive a value for money culture, and it does not incentivise the Council family to work together to deliver low cost, high value transformative projects that have the potential to improve Māori outcomes in Tamaki Makaurau.</p> <p><i>Implications</i></p> <p>A heightened focus on project spend has required CCOs and Te Toa Takitini to dedicate significant resource to project monitoring and reporting processes. Measuring commitment through spend can create a perverse incentive to spend money (e.g. penalised when spend less).</p> <p>Without evaluating whether anticipated benefits and outcomes have been realised, there is an increased chance that risks to these benefits and outcomes will not be identified, limiting their realisation. Ultimately, this could represent poor value for money.</p>	<ol style="list-style-type: none"> 5. Project initiation and funding approvals should focus on the potential value of benefits to be achieved, rather than the volume of inputs required. 6. Project assessments – during and post the project – should include focus on outcomes/benefits achieved and quality of delivery. 7. More focus should be directed towards creating opportunities and incentives for collaboration across the Council family to work together to deliver enhanced outcomes for Māori. More strategic discussions should be encouraged to share ideas, coordinate projects, optimise the allocation of resources across the Council and ensure alignment of strategic priorities. 8. Smaller value projects could be centrally coordinated to reduce administration burden and maximise return on investment.

Purpose and scope	Strategic alignment	Governance and oversight	Roles and responsibilities	Processes and reporting	People and capability
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5. The strategic vision and priorities for Māori need to be better aligned through plans, activities and reports	Recommendations
<p>Priority Rating: High</p> <p>Although the Board and Council share the goal of improving Māori wellbeing, and there is some alignment between the outcomes articulated in the Board’s Schedule of Issues of Significance/Māori Plan and those in the Council’s Māori Responsiveness Framework (MRF), many outcomes in the Māori Plan, that are within Council’s mandate, are not reflected as priorities in key Council strategic or planning documents.</p> <p>The Board’s knowledge and insights – from their key work programmes of the Schedule of Issues of Significance to Māori, Māori Plan and Te Tiriti o Waitangi Audit – are not well leveraged to guide the strategic direction of the Council’s portfolio and projects to deliver Māori outcomes.</p> <p>Further, the Council’s strategic vision and outcome priorities for Māori – articulated in the Auckland Plan and MRF, LTP and CCO Statements of Intent – are not clearly traceable through the plans and reports of Te Toa Takitini projects.</p> <p>The 2014 assessment raised a finding on the alignment of the Māori Responsiveness Framework to the Schedule of Issues of Significance/Māori Plan. Our assessment shows that the issue remains outstanding and requires action from the Council.</p> <p><i>Implications</i></p> <p>The lack of traceability and alignment through these key documents jeopardises the achievement of the effective outcomes for Māori.</p>	<ol style="list-style-type: none"> 9. A formal discussion on strategic alignment should be held between the Council and the Board. A mutually agreed set of outcomes and priorities should be determined. An example of how outcomes in the MRF and Māori Plan could be mapped is shown in Appendix II. This could be extended to the Auckland Plan and LTP. 10. Strategic guidance from the Board should be sought upfront in portfolio strategy discussions, project brainstorming and initiation (e.g. through the Investment Group) to help set a clear path for the successful delivery of Māori outcomes, and to enable the Board to perform its evaluation function more effectively. 11. The current exercise of creating business cases for projects within Te Toa Takitini’s portfolio should include identifying the priorities/outcomes that each project is targeting, to ensure strategic alignment. 12. We note that the Annual Budget 2017/18 identifies specific Māori projects and this could be done consistently in future Long-term plans and Annual budgets.

6. Further guidance should be developed to provide clarity on the four whai strategy and Māori Responsiveness Framework outcomes	Recommendations
<p>Priority Rating: Significant</p> <p>From our discussions with the CCO members, we understand that project owners often face difficulties in developing a transformational activity/project in the context of the whai programmes of work within Te Toa Takitini's portfolio. The reason given is that there is lack of clarity around the whai and their desired strategy and outcomes, as there is no detailed definition or guidance for each whai. For instance, the Whai Rawa attribute is merely described as “contributing to Māori economic well-being” in the Portfolio Management Plan July 2017 document.</p> <p>Whilst there are some strategic directions in the existing Auckland Plan (currently being reviewed), there is an absence of a detailed definition of the eight different outcomes set out in the Māori Responsiveness Framework. This adds to the difficulty in articulating transformational activity. For example, the Māori Responsiveness Framework defines the outcome “Mana Whenua – customary authority” as “the mana of Tamaki Makaurau iwi and hapu is respected”.</p> <p>The 2014 assessment recognised issues on the ‘bottom up’ approach, lack of clarity over articulation of Māori outcomes in the strategic documents and lack of clarity around the criteria for measuring Māori outcomes. Our assessment shows that these issues remain outstanding and require further action from the Council family.</p> <p><i>Implications</i></p> <p>Due to the lack of clarity on the categories and outcomes for Māori transformational activity, it will difficult to ensure consistent expectations around Māori transformational activity, and ensure targeted efforts and activity across the Council. On the upside – discussions to provide clarity on the whai and outcomes targeted will create an opportunity for good ‘top down’ brainstorming of initiatives and activities that could achieve these outcomes.</p>	<ol style="list-style-type: none"> 13. Existing strategic directions, definitions/key attributes/guidance should be developed for each whai, to provide greater context and detail, and articulate how these link to outcomes. This guidance should be formally communicated to Te Toa Takitini stakeholders. 14. Further guidance should be developed for each outcome in the Māori Responsiveness Framework to provide greater context and detail. This guidance should be formally communicated to Te Toa Takitini stakeholders to assist project managers in developing targeted transformational activities/projects.

Purpose and scope	Strategic alignment	Governance and oversight	Roles and responsibilities	Processes and reporting	People and capability
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7. Consistent reporting and better transparency of key initiatives and projects in the Statements of Intent is needed	Recommendations
<p>Priority Rating: High</p> <p>Each year Auckland Council CCOs must publish Statements of Intent (SOIs) as required under the Local Government Act 2002. SOIs set out the objectives, nature and scope of activities undertaken, and performance targets for each CCO to achieve the objectives in their long-term plans and other strategic plans. A section of the SOI discloses information on key Māori initiatives and projects, the CCO’s contribution towards Māori well-being and budgets of respective activities.</p> <p>We noted a lack of top-down approach from the Council in setting a clear tone on its expectations of the quality of information disclosed in SOI section relating to key Māori initiatives and projects. There are no formal communications or guidelines that express the Council’s expected standards, which has resulted in reporting inconsistencies and lack of project transparency in the SOIs (covering the years 2015-2017), as detailed below.</p> <p>Reporting inconsistencies</p> <p>The CCO staff interviewed acknowledged that three projects reported in the SOI were business-as-usual (BAU) in nature. However, we noted inconsistencies in reporting practices where 21 other BAU projects were not included in the SOIs. For example, Watercare has only identified iwi engagement in its SOI as its key activity, when it actually has a number of other activities that are not mentioned. Similarly, nine CCO transformational projects were omitted from their respective SOIs. Details of these projects are listed in Appendix III.</p> <p>Lack of transparency on project updates</p> <p>While we acknowledge that CCOs report progress of key Māori initiatives and projects to Council on a quarterly basis, we noted that:</p> <ul style="list-style-type: none"> • Eight transformational Māori initiatives and projects listed in CCO SOIs were not delivered by the project owners and the reasons were not made transparent and communicated to the stakeholders (see details in Appendix III). • The reasons for delays in execution could not be identified in the CCO and Council’s quarterly progress reports. 	<ol style="list-style-type: none"> 15. The Council should consider amending its CCO governance framework, including the Mayoral expectations letter to help govern the integrity of SOI reporting on key Māori initiatives and projects. This guidance should outline: <ul style="list-style-type: none"> • types of Māori initiatives and projects to be prioritised and reported in SOIs • information required to be disclosed in SOIs such as financial forecasts, linkages to whai and MRF outcomes, KPIs and progress status for key initiatives and projects • how CCO Māori Responsiveness Plans can be used a key input into SOIs. 16. The expectations of a well-aligned SOI should be articulated clearly in this framework. The framework should be formally communicated to CCOs. 17. Council should also establish a medium within Te Toa Takitini to support and provide advice to CCOs throughout the development of this section in the SOIs.

7. Consistent reporting and better transparency of key initiatives and projects in the Statements of Intent is needed

Recommendations

Linkages of key initiatives and projects to its attributes

Auckland Transport’s key initiatives and projects reported in the SOI do not have a link to a budget or financial forecast, and are explained as expenditure on Māori outcomes currently embedded in wider project budgets.

The disclosure of information in the SOI needs further improvement. While project contributions to Māori outcomes/opportunities are outlined, these are often at a very high level and the target whai, outcomes and key performance indicators measures are not always identified.

The 2014 assessment raised a finding that Māori outcomes are not clearly articulated in strategic documents. Our assessment shows that this finding remains outstanding and requires further action from the Council family.

Implications

With the lack of reporting inconsistencies and project transparency in the SOI, the Council family is not able to strongly and cohesively express its intention and commitments towards elevating Māori well-being, or related delivery expectations.

Purpose and scope	Strategic alignment	Governance and oversight	Roles and responsibilities	Processes and reporting	People and capability
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8. Watercare’s Māori Responsiveness Plan needs to be finalised	Recommendations
<p>Priority rating: Moderate</p> <p>The Council’s Māori Responsiveness Framework commits the Council family to raising responsiveness to Māori, which includes achieving better outcomes for Māori. Council departments and CCOs are required to make this a purposeful and tangible part of their activities and work programmes, by detailing commitments and plans in a Māori Responsiveness Plan (“MRP”). MRPs typically includes details on processes, systems, implementation support plans, obligations, rights and responsibilities as well as key principles of partnerships.</p> <p>Panuku, Auckland Transport and ATEED have developed and formalised their respective MRPs. At the date of this report, Watercare had yet to complete and finalise their MRP, and acknowledged that this development is currently in progress.</p> <p>In the 2014 assessment, the MRP pilot programmes were underway. While it is pleasing to note that progress has been made with some finalised MRPs, aspects of this original finding (titled ‘Māori outcomes are not clearly articulated in strategic documents) remain open.</p> <p><i>Implications</i></p> <p>Without an MRP, it is unclear how Watercare plan to address Māori outcomes in their SOI/Te Toa Takitini portfolio.</p>	<p>18. Watercare’s MRP should be completed and operationalised.</p>

9. A performance management framework for Māori outcomes is required	Recommendations
<p>Priority rating: High</p> <p>Following on from finding 2 – more focus is needed on Māori outcomes, rather than spend – Māori outcomes target benefits, measurement of, and key performance indicators (KPIs) are not currently identified and defined up front in projects/activities, or for Te Toa Takitini portfolio as a whole.</p> <p>We acknowledge that Te Toa Takitini plans to address this at a project level in FY18 through:</p> <ul style="list-style-type: none"> • requiring KPIs to be defined in the project’s business case, with guidance to business case writers from the Council’s Strategic Portfolio and Programme Office Business Case Centre • review of these business cases by the Council’s Investment Group – of which the General Manager Te Waka Angamua is a member, to provide investment rigour in terms of ensuring projects align with organisational strategy, KPIs are appropriate to ensure delivery of desired outcomes, and to assess the cost vs benefit of projects • reporting on achievement of KPIs three times annually • evaluating outcomes/benefits (of completed projects). <p>While some KPIs of success for Te Toa Takitini portfolio have been identified in the Portfolio Management Plan (during July 2017), these are still not specifically linked to desired outcomes for Māori, e.g. number of people affected by/participated in transformational activities; benefits delivered to the Māori communities based on user feedback.</p> <p>The 2014 assessment raised a finding on the lack of clear KPIs, incentives and rewards. Our assessment shows that the finding remains outstanding and requires further action from the Council family.</p> <p><i>Implications</i></p> <p>Without a performance management framework, it is difficult for Te Toa Takitini (as well as project owners/sponsors) to carry out their role to monitor the achievement, support or influence, transformational outcomes for Māori, and hold others accountable. Without defined KPIs at a project level, it is difficult to identify risks to the achievement of the desired outcomes throughout the project and mitigate these effectively.</p>	<ol style="list-style-type: none"> 19. Structured business cases, consistent across the Council, should be used to identify and quantify expected benefits for any given investment. 20. Using the identified benefits in the business case, KPIs should then be specified and monitored to ensure the project is delivering the desired outcomes, with value for money. 21. Linking the performance measures of projects to individual or group KPIs will help to incentivise and motivate the successful delivery of projects and promote value for money investment.

Purpose and scope	Strategic alignment	Governance and oversight	Roles and responsibilities	Processes and reporting	People and capability
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10. Potential of smaller-funded and business-as-usual projects in achieving Māori outcomes should be considered	Recommendations
<p>Priority rating: High</p> <p>The Council has developed a criteria document for identification of transformational activities. The projects are scored against 6 unique criteria, which determine whether the project should be considered as transformational, potential transformational or business-as-usual (“BAU”) activities.</p> <p>Despite this, there is lack of understanding of the real value that some of these non-transformational projects can or do bring to Māori well-being. This is evidenced by:</p> <p>Budgets and outputs vs inputs and outcomes</p> <p>Te Toa Takitini often determines project inclusion (as transformational activities) based on the significance of budgets and outputs rather than its inputs and outcomes.</p> <p>We understand from CCO members that in some cases the smaller-funded projects have greater significance to the Māori outcome achievement as compared to the larger-funded projects. However, the likelihood of these projects being approved as transformational activities is often low. An example of one initiative is Watercare’s support of iwi training initiatives, such as Waikato Tainui’s life employment support programme.</p> <p>The 2014 assessment raised a finding on the ongoing debate over “outcomes vs outputs”. Our assessment shows that the finding remains outstanding and requires further action from the Council family.</p> <p>Transformational vs BAU</p> <p>From our discussion with CCO officers, we understand that the project owners often struggle in identifying sufficient transformational activities, as most of the projects are deemed as BAU. Regardless, of the definition, we were informed that the Māori outcome elements are embedded within these BAU activities and do carry significant benefits to the achievement of Māori well-being.</p> <p>Furthermore, staff time spent engaging/consulting with iwi, planning and delivering projects is not always captured as part of the expenditure reported for delivering Māori outcomes. Given that effective engagement and consultation is a core tenet to achieving many Māori outcomes, it follows that this time should be captured.</p>	<p>22. The Council should widen its view on what constitutes a transformational activity. The definition should hinge on the significance of the outcomes rather than the significance of the spend.</p> <p>23. Te Toa Takitini and in particular, the Executive Leadership Group, should perform a thorough assessment of the intended outcomes that smaller-funded projects could achieve and their significance to the overall achievement of Māori outcomes.</p> <p>24. Council should also broaden its monitoring aspects to recognise BAU activities (including staff time) that have a significant impact on Māori outcomes. These projects outcomes should be measured and reported in the four-monthly reports.</p>

10. Potential of smaller-funded and business-as-usual projects in achieving Māori outcomes should be considered	Recommendations
<p>The Board and Council do not have much oversight on these projects as the four-monthly reports provide information on transformational activities alone. Thus, the Māori outcome achievement in respect of these BAU activities is not measured and reported.</p> <p>In the 2014 assessment, a finding was raised on staff time not being included in Māori related expenditure. Our assessment shows that this issue remains outstanding and requires further action from the Council family.</p> <p><i>Implications</i></p> <p>There is a risk that projects/activity contributing to significant Māori outcomes may not be included and recognised by the Council and key stakeholders.</p>	

11. Improvements to project reporting processes and report quality are required

Recommendations

Priority rating: High

Three times annually (was quarterly), CCOs are required to report to Te Toa Takitini on the progress of Māori-initiative projects. All key project information such as its outputs/features, budget, actual spend; progress status and achievements need to be recorded in the Council's Sentient system for project management. Te Toa Takitini then extracts necessary project information from Sentient and compiles the reporting packs. The updates are discussed within Te Toa Takitini, before being presented to the Finance and Performance Committee.

Currently, there are no formal reporting guidelines. As a result, some CCOs are confused on the overall reporting processes, the reporting requirements and the communication mechanism. It follows that the CCOs have expressed difficulty in meeting the expectations of Council. The kind of issues faced by the CCOs over the periodic reporting are detailed below.

Manual workaround

While Te Toa Takitini obtains project information and updates from CCOs through Sentient, a significant amount of work is required to prepare the required reports from the project information. As a result, there is less focus on what the reports are saying and the required remedial activities. This is evidenced in the quality of reporting. We acknowledge that the Council are in the process of implementing an improved reporting system for core Council and CCOs on their system (ATEED, Panuku).

Quality of reporting

- 1) From our review of the Finance and Performance Committee meeting reports, we noted that the progress update information is not linked to its correlating milestone or KPIs (refer to finding 7 on performance management framework). There is therefore no way of assessing the current state of project or outcome achievement.
- 2) For any variances resulting from over/underspend of money, the reports do not specifically explain the reasons and the proposed action plans to address the issues. The lack of oversight can impede the inability to capture key learning points that could help improve the Council family's project management administration.
- 3) Risks to the achievement of Māori outcomes are not captured nor reported in project reports.

The 2014 assessment raised findings of inadequate report compilation processes, poor reporting quality and a lack of risk management processes relating to achievement of outcomes. Our assessment shows that these issues remain outstanding and require further action from the Council family.

25. The Council should work with the CCOs to develop a guideline to govern the integrity of internal reporting to Te Toa Takitini. This guideline should outline:

- types of activities, being transformational and BAU activities with Māori outcome elements, to be incorporated into periodic reports (refer to related recommendations in finding 10 on Transformational vs BAU activity)
- reporting format, roles and responsibilities
- types of information that should be incorporated into the report (i.e. progress updates, project risks to the achievement of outcomes, KPI measurement, milestone achievements, variance analysis, etc.)

26. Council should also consider providing training sessions to the report owners to enhance their knowledge and understanding of the reporting content, process and technology, and its expected quality.

27. In taking these next steps, the Council can add further value by providing regular feedback to the report owners. The report owners need to be made aware of their strengths and development areas for continuous improvement of reporting quality.

11. Improvements to project reporting processes and report quality are required

Recommendations

Implications

The extent of manual intervention from the Council on the reporting information could lead to reporting of inaccurate (e.g. by missing context) or incomplete information to Council Committee members.

The reports currently provide the Council family with a limited view of the portfolio and the outcomes produced by the projects. This prevents a clear understanding of the contribution to Māori outcomes, and limits the ability to identify and remediate risks or issues relating to outcome achievement.

From a broader perspective, without good integrity of information, there is a risk that resources may not be optimised in the best possible manner nor channelled to the right direction. The reporting pack is essential in assisting Committee members in exercising proper governance.

12. Guidelines for budget reallocations should be developed

Priority rating: Moderate

For projects currently within Te Toa Takitini’s portfolio, the budget is provided, held and managed by the department or CCO responsible for delivering the project outcomes. The project budget is ‘ring fenced’ for Te Toa Takitini outcomes, meaning that any unspent budget may be reallocated to other Te Toa Takitini projects to support the delivery of other Te Toa Takitini outcomes - by agreement with the budget holder, Whai sponsor and Te Toa Takitini Portfolio team. However, the Council has not established a formal budget reallocation processes to help foster a structured and transparent escalation and decision-making mechanism.

From discussions with the CCO members, we understand that there is lack of guidance on:

- how the budget reallocation request should be raised by the project owners to the Investment Governance committee. This becomes crucial when the project owners are seeking additional funding to successfully execute their projects
- key documents or information required to put forward, for the purpose of justifying the need for additional funding or carry forward of surpluses
- participation or inclusion of concerned project owners in the formal communications, to the right channel. This is an important to ensure clear messages to the decision makers.

Implications

Resources may not be used in the best possible manner thus affecting Council’s contribution to Māori well-being.

Recommendations

28. The Council should develop a guideline which outlines:
- the appropriate roles and responsibilities, including for general communication and involvement of relevant parties across the decision making process. Council should consider inclusion of the concerned project owners throughout this phase.
 - the processes for making an additional funding request
 - consideration for development of a business case that articulates reasons and utilisation plans on the additional funds (likewise for project owners who are seeking to retain surplus budget).
29. The framework should be designed with, and then formally communicated to, all CCOs.

Purpose and scope	Strategic alignment	Governance and oversight	Roles and responsibilities	Processes and reporting	People and capability
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13. Project management capability and processes require improvement	Recommendations
<p>Priority rating: High</p> <p>The Council’s oversight of administration of Māori outcome achievement has improved since the 2014 assessment. Te Toa Takitini now has a better view of the strategic plans and direction adopted by CCOs and acts as a medium in addressing concerns across the Council family. However, the Council is still unable to advocate and advise on the achievement of Māori outcomes in a more strategic and holistic manner. This is because Te Toa Takitini’s role is currently concentrated on ensuring stability of project management activities.</p> <p>Māori-specific outcomes</p> <p>The Council spends significant amount of time trying to identify Māori-specific outcomes and develop suitable activities or portfolios. The Council has been facing challenges in determining outcomes that are pragmatic for the business to fulfil (considering its resources) versus the vision of the community. Deliberation is also made on whether focus should be given to activities with long-term plans (where outcomes materialise progressively) versus short-term plans (smaller outcomes that crystallise immediately).</p> <p>The lack of strategic partnership and engagement with the iwi groups is one of the contributing factors to the above mentioned challenges. The Council family is still developing its interaction with key stakeholders. such as local businesses and iwi groups, through formal partnerships or arrangements.</p> <p>A good example noted in our assessment is the initiative made by Watercare. Watercare established a unique partnership arrangement, known as the Mana Whenua Kaitiaki Forum in 2012, with the 19 iwi of Tāmaki Makaurau for support on specialist advice and guidance. This is now a governance level forum reporting to the Council. Below this, operational level forums have been established for key Council activities (e.g. transport, water, community). Watercare operate the water forum, which also covers the Council Healthy Waters department.</p> <p>Business cases</p> <p>Te Toa Takitini also spends significant amount of time to review business cases submitted by project managers prior to circulating to the Investment Group. This is because the context, format and quality of these business cases are not up to the Investment Group’s standards.</p> <p>We acknowledge that Te Toa Takitini is now leveraging the Council’s Strategic Projects & Programmes Office to review all business cases.</p>	<ol style="list-style-type: none"> 31. Te Toa Takitini should conduct an exercise to consider capacity issues and capability needs across Council. 32. Training programmes could be developed to upskill people capacity and capability. Essentially, it is important for Te Toa Takitini to educate CCOs on the approach and perspective to be adopted in the overall project management areas. This could be a more strategic role for Te Toa Takitini in enhancing Māori responsiveness and effectiveness for Māori across Council. 33. Business case improvements could be addressed through Te Toa Takitini establishing guidelines around business case development, to improve understanding of the features of good business cases.

13. Project management capability and processes require improvement

Recommendations

Project support

Technical expertise of Māori culture is limited within CCOs and due to issues and limitations discussed in this report, much time and effort from specialist staff is being spent on project management support roles. This time could be better utilised in advisory roles.

The 2014 assessment raised a finding on limited capability. Our assessment has observed that aspects of this issue remain outstanding and require further action from the Council family.

Implications

Although leadership are generally committed to projects that deliver better outcomes for Māori across CCOs, there are some limitations in project management capability and capacity. In turn, there have been challenges in the initiation, implementation and delivery of projects.

Appendices

Appendix I

The table below details the transformational projects/activities reported by Te Toa Takitini to the Financial and Performance Committee for financial years 2015/2016 and 2016/2017. Figures with an * are those reported by the CCO, as Te Toa Takitini's reported figure was not correct.

CCO	Project/activity name	FY15/16 Budget \$'000	FY15/16 Actual \$'000	FY16/17 Budget \$'000	FY16/17 Actual \$'000
Auckland Tourism, Event and Economic Development (ATEED)	Māori signature festival – Te Herenga Waka Festival	500	514	513*	506*
	Māori economic forum activities	100	148	-	-
	Māori tourism development programme	150	103	135*	58*
	Māori media lab	75	-	-	-
	New sector development	-	-	48	10*
	Indigenous economic / innovation conference	-	-	48	0*
	Māori economic growth forum	-	-	48	0.4*
	Auckland visitor and industry promotional video	-	-	20*	20*
	Sub total	825	765	812	594.4
Panuku (in 2015/16 reported as Auckland Council Property Limited and Waterfront Auckland)	Māori-focused events at the waterfront	100	58	95	95
	Iwi investment fund	100	-	-	-
	Enabling iwi involvement in the remediation and environmental enhancement of the waterfront	72	146	93	93
	Māori Engagement Forum	88	187	67	67
	Māori Responsiveness Planning	59	10	-	-
	Developing internal capacity	5	6	-	-
		Sub total	424	407	255
Auckland Transport	Māori Wardens security provisions on trains	600	395	430	430
	Road safety programme – young Māori drivers and passengers	540	104	250	250
	Road safety – marae	100	0	200	120
	Signage – dual naming programme	-	-	-	-
		Sub total	1240	499	880
Watercare	Mana Whenua Kaitiaki Forum	140	141	140	157
	Iwi involvement and engagement on Watercare projects	1059	960	1059	1039
		Sub total	1199	1101	1199
TOTAL ALL		3,688	2,772	3,146	2,845.4

Appendix II

The table below details the outcomes in the Council's Māori Responsiveness Framework, with an example of how these outcomes could be mapped to the outcomes set out in the Māori Plan, as recommended in finding 5. The diagram on the following page is an extract from the Māori Plan, which depicts the 20 Māori outcomes identified by the Board. We also recommend that this mapping is extended to the revised Auckland Plan and LTP 2018-28.

Outcome in the Council's Māori Responsiveness Framework	Description	Indicative link to Māori Plan
Kaitiakitanga – guardianship including stewardship	Tangata whenua are empowered, enabled, respected and recognised in their customary kaitiaki role	Outcome 1
Waahi tapu – sacred ancestral sites and places of significance to iwi, hapu or whanau	Waahi tapu within the Auckland region are protected	Outcome 2
Rangatiratanga – self-determination	Tamaki Makaurau hapu and iwi have the opportunity to exercise rangatiratanga/self-determination	It is not clear how this outcome addresses the social, cultural, economic and environmental outcomes in the Māori Plan
Te Tiriti o Waitangi/Treaty of Waitangi	Te Tiriti o Waitangi/the Treaty of Waitangi is recognised as the basis for the relationship between Māori, the Crown and Auckland Council	This outcome is very broad and it is not clear how it links to the Māori Plan
Mana tangata/Oritetanga – citizenship/equal opportunity	Māori are empowered and enjoy high-quality lives	It is not clear how this outcome addresses the social, cultural, economic and environmental outcomes in the Māori Plan
Mauri – life-force and maintaining balance	The mauri of the natural environment is in optimum health	Outcome 3
Matauranga Māori – Māori knowledge, wisdom	Māori knowledge and world views are respected, and its validity and value acknowledged	Outcome 4
Mana Whenua – customary authority	The mana of Tamaki Makaurau iwi and hapu is respected	It is not clear how this outcome addresses the social, cultural, economic and environmental outcomes in the Māori Plan

KEY DIRECTIONS		MANAAKITANGA			WAIKUATANGA		KAITIAKITANGA		
WHANAUNGATANGA		RANGATIRATANGA		IMPROVE QUALITY OF LIFE		PROMOTE DISTINCTIVE IDENTITY		ENSURE SUSTAINABLE FUTURES	
DEVELOP VIBRANT COMMUNITIES		ENHANCE LEADERSHIP & PARTICIPATION		"Satisfaction with our environments and standard of living."		"Recognised sense of identity, uniqueness and belonging."		"Intergenerational reciprocity"	
"A city/region that caters for diverse Māori lifestyles and experiences."		"People engaged in their communities."							
CULTURAL	Māori communities are culturally vibrant across Tāmaki Makaurau The use and significance of marae Accessibility to Māori culture	Māori are actively participating and demonstrating leadership in the community Mana Whenua as treaty partners Mataawaka as treaty partners Youth participation and leadership	Māori communities are culturally strong and healthy The use of te reo Māori Participation in wānanga, kura and kōhanga reo Connection to iwi	Māori heritage of Tāmaki Makaurau is valued and protected Māori cultural values and heritage Sense of pride and belonging	Māori cultural wellbeing is future-proofed Investment in Māori arts and culture Mātauranga Māori and Mātauranga-ā-iwi Outcome 4				
	Māori communities are connected and safe Access to transport and public facilities Safe and connected whānau and communities Participation in communities	Māori are decision-makers in public institutions Māori representation in public institutions Trust in public institutions Participation in elections	Māori enjoy a high quality of life Health and wellness Access to health services Participation in mainstream education	Māori social institutions and networks thrive Urban Māori authorities and Māori NGOs Sport and leisure	Whānau wellbeing and resilience is strengthened Social equity Whānau wellbeing Papakāinga				
	Māori have the skills to realise economic opportunities Māori in tertiary study Māori workforce capability	Māori are active across all sectors of the economic community Employment across businesses and sectors Māori in management and leadership positions	Māori are earning income and returns that fulfill their lifestyle expectations Income – individuals and whānau High quality and affordable housing Māori land and assets	Māori businesses are uniquely identifiable, visible and prosperous Māori businesses Māori involvement in networks	Māori businesses are improving and enhancing the quality of their people, asset and resource base Investment in Māori economic development New opportunities and markets				
	Te Taiāo is able to support ngā uri whakatipu Mahinga kai and wāhi rongoā Wāhi tapu and wāhi taonga Outcome 2	Māori are actively involved in decision-making and management of natural resources Co-governance of natural resources Resource management planning processes and activities Mātauranga Māori and natural resources	The mauri of te taiāo in Tāmaki Makaurau is enhanced or restored for all people Access to clean parks and reserves Sustainable energy use Water quality Outcome 3	Taonga Māori are enhanced or restored in urban areas Māori urban design principles Indigenous flora and fauna	Māori are kaitiaki of the environment Investment in Māori environmental projects Capacity of tangata whenua to support the environment Outcome 1				

Appendix III

The following lists are the inconsistencies in CCO SOI reporting practices (covering the years 2015-2017), referred to in finding 7.

BAU projects included in SOIs

CCO	Project Name
ATEED	Iwi Investment Support
ATEED	Māori Cultural Showcasing
ATEED	Māori Cultural Centre

BAU projects excluded from SOIs

CCO	Project Name
Watercare	Iwi engagement on Watercare projects
Auckland Transport	AMETI
Auckland Transport	East West and Mill Road
Auckland Transport	Roads & Footpaths
Auckland Transport	Glenvar Ridge Road
Auckland Transport	Walking and Cycling (Glen Innes to Tamaki)
Auckland Transport	New Lynn to Waterview Shared Path
Auckland Transport	Walking and Cycling (general)
Auckland Transport	City Rail Link
Auckland Transport	Otahuhu Bus Interchange
Auckland Transport	Parnell Station
Auckland Transport	Public Transport
Auckland Transport	Wynyard Quarter
Auckland Transport	Communications
Auckland Transport	AT Statement of Intent
Auckland Transport	Other
Auckland Transport	Te Reo Māori translations
Auckland Transport	Māori turnour project
Panuku	Māori technical/specialist advice
Panuku	Development Projects
Panuku	Māori koha

Transformational projects excluded from SOIs

CCO	Project Name
ATEED	New Sector Development
ATEED	Auckland visitor and industry promotional video
Auckland Transport	Signage – dual naming programme (capex)
Auckland Transport	Māori wardens security provisions on trains
Panuku	Internal capacity
Panuku	Iwi investment fund
Panuku	Māori-focused events at the waterfront
Panuku	Enabling iwi involvement in the remediation and environmental enhancement of the waterfront

Transformational project excluded from SOIs and not executed

CCO	Project Name
ATEED	Indigenous Economic / Innovation Conference

Transformational projects reported in SOIs but not executed

CCO	Project Name
ATEED	Māori Media Lab
Auckland Transport	Mana whenua engagement
Auckland Transport	Māori values and stormwater
Auckland Transport	Marae development and papakainga housing
Auckland Transport	Te Aranga Māori Design
Auckland Transport	Te Reo Māori Framework
Panuku	Māori development opportunities
Panuku	Recognition and celebration of Māori cultural values and heritage

