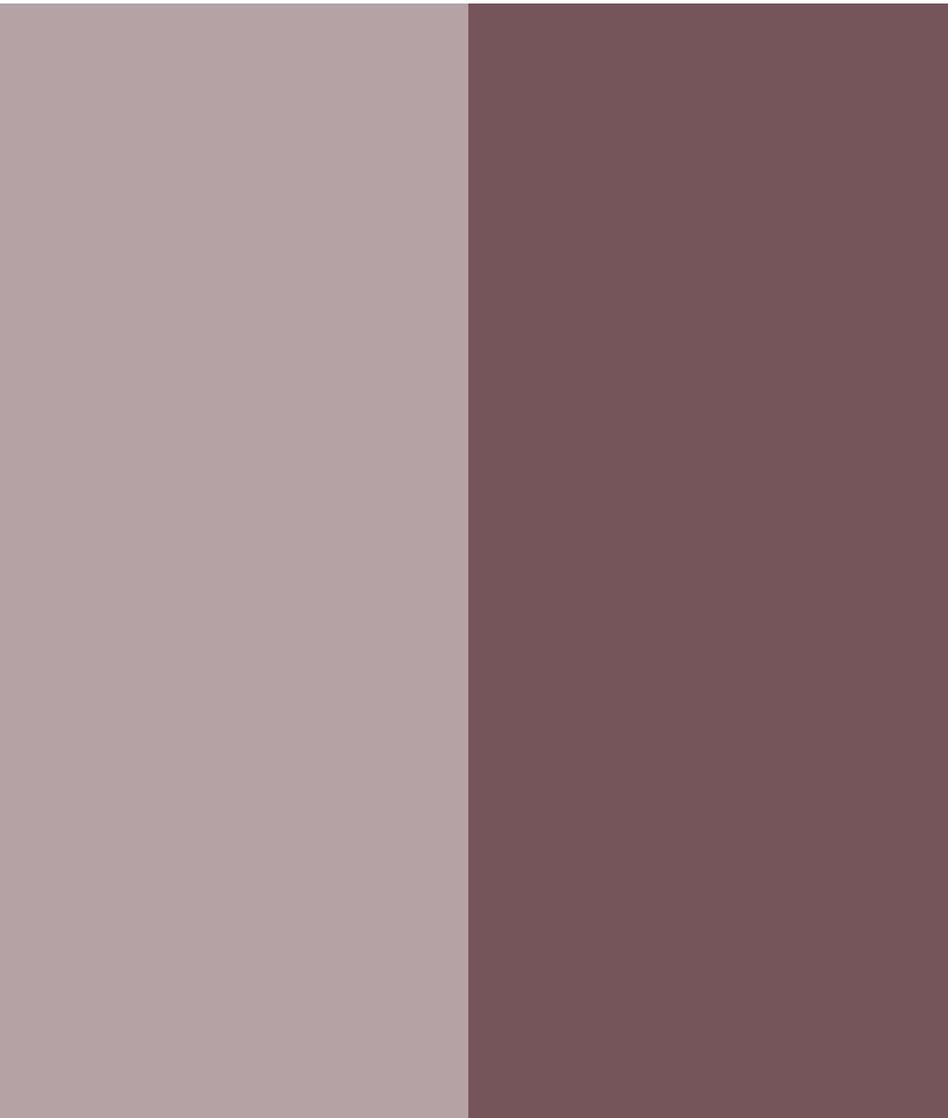




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Annual Plan 2016/17



Annual Plan 2016/17

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Auditor-General's overview

I am pleased to submit this Annual Plan for 2016/17.

My Office plays an important part in strengthening accountability, integrity, and transparency in the public sector. By carrying out work that is credible and of high quality, we aim to improve the performance of, and the public's trust in, the public sector.

Most of my Office's work (about 87%) comprises the annual audit of approximately 3700 public entities and is required by law. Our annual audit work gives us direct interaction with, and insight into, how the public sector is operating. We use this unique view of the entire public sector to inform our wider work. Each year, we extract even greater value from this information by applying a theme across our work, and by signalling future themes.

My 2016/17 work programme will be the fifth in our multi-year themed work programme. Our previous themes were:

- 2012/13 – *Our future needs – is the public sector ready?*;
- 2013/14 – *Service delivery*;
- 2014/15 – *Governance and accountability*; and
- 2015/16 – *Investment and asset management*.

I am now pleased to confirm that the theme for 2016/17 is *Information*.

Our 2016/17 *Information* theme reflects the increasing importance of information to the effective and efficient delivery of public services now and in the future.

Under this theme, we will examine aspects of how well the public sector is:

- managing and making use of information it collects or generates to inform the effective and efficient delivery of public services;
- deploying technology to enable accessible services that meet the changing needs of New Zealanders; and
- managing security and privacy requirements so that the information it collects is suitably protected.

This year's work programme describes the priorities and the work that we consider would be useful, based on our knowledge of the challenges, emerging issues, and trends in the public sector.

The performance audits and other work we propose to carry out under the *Information* theme are described in Part 3. The Appendix provides an overview of our five-year work programme. Each year's theme is the focus of our work for that year, but some larger pieces of work carry over into other years. The programme for the years beyond 2016/17 is indicative only and is still being explored and developed.

We are currently exploring the content of our proposed themes for:

- 2017/18 – *Water*; and
- 2018/19 – *Sustainable development*.

Each year, we draw together the findings and insights from our themed work into an overview or reflections report. We use this to encourage debate, challenge and expand thinking, and identify and highlight examples of good or poor practice to help improve public sector performance. My reflections report on the 2014/15 theme *Governance and accountability* was published in April 2016.

Feedback from Parliament

Consultation with Parliament helps me to ensure that my Office's work is relevant and useful to Parliament, public entities and the public. It is an important way in which I can ensure that the work of my Office remains responsive to the needs of our key stakeholders.

I consulted the Speaker and select committees about my proposed work programme for 2016/17, and I thank them all for their consideration.

The Finance and Expenditure Committee (FEC) formalised its feedback and that of other select committees in a report to the House. In its report, the FEC endorsed our *Information* theme for 2016/17 and asked us to consider an additional piece of work examining how the Overseas Investment Office collects and manages information relevant to decision-makers. I have decided to include work on the Overseas Investment Office in our 2016/17 work programme. I have also decided to defer the work on monitoring of tertiary education organisations (which had been proposed in my Draft Annual Plan) to 2017/18 after the Tertiary Education Reviews have been completed. This will mean that my Office has the capacity to carry out the requested work on the Overseas Investment Office.

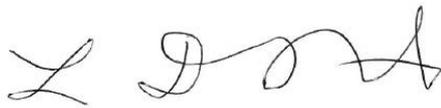
The FEC also conveyed to us comments from the Foreign Affairs, Defence and Trade Committee, the Government Administration Committee, the Health Committee, and the Transport and Industrial Relations Committee. These committees indicated their support for our 2016/17 *Information* theme and for various topics in the proposed work programme.

Concluding comments

I thank all my staff and audit service providers who have contributed to the development of this Annual Plan. This is my final Annual Plan as the Controller and Auditor-General of New Zealand. As part of this plan will be carried out

beyond the end of my term, I wish my staff, and my successor who will oversee its implementation in 2017, well in their work.

I am confident that this plan will enable my Office to focus its resources on work that will have the most effect in providing assurance to Parliament, public entities, and the public about the use of public resources and powers.

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

Lyn Provost
Controller and Auditor-General

27 June 2016

1

Background

Why is there an Auditor-General?

Parliament authorises all government spending and gives statutory powers to public entities. Public entities are accountable to Parliament for how they use the resources and powers that Parliament gives them. Parliament seeks independent assurance from the Controller and Auditor-General (the Auditor-General) that public entities are accountable for their performance in the way that Parliament intended.

The Auditor-General's work also covers local authorities, which are accountable to the public for how they use the resources they collect through rates and from other sources.

The Auditor-General's role is to help Parliament to ensure that public entities are effective, efficient, and accountable. To be effective and credible in this role, the Auditor-General must be independent of the Government. The Auditor-General does not comment on the policies of the Government or local authorities.

One way in which the Auditor-General accounts to Parliament is by consulting with members of Parliament on her proposed annual work programme.

Auditor-General's work

The Auditor-General is the auditor of all public entities. Figure 1 provides a summary of the number and type of entities we audit.

Each year, we also expect to carry out audits of the following:

- the financial statements of the Government;
- the Government of Niue;
- the Government of Tokelau; and
- entities the Auditor-General has agreed to audit under section 19 of the Public Audit Act 2001.

The Auditor-General's work gives assurance to Parliament, public entities, and the public that public entities' financial statements and performance information fairly reflect the results of their activities.

The Auditor-General can also audit whether public entities carry out their work effectively and efficiently, and whether they act with probity, comply with legislation, and are prudent in their use of public money.

The Auditor-General reports her findings and makes recommendations so that those responsible for making improvements can do so. She also highlights examples of good practice that can help to improve how the public sector works.

Figure 1
Summary of our audit portfolio at March 2016

	Entities	Subsidiaries and related entities	Total
Central government entities			
Government departments	37	13	50
Crown research institutes	7	25	32
District health boards	20	18	38
Tertiary education institutions	29	110	139
Other Crown entities	66	15	81
Other central government entities	86	23	109
State-owned enterprises and mixed-ownership model companies	17	101	118
Rural education activities programmes	14	-	14
Schools	2413	42	2455
Local government entities			
Local authorities	78	-	78
Council-controlled organisations		175	175
Exempt council-controlled organisations		29	29
Other local government entities		61	61
Energy, airport, and port companies			
Energy companies	20	48	68
Airport companies	19	3	22
Port companies	12	28	40
Other public entities			
Fish and game councils	15	1	16
Licensing and community trusts	19	19	38
Administering bodies and boards	39	-	39
Cemetery trusts	92	-	92
Total	2983	711	3694

Providing assurance

The Auditor-General has a statutory duty to audit the information that public entities are required to have audited. Most of our work (currently about 87%) comprises annual audits of the financial reports of public entities.

Annual audits provide independent assurance about the reliability of financial statements – and, in many instances, performance information – that public entities are required to report. We issue an audit report for each audit we carry out, which includes our opinion about the fairness of the presentation of the financial statements (and performance information where relevant). We also work with public entities to help improve the information they report.

To give managers and governors of public entities assurance about significant matters, we prepare management reports. These detail our main findings and recommendations, and help managers and governors to understand how well their management systems and controls are working. For example, a management report may include our views on how well a public entity manages its resources and performance, including its operational policies and practices, and how it manages risks.

Forming an audit opinion on financial statements and performance information requires us to look at the underlying accounts and records, including the systems and processes used to generate this information. Auditing standards require us to have a risk-based approach to gathering and assessing audit evidence. To address identified risks, we seek evidence that financial balances, reported performance, and disclosures are reasonable.

Each year, before commencing our annual audits, we prepare an audit brief for each category of public entities. An audit brief provides instructions for audit emphasis and guidance for the auditors of those entities.

After our audits of the public entities in each significant sector are complete, we collate the results of the audits, including our understanding of the entities and their internal control systems. This allows us to identify and report on any systemic problems and opportunities for improvement.

We also use our annual audits to gather information about public entities and to help advise select committees in their work in holding public entities to account.

Performance audits, inquiries, and other work

The Public Audit Act 2001 empowers the Auditor-General to carry out performance audits and to inquire into how a public entity uses its resources.

Each year we publish reports on the results of our annual audits, performance audits, major inquiries, and other work. Through this reporting to Parliament

and other stakeholders, we are able to consider matters in greater depth than is appropriate within the statutory scope of an annual audit and examine ways that public entities can perform better.

Following an increase in Crown funding in 2015/16, we have set up a new Inquiries team in order to enhance the Office's capacity to carry out inquiries and improve the timeliness of their completion.

We also:

- advise Parliament and select committees, to support annual reviews and Estimate examinations;
- carry out and report on our responsibility under the Local Government (Auckland Council) Act 2009 to review the service performance of Auckland Council; and
- consider enquiries from ratepayers, taxpayers, and members of Parliament.

We make a significant contribution to the international auditing community by sharing our knowledge, skills, and expertise. We take part in national and international organisations, forums, and working groups that develop accounting and auditing guidance and standards. These groups include:

- the New Zealand Accounting Standards Board and the New Zealand Auditing and Assurance Standards Board;
- the Global Audit Leadership Forum; and
- the International Organisation of Supreme Audit Institutions (INTOSAI), and its various committees and working groups.

Our preparations for chairing one of the two meeting themes at the 2016 International Congress of Supreme Audit Institutions (INCOSAI) in December are progressing well. New Zealand has been selected to chair the professionalisation theme at INCOSAI. The theme discussions will focus on how INTOSAI could become a more influential international organisation acting in the public interest. We are looking forward to exploring with our international colleagues how professionalisation can be enhanced at all levels of INTOSAI.

We continue our work to improve public sector auditing in the Pacific as part of our commitment to the Pacific Association of Supreme Audit Institutions (PASAI). PASAI is the official association of supreme audit institutions in the Pacific, and is one of the regional working groups of INTOSAI. The Auditor-General is the Secretary-General of PASAI and represents PASAI on the governing board of INTOSAI.

2

About our 2016/17 theme – *Information*

The theme for our 2016/17 work programme is *Information*.

Good management and use of information is essential to providing effective and efficient public services. Information held by public entities can be used to improve service delivery, to support evidence-based policy development and decision-making, and to accurately measure performance and effectiveness.

Investment to improve information and technology systems is enabling public entities to transform the way they deliver services. The way in which New Zealanders expect to access information and services is also changing. In response, public entities are focusing their efforts on improving the quality of their online information and services, making them easier to find, access, and use.

With an increased focus on using information and technology to improve services, there is a growing importance on keeping personal information safe. Ongoing improvement in the public sector's capability and capacity to manage the information New Zealanders entrust to it is essential to maintain public confidence in the accuracy and security of that information.

Why is this theme an area of interest?

We have drawn on our previous work and knowledge from across the public sector to determine our theme for this year's work programme. We selected *Information* because of its increasing importance to the effective and efficient delivery of public services now and in the future.

Our work under our previous *Governance and accountability* theme highlighted the importance of good information for strong governance, accountability, and transparency in the public sector. We also sought the views of citizens to help inform our work programme. Our two-day online forum and group discussion with members of the public highlighted their experiences in obtaining information from, or providing information to, the public sector. The experiences that worked well involved processes and interactions that were easy, convenient, and comprehensible. Citizens also highlighted the importance of accurate and secure information for users of public services.

Through our work, we will examine aspects of how well the public sector is both managing and making use of information. We will provide an independent view on how well public entities:

- capture, store, share, and use the information they collect or generate to inform effective and efficient delivery of public services;

- deploy technology to enable accessible services that meet the changing needs of New Zealanders; and
- manage security and privacy requirements so that the information they collect is suitably protected.

As we carry out our 2016/17 work programme, we plan to use what we heard from citizens to stimulate conversation and debate among our various stakeholders, including public entities and the public, and to keep citizens' views in mind. We expect this citizen-focused approach to enrich our reporting, including our reflections report on the *Information* theme.

Our focus in 2016/17

We have selected a range and mix of topics that will examine how well the public sector manages and makes use of information. In Part 3, we provide a brief description of each performance audit and the other work we will carry out.

In 2016/17, we will also:

- publish our *Investment and asset management* reflections report from our 2015/16 theme;
- start work on the *Response of New Zealand Police to the Commission of Inquiry into Police conduct: Final monitoring report*;
- publish sector reports covering the results of our 2015/16 audits in central government and local government;
- prepare a summary of the results of our 2015 school audits;
- prepare a summary of the results of our 2015 audits of tertiary education institutions; and
- prepare follow-up reports on the implementation of the recommendations of our performance audits, inquiries, and other work.

Concluding work on our 2015/16 work programme

As noted above, we will complete our work on our *Investment and asset management* theme in 2016/17, and present our reflections report on the results of that work. Figure 2 lists the audits and other work that we started in 2015/16 and expect to finish in 2016/17.

Figure 2
Audits and other work started in 2015/16 and due to be finished in 2016/17

1	Public asset management – strategy, practice, and information
2	Auckland Council – Review of service performance: Complaints management
3	Schools: How the management of school property affects the ability of schools to effectively operate
4	Energy lines companies: Managing critical infrastructure
5	Return on investment in modernising the courts
6	Major asset investment: Planning and delivering benefits – the contribution of the Gateway process
7	Delivering mental health services
8	Central government entities: Medium-term (4-year) financial plans
9	Tertiary education: Optimising investment in assets
10	Health sector: Results of the 2014/15 audits

Inquiry reports

We do not have a proposed work programme of inquiry topics because this work is unpredictable. The number of inquiries or the topics cannot be planned in advance. We budget for inquiries based on our knowledge of trends over the last 3-4 years.

Looking forward to our proposed themes for 2017/18 and 2018/19

Our proposed theme for 2017/18 is *Water*. We are interested in water because it is of significant and growing interest to Parliament and citizens here and internationally, in terms of both water quality and quantity. It is a broad topic that spans central and local government, the environment, the economy, and society. It therefore provides a focused and useful introduction to our proposed 2018/19 theme of *Sustainable development*. We are currently considering the scope of work under our proposed sustainable development theme. The next Auditor-General will of course need to reconsider these themes and topics and make their own independent decisions.

Appendix – Our multi-year themed work programme

Our multi-year work programme is set out in the Appendix. It outlines our planned work for 2016/17, and the proposed work in 2017/18 and 2018/19. It lists the products from our work under the previous two themes. It does not include unplanned work, such as inquiries.

Performance audits and other work – 2016/17

Figure 3 provides brief descriptions of the performance audits and other work for 2016/17.

Figure 3
Outline of performance audits and other work for 2016/17

Information theme
<p>1. Sharing information in the border sector</p> <p>New Zealanders want our border agencies to ensure the efficient movement of people and goods through our border. They also want our border agencies to intercept people and goods that pose a risk to our society and environment.</p> <p>In the last financial year, the New Zealand Customs Service facilitated 11.8 million passengers through our border, processed over 11 million import and export transactions, intercepted the movement of over 8000 weapons, and intercepted illicit drugs with a street value of over \$270 million.</p> <p>Most trade and travel through our border is legitimate. The border sector agencies need good information and intelligence to continue to facilitate this movement with a “light touch”. With the right information, officials can target high-risk people, goods, and craft, and continue to protect our border while increasing the efficiency of lawful movement of people and goods.</p> <p>In this performance audit, we propose to give some assurance over the effective and efficient use of information and intelligence that assists border officials to protect our border. We also intend to identify where any improvements can be made to help improve New Zealand’s security at the border.</p> <p>We will select an aspect of border operations and assess how well the information and intelligence held by border sector agencies is:</p> <ul style="list-style-type: none"> • shared among agencies; and • provided to those who make the key decisions about what is allowed through our border.
<p>2. Digital services and access to information and services</p> <p>Citizens increasingly expect that information and services will assist them to do things easily and efficiently (for example, using public transport, obtaining a passport or visa, registering a car, or obtaining information about a residential property). More public services are becoming digitally accessible.</p> <p>We propose to carry out a performance audit looking at whether the shift to digital provision of information and services is resulting in the expected benefits (for example, a better experience for citizens and improving efficiencies). Our audit will examine how the digitalisation of information is enabling and improving access to government information and services for New Zealanders (including those with special requirements, such as the visually impaired) and the effectiveness of the information and service provision.</p> <p>The particular services we propose to examine are the National Library’s digitalisation of records, Quotable Value Limited’s home buyers’ property information, and real-time travel information at transit points and through smartphone applications.</p>

3. Health patient information systems

The National Health Information Technology (IT) Plan was issued in 2010 with the vision that, by the end of 2014, New Zealanders and the health professionals caring for them would have electronic access to a core set of personal health information. One of the first initiatives was the roll-out of patient portals – online sites where currently 65,000 New Zealanders have access to their patient information and can interact with their GP. By improving patients' access to their information, portals are an important part of the strategic objective to encourage and empower people to be more involved in their health and in decisions about their treatment.

We are interested in understanding how the Ministry of Health has engaged with the health sector in implementing this approach, whether patient portals are working as they are supposed to, and whether they provide safe and secure access to sensitive and personal information.

4. Immigration New Zealand's visa application services

Immigration New Zealand is reaching the final stages of a major change programme. Vision 2015 was designed to improve Immigration New Zealand's effectiveness and efficiency, increase its online services through Immigration Online, and develop a more flexible, responsive, and efficient approach.

We intend to look at how well Immigration New Zealand is managing the visa application process, including through Immigration Online, and whether these changes had a positive effect on customers' experience.

5. Using data to improve public services: the state of leadership, on-the-job learning, investment assessment, and capability development

Worldwide, better use of data is seen as a way to improve the effectiveness and efficiency of public services. We intend to examine how the use of data is being improved in the leadership and development of New Zealand's public services. We will use a mix of methods to evaluate and report on aspects of data leadership and development including:

- the effectiveness of information functional leadership;
- how public agencies are learning and collaborating in using data;
- how public repositories of data are shared and used;
- what types of data and analysis initiatives (such as social investment) are being identified in departments' four-year plans, and how these are intended to improve the effectiveness and efficiency of public services; and
- how capability is being built and shared in the public sector.

6. Social housing – how well Housing New Zealand uses information to manage investment, assets and tenancies

Through this performance audit, we propose to examine how well Housing New Zealand uses information to make decisions about tenancy management, asset management, and investment management.

Housing New Zealand is the lead provider of New Zealand's social housing. The housing portfolio that it manages is one of the Crown's largest assets. Pressure has increased on Housing New Zealand to provide and maintain its housing portfolio to ensure appropriately located, well maintained, and fit-for-purpose homes that meet the demand for social housing for people in high need. We will examine Housing New Zealand's ability to do this through the use of information to make well-informed decisions about the management of this important Crown asset to support current and future needs.

7. Infrastructure as a Service: Are the benefits being realised?

Over the last twenty years, information and communications technology (ICT) has made up an increasing part of public entities' balance sheets as the delivery of their services has become more reliant on technology. At the same time, the nature, use, and cost of ICT has rapidly changed. We are interested in how these factors influence how agencies understand and manage their ICT.

Infrastructure as a Service (IaaS) is a vendor-hosted and vendor-managed solution that allows agencies to buy their ICT infrastructure on demand. Buying on demand allows agencies to pay for only what they need when they need it, without the burden of owning and maintaining their own infrastructure.

Adopting IaaS is mandated for a number of central government agencies. We are interested in which agencies have transitioned to purchasing computing IaaS rather than continuing to invest in, own, and manage ICT assets. We are also interested in whether this has achieved the benefits anticipated, and whether the benefits of a system-wide approach are being realised. Given the dynamic environment in which public entities are operating, we intend to examine risk identification and management, both in the transition to IaaS and under the new operating models adopted.

8. Investment to improve the information about local government assets

On a case-study basis, we are proposing to look at how local authorities identify the right information that provides what local authorities need to understand about their assets, and how they collect, capture, and share that information.

We are interested in how well local authorities are managing and planning to provide services now and into the future. This process is important because of the scale and importance of the services local authorities provide and the infrastructure they manage.

Good knowledge about the condition of assets is critical in determining the nature and frequency of maintenance and the timing of renewals. Reliable asset condition information is essential for financial forecasts and asset management plans. It will also inform the 30-year infrastructure strategies that contribute to more robust long-term planning.

In previous reports, we have recommended that local authorities improve the information they hold about assets to help them make good decisions that enable sustainable service delivery.

9. How secure is data in the public sector?

The security of data held by public entities is important to the trust and confidence placed in those entities. We expect public entities to have effective controls over information systems to prevent unauthorised access and loss or corruption of data. During our annual audits of public entities, we typically consider the controls in place over information systems that are important to the financial and performance information we audit. If significant controls are not effective, we communicate the problem to the entity.

Reports to public entities may include control weaknesses identified with data security. We intend to provide a summary of common themes identified around data security. We also plan to provide an overview of:

- the findings of agencies that monitor public entities' compliance with data security standards; and
- what those agencies are doing to improve data security.

10. Auckland Council – Review of service performance: Digital re-engineering of customer interfaces

Auckland Council officials have adopted a new three-year organisational strategy. The strategy is expected to enable the Council to achieve its goal to be a high-performing organisation and to position it to meet the challenges that Auckland faces. The strategy is designed to assist the Council to make the necessary links between the Auckland Plan Goals, the commitments made in its long-term plan, and its internal priorities.

Our review of service performance is primarily focused on considering the quality of service delivery to the community. We plan to work with Auckland Council members and officers to select up to three projects identified as priorities for implementation during the first year of the organisational strategy. We intend to review the effectiveness and efficiency of the projects. We will place an emphasis on projects that are related to digital re-engineering of service delivery and procurement processes, and we will also consider projects of a different nature.

11. Overseas Investment Office – how effectively does it collect and manage information relevant to decision-makers?

The Overseas Investment Office (OIO) assesses applications from overseas investors seeking to invest in sensitive New Zealand assets. We have received a request from Parliament to look into the question of how effectively the OIO collects, handles, and uses information that could be relevant to decision-makers. We intend to conduct a performance audit on this question, which will include recent decisions involving the “good character” test.

We would expect to examine:

- how well the OIO conducts the approvals process (including the principles it applies to assessing applications and the advice it gives about those assessments);
- the consistency and quality of its decisions (including the quality of the information it uses); and
- the quality of its monitoring once consent is granted.

Multi-year topics

12. The effectiveness of the Canterbury Earthquake Recovery Authority

We will carry out a review of the role of the Canterbury Earthquake Recovery Authority (CERA) in the recovery of Canterbury following the 2010 and 2011 earthquakes.

CERA was established in March 2011 to lead and co-ordinate the recovery from the Canterbury earthquakes. The establishment of a statutory entity to lead and co-ordinate recovery from natural disaster is common practice internationally. CERA has been disestablished with effect from 18 April 2016, and its various roles and responsibilities have been transferred to other government departments and agencies, including two new entities: Ōtākaro Limited and Regenerate Christchurch.

We will carry out a performance audit to provide an independent review of the performance and cost of CERA, including what has been learnt for managing another such recovery in the future.

This audit will examine:

- the effectiveness of CERA in performing its various roles;
- the efficiency of CERA in performing its various roles; and
- how CERA compared to recovery agencies in other jurisdictions.

13. Education for Māori: Reflections report

We propose to prepare a report that reflects on our previous work on Education for Māori, and answer our overall question:

How well does the education system currently support Māori students to achieve their full potential and contribute to the future prosperity of New Zealand?

The report will pull together the learnings from our previous work on the implementation of Ka Hikitia, relationships between schools and whānau, and using information to improve educational success for Māori. Using the themes described in our 2012 context report to highlight our learnings, the report will describe how well the education sector:

- implements Māori-student-focused strategies and initiatives;
- uses resources;
- works in partnerships;
- shares good practice; and
- focuses on monitoring and achieving results.

14. Procurement guidance

We will review and refresh our 2008 guidance in the light of other guidance material and our own procurement audit and inquiry experience since 2008.

15. Procurement: Social services contracting – is it well managed?

We will carry out an audit of how well the Ministry of Social Development (MSD) manages social sector contracts.

MSD purchases about \$600 million of services each year from non-governmental organisations (NGOs). Understanding how well this funding is managed is important from both a citizen perspective and a public sector effectiveness perspective. We intend to examine the effectiveness of MSD's procurement and management of third-party contracts for the provision of social services. We will focus on operational and organisational effectiveness in relation to planning, governance, and risk management of MSD's contracts with NGOs.

Other work and analysis

16. Review of the Defence Major Projects Report 2016

Since 2010, the Ministry of Defence and the New Zealand Defence Force have produced the Major Projects Report annually, setting out the status of management of major defence acquisitions. The Auditor-General has reviewed these reports to provide independent assurance about the information that they are based on. In 2016/17, we will review the Major Projects Report 2016.

17. Governance to support the national security system in achieving national security objectives

The Department of the Prime Minister and Cabinet has a strategic objective to ensure that: *National security priorities, the civil defence emergency management system and the intelligence system are well led, coordinated and managed.*

In its 2014/15 Annual Report, the Department says that, by pursuing this objective, it expects that it will contribute to the following:

- New Zealand has world-class processes in place to identify and deal with national security events and emergencies and to build national resilience; and
- the New Zealand Intelligence Community is viewed as trusted, integrated, customer oriented and crucial to building national resilience.

We intend to undertake a performance audit to examine whether governance arrangements for the national security system are effective in enabling achievement of the objectives identified above.

18. Review of the Treasury's Statement on New Zealand's long-term fiscal position

Every four years, the Treasury is required to produce New Zealand's long-term fiscal statement. The long-term fiscal statement provides projections of New Zealand's long-term fiscal position (covering a period of at least 40 years), and identifies and analyses a range of options to address the long-term fiscal position, but, importantly, does not make recommendations.

There have been three long-term fiscal statements produced to date – in 2006, 2009, and 2013. The next long-term fiscal statement is planned for 2016.

As we did in 2013, we intend to review New Zealand's 2016 Long-term Fiscal Statement produced by the Treasury. We are interested in understanding and commenting on:

- the approach that the Treasury takes;
- the Treasury's long-term fiscal model and how it is used; and
- the links between the long-term fiscal model and the information presented in the long-term fiscal statement.

19. Next steps in performance reporting

For more than 25 years, there have been statutory requirements for a range of public entities to report on their service performance. We have long been active in promoting improvements in how public entities fulfil these requirements, and we have seen improvements.

We have seen some evidence of stronger performance frameworks that bodes well for improved reporting in the future.

However, there is still a fair way to go, particularly in reporting that enables users to understand an entity's longer-term strategic objectives and how well it has performed against them.

We intend to reflect on the next steps in performance reporting that will further enhance the accountability of public entities.

Appendix

Our multi-year themed work programme

	2014/15	2015/16	2016/17	2017/18	2018/19
Theme	Governance and accountability	Investment and asset management	Information	Water	Sustainable development
Annual-theme-based work programme topics	Reflections report on <i>Service delivery</i> theme	Reflections report on <i>Governance and accountability</i> theme	Reflections report on <i>Investment and asset management</i> theme	Reflections report on <i>Information</i> theme	Reflections report on <i>Water</i> theme
	Public sector accountability through raising concerns*	Public asset management - strategy, practice and information*	<i>Sharing information in the border sector</i>	<i>Freshwater quality – review effectiveness of RMA measures in improving freshwater quality</i>	Are regional economic development strategies effective?
	Audit committee resources	Consulting the community about local authorities' 10-year plans	<i>Digital services and access to information and services</i>	<i>Drinking water – management of water supply assets by local authorities</i>	Infrastructure strategies and plans – Are they working to ensure that public entities can continue to deliver services in future years?
	Being accountable to the public: Timeliness of reporting by public entities	Matters arising from the 2015/25 local authority long-term plans	<i>Health patient information systems</i>	<i>Decision-making for water allocation/irrigation investment - including economic, cultural, and environmental considerations, and effectiveness of delivery models.</i>	Matters arising from the 2018-28 local authority long-term plans
		Tertiary Education: Optimising investment in assets*	<i>Immigration New Zealand's online systems</i>	<i>Evidence-based planning and decision-making in the environment/natural resources sectors (e.g. Water, Exclusive Economic Zone, climate change)</i>	How effective are agencies' workforce strategies? And/or: Is the leadership and co-ordination provided by the Government Chief Talent Officer and various career boards working to ensure that public entities have a strong pool of talent to draw on now and in the future?
		Are Central government entities' medium term financial plans reasonable and supportable?*	<i>Using data to improve public services: the state of leadership, on-the-job learning, investment assessment, and capability development</i>	<i>Use of market-based approach to improve water quality (Lake Taupo)</i>	How effectively is New Zealand doing against the 17 United Nations Sustainable Development Goals?
	Effectiveness of arrangements for co-ordinating civilian maritime patrols – progress article	Schools: How the management of school property affects the ability of schools to effectively operate*	<i>Information for social housing</i>	<i>Effectiveness of new governance models for managing water quality (building on 2014/15 governance models project)</i>	Have agencies factored demographic trends and changes into their planning and is there evidence that they are better prepared for meeting service expectations now and in the future?
	Governance and accountability of council-controlled organisations*	Energy lines companies: Managing critical infrastructure*	<i>Infrastructure as a Service: Are the benefits being realised?</i>	<i>Effectiveness of clean-up projects for contaminated water bodies (e.g. Rotorua lakes)</i>	How have agencies responded to the implications of climate change?
	Principles for effectively co-governing natural resources*	Return on investment in modernising the courts*	<i>Investment to improve the information about local government assets</i>	<i>Managing New Zealand's marine environment</i>	What interventions have had the most significant effect on shaping our communities and enabling them to successfully adapt and thrive?
	Effectiveness of governance arrangements in the arts, culture, and heritage sector	The effectiveness and efficiency of arrangements to repair pipes and roads in Christchurch: follow up audit	<i>How secure is data in the public sector?</i>	<i>Aquaculture - what are the critical factors underpinning the development and growth of aquaculture in New Zealand?</i>	Natural disaster - risk management
	Improving financial reporting in the public sector*	Major asset investment: Planning and delivering benefits – the contribution of the Gateway process*	<i>Overseas Investment Office - How effectively does it collect and manage information relevant to decision-makers?</i>		
		A review of public sector financial assets and how they are managed and governed			
		Effectiveness and efficiency of broadband roll-out – Crown Fibre Holdings Limited			
		Inland Revenue Department: Governance of the Business Transformation programme			Inland Revenue Department: Progress of the Business Transformation programme
		Auckland transport – Reviewing aspects of the Auckland Manukau Eastern Transport Initiative*	Auckland Council – Review of service performance: Complaints management*	Auckland Council – Review of service performance: Digital re-engineering of customer interfaces	Auckland Council – Review of service performance (Watercare)
	Canterbury rebuild - Governance and accountability for three Christchurch rebuild projects*		Canterbury rebuild – The effectiveness of the Canterbury Earthquake Recovery Authority		
	Canterbury rebuild – Earthquake Commission: Managing the Canterbury Home Repair Programme - follow up audit*				
	Education for Māori: Relationships between Schools and whānau	Education for Māori: Information, educational progress and resources	Education for Māori: Reflections report		
			Procurement – Procurement guidance	Procurement – The effectiveness of the Ministry of Business, Innovation and Employment's leadership on procurement in the public sector	Procurement: Capability to govern and manage the end-to-end procurement process
			Social sector contracting – is it well managed?	Procurement: Public sector procurement – Lessons learned	
Investment and asset management	Water and roads: Funding and management challenges				
	New Zealand Transport Agency: Maintaining and renewing the state highway network – follow-up report				
	District health boards' asset and service-level management*				
	Review of Defence Major Projects Report 2014	Review of Defence Major Projects Report 2015	Review of Defence Major Projects Report 2016		
Governance and accountability		Improving financial reporting in the financial sector	Governance to support the national security system in achieving national security objectives	Accountability requirements for government-funded services provided by the private sector.	Market instruments in the environment sector – update guidance (with the Parliamentary Commissioner for the Environment)
		Queenstown Lakes District Council: Managing a conflict of interest in a proposed special housing area			
Service Delivery	Collecting and using information about suicide*	Delivering mental health services*			
	Inland Revenue Department: Making it easy for taxpayers to comply – progress article	Delivering scheduled services to patients - progress in responding to the Auditor General's recommendations		Have the steps taken to improve outcomes for vulnerable children been effective?	Has social contracting resulted in better outcomes for citizens?
Our future needs	Government planning and support for housing on Māori land – progress article	Ministry for Primary Industries: Preparing for and responding to biosecurity incursions - follow-up report	Review of the Treasury's statement on New Zealand's long-term fiscal position	Preparedness for reporting progress on the 17 UN sustainable development goals	
	Response of the New Zealand Police to the Commission of Inquiry into Police Conduct: Fourth monitoring report		Next steps in performance reporting	Response of the New Zealand Police to the Commission of Inquiry into Police Conduct: Final monitoring report	
Other analysis and reporting	Continuing to improve how you report on your TEI's service performance (letter to TEIs)	Continuing to improve how you report on your TEI's service performance (letter to TEIs)	Summary of results of the 2015 audits of tertiary education institutions	Monitoring of tertiary education organisations	Summary of results of the 2017 audits of tertiary education institutions
	State-owned enterprises: Results of the 2012/13 audits	Energy sector: Results of the 2014/15 audits	Summary of results of the 2015 school audits	Summary of results of the 2016 audits of tertiary education institutions	Summary of results of the 2017 school audits
	Challenges facing licensing trusts	Health sector: Results of the 2014/15 Audits		Summary of results of the 2016 school audits	
	Central government: Results of the 2013/14 audits	Central government: Results of the 2014/15 audits	Central government: Results of the 2015/16 audits	Health sector: Results of the 2016/17 audits	Primary production sector: Results of the 2016/17 audits
	Local government: Results of the 2013/14 audits	Local government: Results of the 2014/15 audits	Local government: Results of the 2015/16 audits	Central government: Results of the 2016/17 audits	Local government: Results of the 2016/17 audits
	Public entities' progress in implementing the Auditor-General's recommendations 2014	Public entities' progress in implementing the Auditor-General's recommendations 2015	Public entities' progress in implementing the Auditor-General's recommendations 2016	Local government: Results of the 2017/18 audits	Public entities' progress in implementing the Auditor-General's recommendations 2018

Publications by the Auditor-General

Other publications issued by the Auditor-General recently have been:

- Energy sector: Results of the 2014/15 audits
- Collecting and using information about suicide
- Home-based support services – follow-up audit
- Crown Fibre Holdings Limited: Managing the first phase of rolling out ultra-fast broadband
- District health boards' response to asset management requirements since 2009
- Education for Māori: Using information to improve Māori educational success
- Immigration New Zealand: Supporting new migrants to settle and work – Progress in responding to the Auditor-General's recommendations
- Effectiveness and efficiency of arrangements to repair pipes and roads in Christchurch – follow-up audit
- “Joining the dots” – Insights from the 2014/15 audits
- Response to query about Housing New Zealand's procurement processes
- Reflections from our audits: *Governance and accountability*
- Local government: Results of the 2014/15 audits
- Department of Conservation: Prioritising and partnering to manage biodiversity – Progress in responding to the Auditor-General's recommendations
- Public sector accountability through raising concerns
- A review of public sector financial assets and how they are managed and governed
- Improving financial reporting in the public sector
- Principles for effectively co-governing natural resources

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