

From: [BDC Lgoima](#)
To: [REDACTED]
Subject: Official Information Request - KMPG Report Ref: 108/24
Date: Friday, 30 August 2024 9:17:36 am
Attachments: [image002.png](#)

Dear [REDACTED]

We refer to your official information request dated 14 August 2024 with further queries related to the KMPG Forensic Audit report.

Parts of the information you have requested are stated below, however as required under the Local Government Official Information and Meetings Act, some parts/questions are refused under sections 7, 7(2)(b)(ii), 7(2)(h).

1. Why was the report withheld for so long?

The report contained information that required careful consideration and review. The views of third parties were taken into consideration. This process took time.

2. The redactions include some details which have previously been made public (ie the amount disputed by NEMA). Why was this redacted?

We would require more detail to answer your question. In relation to what you have identified as "the amount disputed by NEMA", redactions were made on pages 3, 6 and 12 of the Report under s 7(2)(h) LGOIMA.

3. Why was the name of the author of the October 2021 review (Team Projects Advisory) redacted when it has previously been publicly reported, yet the author of last year's review (Morrison Low) was not? After consulting with a third party, it was redacted under s 7(2)(b)(ii) LGOIMA.

4. Were the companies and individuals named in the report consulted before its release, and were the redactions influenced by their opposition to being named?

The views of third parties were taken into consideration.

5. Why is one of the KPMG recommendations redacted?

That redaction was made under Section 7(2)(b)(ii) LGOIMA.

6. The report says staff who breached council policy faced no repercussions. Keeping their names secret means the people who pay their wages (ratepayers) also have no idea who they are. Is this fair? Council does not discuss matters in relation to individuals' employment.

7. How many staff have been sacked or faced employment or other disputes as a result of this report?

Council does not discuss matters in relation to individuals' employment.

8. Why does the commercial position of the consultants criticised outweigh the public's right to know who they are?

Council weighed the interests under s 7 LGOIMA by following guidance from the Ombudsman and taking into account the circumstances of this Report, and the views of third parties.

9. Has council sacked any of those consultants – if so how many and why?

The Capital Works Team was set up to replace the Project Management Office from 1 July. Information required to further answer your question is withheld under s 7(2)(b)(ii) LGOIMA.

10. Do any of the criticised PMO consultants face liability for costs they've claimed (which

government agencies are refusing to fund and may now fall back on ratepayers)?

We are working through a process with our funding partners relating to claims.

11. How much could those costs to ratepayers amount to?

As above.

12. How many consultants are working for the council's 'Capital works team' and how many of those are former PMO consultants?

Five consultants currently have contracts with the Capital Works team; all these contractors delivered work for the previous PMO.

13. What changes is council making as a result of the report's recommendations? The final phase of the PMO review involved the identification of any process improvement opportunities. The Risk and Audit Committee discussed the finalised document on 26 July. Progress against these process improvement opportunities will be regularly reported to the Risk and Audit Committee.

14. Is KPMG still working with council to implement changes?

No.

15. What is the cost of the KPMG audit to date and are further costs likely?

KPMG costs to date are \$134,429. There is a small residual amount yet to be invoiced.

16. We understand EY will not approve last year's or this year's annual reports while government agencies are disputing PMO costs. Is this the case and what is the impact of this? When might it be resolved?

EY is currently preparing a draft audit opinion for the 22/23 Annual Report and we believe that will be received within the next two weeks.

17. What damage have the audit findings done to the council's reputation, in particular with its government funders?

Our focus is implementing the recommendations and process improvements from the Report. We are working with our funders to give them confidence in our processes and procedures.

18. Have any government funders taken punitive action as a result?

No.

19. Is action from the Serious Fraud Office, the Office of the Auditor General or the Police still a possibility?

Council cannot speak for those organisations.

20. Why should ratepayers trust council when so much of the report has been redacted, preventing any public individual/company accountability?

We understand that concern arising from the redactions. However, we are legally bound to protect the identity of the whistleblowers and have applied the legal criteria in LGOIMA and employment law.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact the Buller District Council by return email to lgoima@bdc.govt.nz.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request may be published at <https://bullerdc.govt.nz/district-council/your-council/request-for-official-information/responses->

[to-lgoima-requests/](#) with your personal information removed.

Kind regards

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