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Governance and accountability for three Christchurch rebuild projects



Photo acknowledgement:
Chris Tse, Office of the Auditor-General.

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Presented to the House of
Representatives under section 20
of the Public Audit Act 2001.

December 2015

ISBN 978-0-478-44229-8

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Auditor-General's overview

The Canterbury earthquakes in 2010 and 2011 destroyed large parts of Christchurch and the Canterbury region. Since then, central and local government have been leading a programme of recovery that includes many projects to rebuild essential facilities and infrastructure.

These projects are taking place in a challenging environment. They are in a city and region that have a high volume of construction work, disrupted infrastructure, and a population still recovering from a major disaster.

Effective governance arrangements are essential to provide direction and oversight that help these projects deliver the right facilities for Cantabrians for the right cost and at the right time. Clear accountabilities are also needed so that people know what the projects' intended outcomes are and whether these outcomes are being achieved.

I decided to look at the governance arrangements for three of these projects: the Bus Interchange, the New Central Library, and the Acute Services Building at Christchurch Hospital. I chose these projects because they are being led by different entities, are of different sizes, are at different stages, and face different challenges. They also have different governance arrangements.

Bus Interchange

The Canterbury Earthquake Recovery Authority led the Bus Interchange project. The governance arrangements for this project were well thought out, with clear roles for each part of the governance structure. People understood these roles. The main governance group included people who were able to provide independence, leadership, and direction.

The Bus Interchange has been completed successfully on time and within budget. As with all projects, there were some challenges along the way. However, the governance structure meant that these could be addressed effectively and efficiently.

New Central Library

Christchurch City Council (the Council) is responsible for the New Central Library project. When we first looked at this project in December 2014, its governance arrangements were not adequate. The arrangements were not well defined, and there was no clear separation of governance and management. We could not identify a group providing effective governance at a project level. Although the project was progressing, significant funding and affordability risks were apparent.

In April 2015, we told the Council what we had found. Since then, the Council has made substantive changes to its governance arrangements for the project.

In October 2015, we visited the Council again to see whether the changes had made a difference. The new arrangements are still in the early stages, but we found more clarity about project governance (including a separation of governance and management), more independence in the governance structure, and improved reporting. We also found stronger leadership in addressing the project's main risks. The new arrangements put the Council in a much better position to lead the project to its successful completion.

Acute Services Building

The Acute Services Building is using a new governance model for health projects. Under this model, the Ministry of Health (the Ministry) is responsible for managing the project and a new independent group, the Hospital Redevelopment Partnership Group (the HRPG), provides governance.

The new arrangements were introduced quickly, without enough planning for how they would work in practice. As a result, accountabilities, roles, and responsibilities are not clear to everyone involved. In particular, the role of Canterbury District Health Board, which would have been responsible for governance and management under the previous model, was not thought through.

Without clarity, people have not always agreed who does what. Tensions, which were already high, have increased. At times, these tensions have created an environment that is neither productive nor pleasant. When this happens, the HRPG has had to spend its time resolving conflict rather than focusing on the best outcomes for the project.

Despite these difficulties, the HRPG has provided strong leadership. The HRPG has managed to keep the project moving forward with the support of both the Ministry and Canterbury District Health Board.

The Government has agreed to use this new governance model for other major health projects. The Ministry needs to ensure that lessons are learned from its experience in Canterbury and are applied to other projects. The Ministry has already identified a programme of work to address some of the weaknesses we found.

Overall lessons

We identified some features that contribute to effective and efficient governance.

Clear accountabilities

Being clear about who is accountable for project outcomes supports effective governance. Although some accountabilities were clear, all three projects we looked at would benefit from producing a clearer accountability framework that includes specific and general accountabilities that apply to the project at all levels.

Accountability to the public was best when people were told how their input had been applied to the project. There was also good public accountability when a range of social and other media were used to keep people up to date about project progress.

Clear roles and responsibilities

Governance was most effective when there was a clear structure and when accountabilities, roles, and responsibilities were well defined and understood. When these were clear, it was easier for people to separate governance and management.

When governance arrangements were not clear, people had to make assumptions about them. People often made different assumptions, which created conflict. People's time and energy were diverted away from the project towards resolving the conflict.

Strong leadership

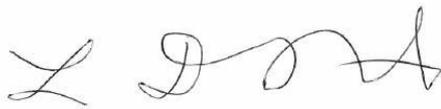
Strong leadership was an important part of effective governance. This came from ensuring that people in a governance role had the right skills and attributes. Independent members of governance groups brought their skills to the projects. People who were independent also brought different perspectives, away from vested interests that were sometimes holding projects back from the best possible outcome.

As we saw with the Acute Services Building project, strong leadership was able to overcome weaknesses in other parts of the governance arrangements. In some instances, this might be enough to ensure that the project succeeds. However, people do not always stay with a project and entities should not depend on individuals for project success.

Final comments

During the next few years, there will be many more rebuild projects in Christchurch. All of these will need effective governance to ensure that they are delivered successfully. The lessons learned from the three projects we looked at can help to improve governance so that the people of Christchurch get the city they need and the Canterbury region can recover.

I thank the many people from the Canterbury Earthquake Recovery Authority, Christchurch City Council, Canterbury District Health Board, and the Ministry of Health, as well as others involved in the projects that we looked at, for their co-operation and help.

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

Lyn Provost
Controller and Auditor-General

2 December 2015

Introduction

- 1.1 In this Part, we explain:
- why we carried out our audit;
 - how we carried out our audit; and
 - how we are reporting our findings.

Why we carried out our audit

- 1.2 The theme for our work programme in 2014/15 was *Governance and accountability*. We chose this theme because of recent significant changes in legislation and financial reporting standards that affect public sector accountability arrangements. Good governance is important for achieving successful outcomes for major projects.
- 1.3 We audited three projects that are part of the Canterbury earthquake recovery. The recovery has long-term implications for people's lives as well as the economy. Rebuilding Canterbury is a priority for the Government and involves significant public spending.
- 1.4 Strong governance is needed to ensure that public funds are spent appropriately, to ensure that entities work together to deliver intended outcomes, and to provide clear accountability for Cantabrians and all New Zealanders.
- 1.5 The three projects we looked at were:
- the Bus Interchange;
 - the New Central Library; and
 - the Acute Services Building at Christchurch Hospital.
- 1.6 We chose these three projects because they are all significant to the rebuild and to the people of Christchurch. The three projects have different lead agencies and governance arrangements. They have different scopes, objectives, and budgets, and face different challenges.
- 1.7 At the time of our audit, the New Central Library and Acute Services Building projects were preparing for the tender phase. The Bus Interchange was close to completion. Since we completed our audit, the Bus Interchange was completed and has now opened.

How we carried out our audit

- 1.8 To carry out our audit, we:
- interviewed people who provide governance for each of the three projects;
 - interviewed other people who are involved with those projects, including senior managers from the entities involved and people who work on the project teams;¹
 - attended governance meetings to observe governance in action;
 - reviewed documents about the governance structure for each project; and
 - reviewed other documents about the project, such as project reports and meeting minutes.
- 1.9 We analysed all the information we collected to assess the effectiveness of the governance arrangements for the three projects.

What we looked at

- 1.10 We looked at the governance and accountability arrangements for each of the three projects we audited. We considered how the governance arrangements were designed, how they are working in practice, and what difference governance is making to the projects.
- 1.11 We assessed the governance and accountability arrangements of the three projects against six principles of good governance. We identified these principles by drawing on some of our previous reports and other relevant literature. Figure 1 sets out the six principles.

Figure 1
Principles of good governance

Principle	Description
Clarity of purpose	Governance sets a clear strategic purpose for the entity or project and provides direction that drives the entity towards achieving that purpose.
Accountability	The governance structure includes a clear accountability framework.
Roles and responsibilities	Each part of the governance structure has clear roles and responsibilities that are complementary and aligned with strategy.
Leadership	Leadership is demonstrated across all levels of governance.
Information and reporting	The governance arrangements are supported by information and reporting for monitoring performance, managing risks, making decisions, and providing direction.
Capability and participation	The right people are involved in governance.

¹ This included people from CERA, the Council, the Ministry, Canterbury District Health Board, the New Zealand Transport Agency, Ngāi Tahu, and the Treasury.

What we did not look at

- 1.12 We did not look at:
- project management, except where we found groups designated as governance groups acting more in a management role;
 - policy decisions, including decisions that were already made about the scope and location of the projects we audited and about governance structures, where the Government directed these; and
 - programme-level governance, except where this has directly affected the project.
- 1.13 We looked only at the governance of the three projects we audited. The entities responsible for these projects are also responsible for other projects in the rebuild. Our findings apply only to the projects we audited and not to any other projects. However, lessons from our audit may apply to other projects, and the Canterbury Earthquake Recovery Authority (CERA), Christchurch City Council (the Council), and the Ministry of Health (the Ministry) should consider where else they can apply our findings.

How we are reporting our findings

- 1.14 For this audit, we decided to report in three ways. First, we briefed each entity on our main findings about each project early on. This meant that the entities could address our main concerns and that our work could influence each project as much as possible.
- 1.15 As a result of this, the Council has made significant changes to its governance arrangements for the New Central Library project. The Ministry has identified a programme of work to strengthen the arrangements for the Acute Services Building project.
- 1.16 Secondly, we wrote to the entities responsible for each project to formalise our findings and recommendations. Where applicable, we also updated our findings to reflect progress the entities had made with each project and any improvements they had put in place.²
- 1.17 Thirdly, in this report, we draw from the findings about each project to see how they compare. We also identify overall themes and lessons about effective governance.

² The letters we sent for each project are available on our website. We include our recommendations in the Appendix.

Structure of this report

- 1.18 In Part 2, we explain the background to the rebuild and the main entities involved. We also describe the three projects that we looked at and explain why we chose them.
- 1.19 In Part 3, we outline the overall findings for each of the three projects.
- 1.20 In Parts 4-9, we assess and compare the governance and accountability arrangements for the three projects against each of the six principles in Figure 1.

The Christchurch rebuild and the three projects we looked at

- 2.1 In this Part, we discuss the context for the Christchurch rebuild and the three projects that we looked at. In particular, we:
- explain the background to the rebuild and the main entities involved; and
 - describe the three projects, including their governance arrangements, and why we chose to look at them.

The Christchurch rebuild

- 2.2 Since the major earthquakes in Canterbury in 2010 and 2011, local government, central government, the private sector, and the community have been working together to help Canterbury recover. The earthquakes destroyed much of central Christchurch, and a large part of the recovery effort is focused on the central city.
- 2.3 In May 2012, CERA published its *Recovery Strategy for Greater Christchurch*. This was followed in July 2012 by the *Christchurch Central Recovery Plan*, released jointly by the Government, the Council, and Ngāi Tahu. The *Christchurch Central Recovery Plan* included a blueprint for the central city that identified 17 anchor projects to inspire confidence in the recovery and stimulate further development.
- 2.4 CERA is responsible for the overall recovery strategy and for leading the rebuild of the central city. CERA is also the lead agency for constructing some, but not all, of the anchor projects.
- 2.5 In June 2013, the Cost Sharing Agreement between the Crown and Christchurch City Council was signed. The Agreement sets out how costs and responsibilities will be shared to deliver the *Christchurch Central Recovery Plan* and the city's horizontal infrastructure rebuild.
- 2.6 The recovery has long-term implications for people's lives as well as the economy. Rebuilding Canterbury is a priority for the Government and involves significant public spending. Strong governance is needed to ensure that public funds are being spent appropriately, to ensure that entities work together to deliver intended outcomes, and to provide clear accountability for Cantabrians and all New Zealanders.

The projects we looked at

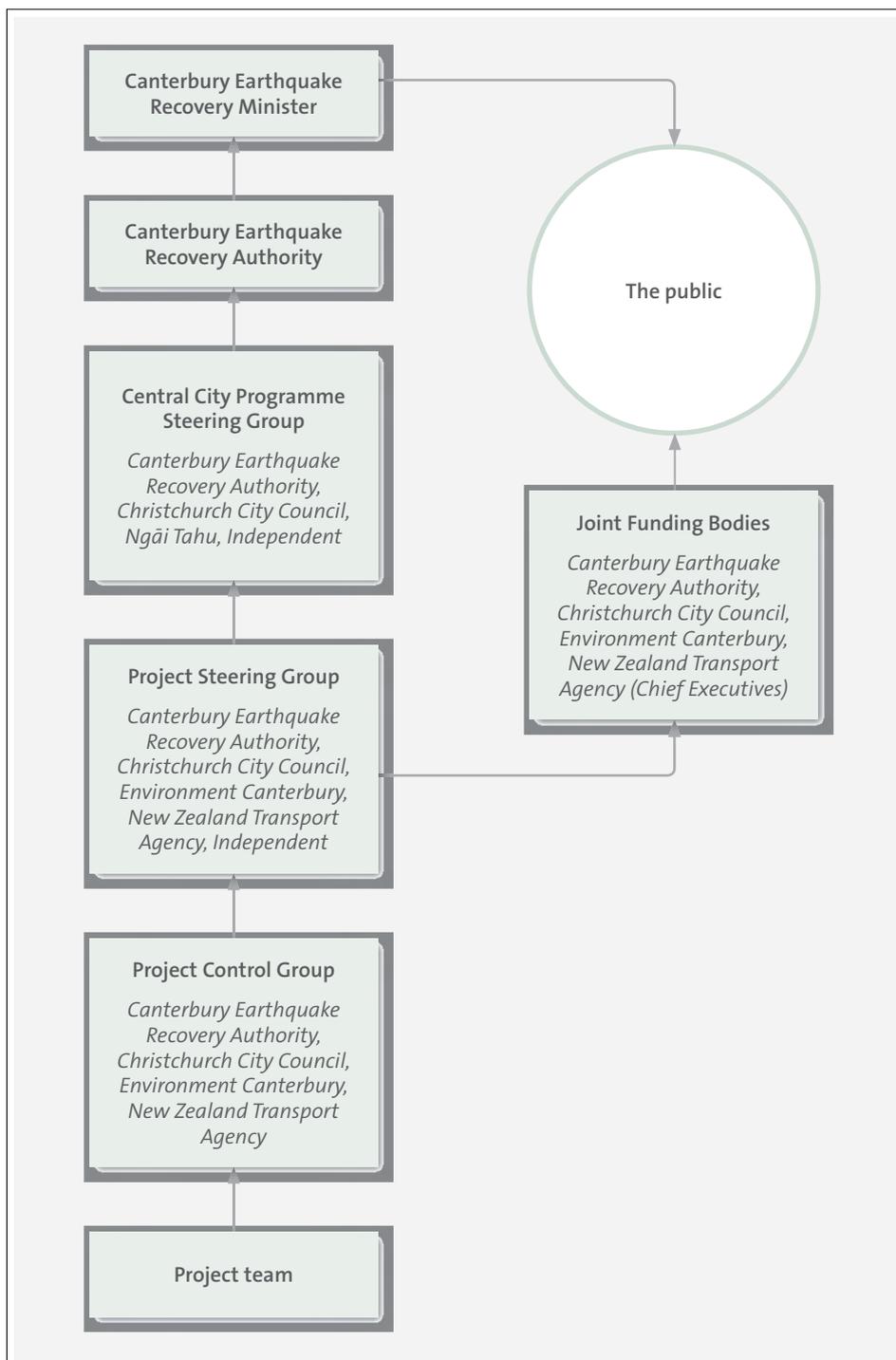
Bus Interchange

- 2.7 CERA led the project to build a new Bus Interchange to replace the old interchange, which the earthquakes had damaged. The project had a budget of \$53 million, with costs shared between CERA, the New Zealand Transport Agency (NZTA), and the Council. Environment Canterbury (ECan) is also a major stakeholder because it is responsible for bus services.

- 2.8 The Bus Interchange is on a 14,000m² site south of the Retail Precinct and next to the Justice and Emergency Services Precinct. The Bus Interchange is expected to cater for up to 18,000 passengers a day to start with, increasing to 70,000 by 2041.
- 2.9 The Bus Interchange has important links to other projects and programmes of work – in particular, An Accessible City and the Justice and Emergency Services Precinct.
- 2.10 An Accessible City will create a transport network that makes moving around Christchurch easy, safe, and enjoyable. It includes future road layouts that provide for:
- pedestrians, cyclists, public transport, and private vehicles;
 - speed zones and streetscapes;
 - parking; and
 - service vehicle requirements.
- 2.11 The Justice and Emergency Services Precinct is located next to the Bus Interchange. During construction, a temporary bus interchange was located on the Justice and Emergency Services Precinct site. The temporary interchange needed to vacate the site by the end of May 2015 so that construction on the Justice and Emergency Services Precinct could start. This was an important constraint for the Bus Interchange project because any delay in leaving the Justice and Emergency Services Precinct would have led to financial penalties.
- 2.12 The Bus Interchange comprises 16 bus bays and passenger lounges with retail areas and bike storage facilities. Passengers board buses through glass doors. Screens provide information about bus arrivals and departures, and direct passengers to the right bay for their bus. The interchange has several retail and information kiosks.
- 2.13 On 25 May 2015, the first part of the Bus Interchange, including some of the passenger areas and eight bus bays, opened. This met the time constraint for vacating the Justice and Emergency Services Precinct site. The rest of the Bus Interchange opened on 20 August. It was the first government-led anchor project to be completed.
- 2.14 A Project Steering Group was responsible for “overall project leadership” and provided governance. The Project Steering Group had members from all the main stakeholders: CERA, the Council, NZTA, and ECan. In October 2014, an independent chairperson was appointed.
- 2.15 The Project Steering Group reported to the Central City Programme Steering Group, which provided governance at a programme level, such as prioritising and aligning projects and programme-level risks and matters. A Project Control Group supported the Project Steering Group and also included members from all stakeholders.

2.16 Figure 2 shows the governance structure for the Bus Interchange project.

Figure 2
Bus Interchange project governance structure

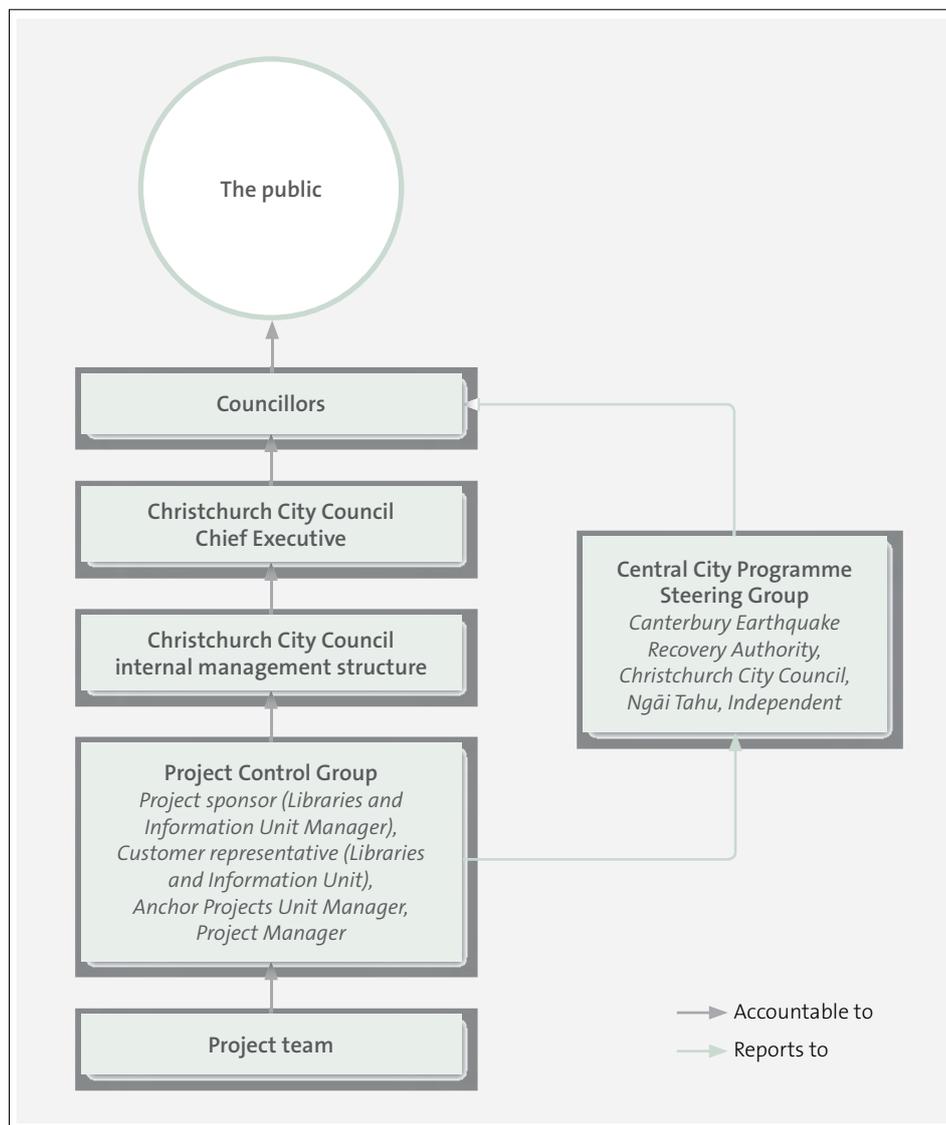


Sources: CERA and the Office of the Auditor-General.

New Central Library

- 2.17 The Council is leading the project to build a new Central Library. On 26 March 2015, councillors approved the project's business case and concept design. The project is now in the tender phase. The New Central Library project has a budget of \$85 million, including \$75 million from the Council and \$10 million of philanthropic funding.
- 2.18 The library will be a five-storey building with a gross floor area of just under 10,000m². It will be on a 2725m² site on the north-east corner of Cathedral Square, next to the Performing Arts and Convention Centre Precincts. The library is expected to open in mid-2018.
- 2.19 The earthquakes damaged the old central library in Gloucester Street. That building has been demolished, and the site will be part of a new convention centre. Until the new library is built, the library is housed in two temporary facilities in Manchester Street and Peterborough Street.
- 2.20 The Council found out what people wanted from the new library through its *Your library, your voice* campaign, which received more than 2400 responses. The project recognises that a modern library is not just a place where people borrow books. It is also a hub where people can "discover, connect and play". The Council also hopes that the new Central Library will act as a catalyst for regeneration by bringing people back into the central city.
- 2.21 Figure 3 shows our interpretation of the governance and management structure for the project when we carried out our audit in December 2014. In the documents we reviewed, we found no diagram of the structure that accurately reflected the arrangements on the ground. Our interpretation is based on information that we gathered from interviews and document reviews.
- 2.22 At the time of our audit in December 2014, the Council identified the Project Control Group as the main group providing governance to the New Central Library project. Therefore, we focused on this group at that time.
- 2.23 The elected councillors provide the highest level of governance for the project. They have the authority to make decisions that will determine the type of library that will be built and how much they spend on it. The New Central Library project also reports to the Central City Programme Steering Group.

Figure 3
New Central Library project governance structure, December 2014

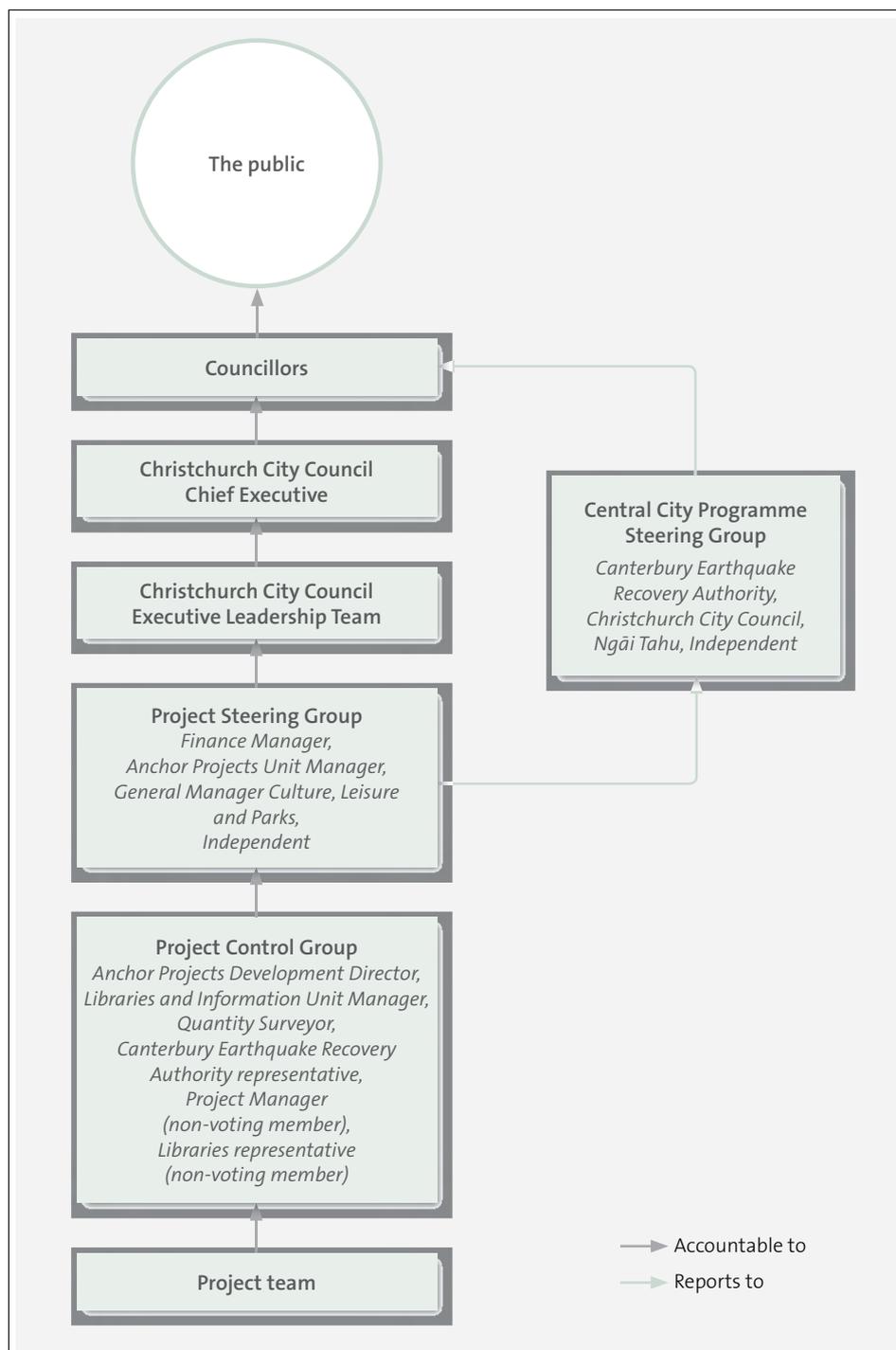


Source: Office of the Auditor-General

2.24 After we completed our audit work in December 2014, the Council redesigned the governance structure for this project. A new Project Steering Group now provides the governance, while the Project Control Group acts at a management level. The Project Steering Group includes an independent chairperson.

2.25 Figure 4 shows the new governance arrangements.

Figure 4
 New Central Library project governance structure, October 2015



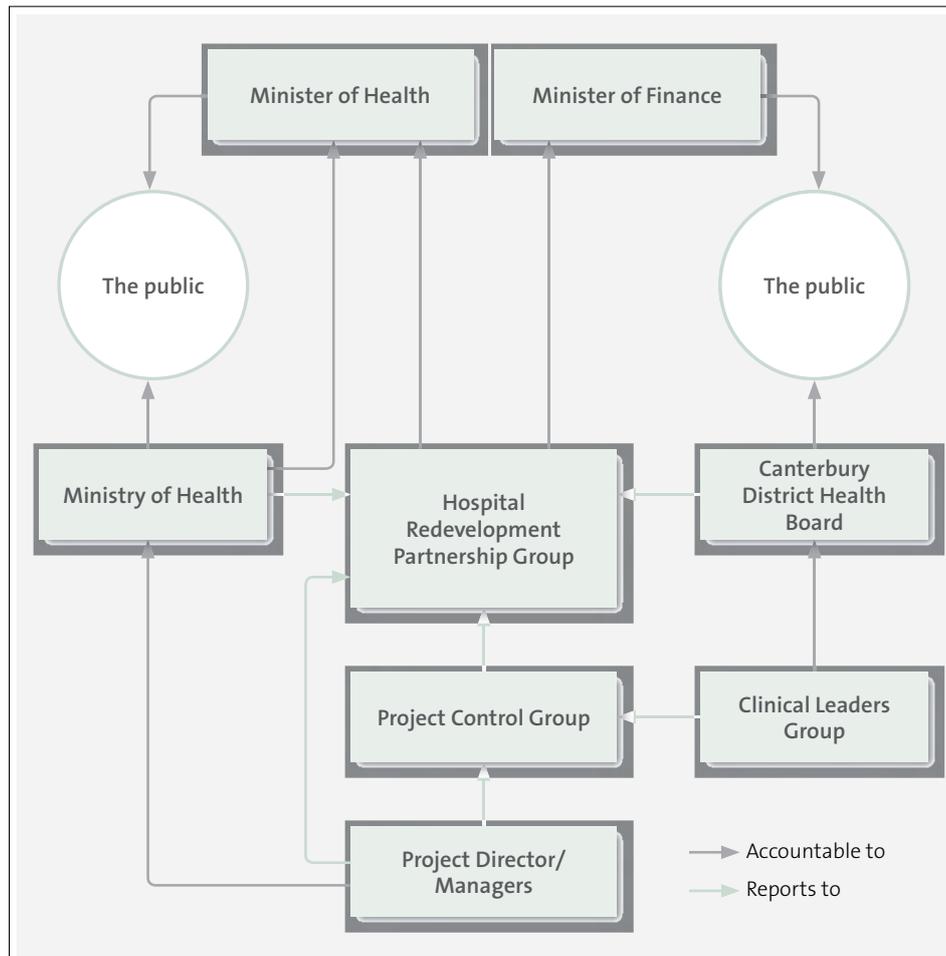
Christchurch Hospital Acute Services Building

- 2.26 The Acute Services Building is a new building on the Christchurch Hospital campus. It is part of the Canterbury District Health Board Facilities Development Project, a \$650 million programme of work that includes redevelopment at Burwood Hospital.
- 2.27 The Acute Services Building will have:
- new operating theatres;
 - about 400 beds;
 - an expanded intensive care unit;
 - a state-of-the-art radiology department;
 - a new emergency department; and
 - a rooftop helipad.
- 2.28 The work at Burwood Hospital is being done before the Acute Services Building and is expected to be completed in 2016. The Acute Services Building is due to be completed in March 2018.
- 2.29 Strictly speaking, the Acute Services Building project is not part of the earthquake recovery. However, it is being completed during a time of significant rebuild in Christchurch and will face the same environment and constraints as other projects, such as a shortage of subcontractors.
- 2.30 Canterbury District Health Board (the DHB) had already produced a business case for its facilities development before the Canterbury earthquakes. The earthquakes significantly damaged the DHB's facilities. Many of its remaining hospital beds were at risk of damage from further earthquakes. There was also a risk that engineering reports could find them unsafe and they would need to be vacated. This increased the urgency of building new facilities.
- 2.31 We decided to look at the Acute Services Building project because of its size and its strategic importance to the rebuild and to the people of Christchurch and the Canterbury region.
- New arrangements**
- 2.32 Usually, district health boards manage their own major construction projects and put their own governance arrangements in place. The Ministry monitors the project and advises Cabinet on any important decisions.
- 2.33 With this project, the Government said it was concerned that the DHB was under a lot of pressure providing day-to-day health services as well as managing its own recovery from the earthquakes. Therefore, the Government decided to introduce

new governance and management arrangements for the DHB's facilities development to relieve the pressure on the DHB and bring in expertise that could help build some of the new facilities quickly.

- 2.34 Under the new arrangements, the Ministry is responsible for managing the project and holds the legal authority for any contracts. This was a new role for the Ministry, which is using a mix of existing staff and external contractors to manage the project.
- 2.35 The Minister of Health appointed a new group, the Hospital Redevelopment Partnership Group (the HRPG), to provide governance for the project. The HRPG has four full members. Three, including the chairperson, are independent. Between them, the independent members bring a range of experience of major construction projects and healthcare. The fourth member is the chairperson of the DHB. The HRPG also has members who represent the Ministry, the DHB, and CERA.
- 2.36 The HRPG also oversees other construction projects, including earthquake repairs, car parking, and a new outpatients facility. These projects are on, or next to, the Christchurch Hospital campus. The new governance arrangements also apply to the work at Burwood Hospital. Our audit focused only on the Acute Services Building.
- 2.37 The Government has now introduced similar governance and management arrangements for other major construction projects in the health sector, in Dunedin and on the West Coast. The Ministry told us that it expects the new model to become the norm for major health capital projects. Therefore, any lessons that can be learned from this project will have wider implications.
- 2.38 Figure 5 shows our understanding of the governance structure for the project. Our interpretation is based on information that we gathered from interviews and reviews of documents.

Figure 5
Acute Services Building project governance structure



Source: Office of the Auditor-General

Note: The DHB is generally accountable to the Minister of Health. However, for this project, the DHB's accountabilities are unclear. This is explained further in Part 5.

3

What we found

3.1 In this Part, we outline our findings for each of the three projects we looked at.

Bus Interchange

3.2 We found that the Bus Interchange project had strong governance arrangements. These arrangements have helped to successfully complete the project on time and within budget. The Bus Interchange is now open and fully operational.

3.3 The main features we identified that brought strength and success to the governance arrangements for this project include:

- putting time and effort into the design and implementation of the governance and management structure so that they were clear and fit for purpose – CERA told us that it drew from a wide base of information and professional advice for its governance design;
- a culture of review and continuous improvement within CERA, which has resulted in ongoing improvements to the governance arrangements;
- appointing an independent chairperson to the Project Steering Group; and
- making communication with other projects part of normal business – making it easier to manage mutual dependencies with other projects.

New Central Library

3.4 In December 2014, we found that the New Central Library project had little effective governance. The Project Control Group was acting in a management role and was not providing the leadership and oversight that we expected to see. We found that roles and responsibilities were unclear and that project risks were not reported and managed well.

3.5 In our view, the Project Control Group was not managing two important risks appropriately:

- the risk that the proposed design for the new Central Library was not affordable within the approved budget; and
- the risk that \$10 million of philanthropic funding that the project depends on might not be secured.

3.6 Not managing these risks appropriately exposed the project to a significant risk that it would not be completed successfully.

3.7 At the time of our audit, the Council reviewed the project's governance and management arrangements. After considering our initial findings, together with its own review, the Council made some changes to the governance arrangements for the New Central Library project.

- 3.8 The new arrangements include:
- introducing a Project Steering Group that has a clear project governance role;
 - appointing an independent chairperson to the Project Steering Group;
 - appointing an experienced Development Director to lead the project; and
 - making improvements to reporting.
- 3.9 We visited the Council in October 2015 to find out how the new arrangements were working. We observed a Project Steering Group meeting, interviewed members of the Project Steering Group, interviewed some Council managers, and reviewed some documents.
- 3.10 The new Project Steering Group has been in place only since August 2015 and has had limited opportunity to show its effectiveness. However, based on the work we did in October 2015, we are satisfied that the new arrangements are a definite improvement on the arrangements we saw in December 2014. We found more clarity around the project governance arrangements, improved reporting, and a separation of governance and management.
- 3.11 We also found that the Council had taken steps to manage the funding and affordability risks. The funding risk, in particular, remains, but the steps taken have reduced the risk of the project not being completed successfully.

Acute Services Building

- 3.12 We found mixed results for the Acute Services Building project. The HRPG has a clear purpose and brought strong leadership to the project, which has made good progress as a result. The HRPG has achieved this even when the two main partners, the Ministry and the DHB, have had conflicting views.
- 3.13 However, we also found a lack of clarity about, and understanding of, accountabilities for the project. Also, the roles and responsibilities of the main partners were unclear and not well recorded. The HRPG's strong leadership has compensated for this to some extent.
- 3.14 This report includes some findings about the lack of clarity in the governance arrangements for the Acute Services Building. Because this large and complex project uses a new governance model and the relationship between the two main partners is poor, clear definitions and protocols are particularly important. These definitions and protocols were not put in place.
- 3.15 The new governance arrangements are similar to those used in other parts of the public sector. For example, the Ministry of Defence leads the procurement of major defence capabilities on behalf of the New Zealand Defence Force.

- 3.16 We expected to see the Ministry look at how the arrangements work in other sectors to help it set up the new arrangements in Canterbury, but we saw no evidence of this.
- 3.17 The Ministry has identified a programme of work to strengthen the governance arrangements for this project, which addresses some of our findings. This work is at an early stage.

Clarity of purpose

- 4.1 In Parts 4-9, we take the collective findings from all three projects and identify lessons for each principle. We explain what helped make the projects' governance arrangements more effective and where improvement was needed. These lessons will apply not only to projects in Christchurch, but also to projects in the wider public sector.
- 4.2 In this Part, we discuss:
- why clarity of purpose is important; and
 - our main findings about how well each project met our expectations of clarity of purpose.

Why clarity of purpose is important

- 4.3 People that set direction for projects need to clearly understand the project's purpose, including the limits to what they have to do and the project's intended outcomes. The people must also be able to understand the influence of their decisions and actions. If they do, goals are more likely to be met and intended outcomes achieved.
- 4.4 Individually and together, people in governance positions need to focus on more than just the reports on the project. They need to think at a strategic level, disseminate that thinking, and understand the effects of the directions they give.

Project purpose

- 4.5 When there is a clear purpose for a project, the people in governance can focus on delivering that project.
- 4.6 The Christchurch Central Recovery Plan and the Cost Sharing Agreement set out the purpose, location, scope, and budget for the Bus Interchange and New Central Library projects before their governance arrangements were put in place. This meant that the governance groups had a clear purpose, which was to deliver the project that had been defined.
- 4.7 The Government had also broadly agreed the parameters for the Acute Services Building project before appointing the HRPG.³ However, there are still some disagreements between the Ministry and the DHB about the scope. This has meant that the HRPG has to spend time confirming project scope and what is covered by the approved funding. Therefore, it has less time to focus on what is best for the project.

³ The Government set up the HRPG as a condition of approving the Canterbury District Health Board Facilities Development Project Indicative Business Case, which sets out the broad parameters for the Acute Services Building project.

Governance versus management

- 4.8 Clearly separating governance and management helped governance groups to make decisions in the best interests of the project and take wider considerations into account.
- 4.9 Governance and management need to be separate because they have different functions and types of accountabilities. Governance involves making decisions about purpose and direction, and being accountable for those decisions. Project management involves putting those decisions into practice.
- 4.10 This separation was clear for the Bus Interchange project. CERA spent time preparing clear governance arrangements that explained the function of each part of the structure, as well as how those parts fit together.
- 4.11 The separation is also clear for the Acute Services Building project. The Government appointed the HRPG to provide governance and gave the Ministry the function of managing the project.
- 4.12 For these two projects, the governance groups took a broader and longer-term view when they made decisions. This allowed them to focus on the most important matters and leave more detailed decisions to project management. It also meant that they made decisions to achieve the best combined outcomes for related projects. For example, decisions about the Bus Interchange also considered how it would fit in with the objectives of An Accessible City.
- 4.13 The New Central Library project did not have a clear separation of governance and management. The Project Control Group was acting at a management level and did not show the level of oversight we expect for a governance group. No other group provided project-level governance.
- 4.14 The Project Control Group focused too closely on what its members wanted from the project and not enough on wider matters such as affordability within the Council's long-term plan. This meant that the project was at risk of failure.
- 4.15 The Council has introduced a Project Steering Group whose clear purpose is to provide governance oversight of the project. The Project Steering Group was set up in August 2015. Its members understand its function well and the level they need to operate at. The Project Control Group now has a clear management role.

Lessons

- 4.16 A clear project purpose means that governance groups can focus on delivering project outcomes rather than trying to clarify the purpose and scope.
- 4.17 Clearly separating governance and management helps the right people to focus on, and be held accountable for, the right matters.

Accountability

- 5.1 In this Part, we discuss:
- why accountability is important; and
 - the main findings about how well each project met our expectations about accountability.

Why accountability is important

- 5.2 Public accountability is how authorities using public resources explain their activities:

The level of citizen trust in the ability and motivation of decision-makers in authority determines how well society works. If decision-makers are required to explain their intentions, reasons and performance standards publicly, fully and fairly before they act, citizens can act fairly and sensibly to commend, alter or halt the intentions.⁴

- 5.3 Who is accountable for what, and who they are accountable to, needs to be clear. Everyone involved in the activity should understand the accountability framework.
- 5.4 When projects are funded by public money, the public has the right to know whether that money is well spent. If accountability is unclear, they cannot know who is ultimately responsible for the results.
- 5.5 Being accountable to the public means keeping the public informed about important decisions, how a project is progressing, and what results are being achieved. The public are often asked for their views about what they want from a project. Decision-makers should ensure that the public's views are heard. Those decision-makers should then tell the public how they have acted on those views.

Accountability for the project

- 5.6 We found no clear accountability frameworks for any of the three projects. In some instances, many of the people we spoke to did not understand accountabilities for their project well. This created uncertainty about the decisions each person or group could make.
- 5.7 Some specific accountabilities were clear. The terms of reference for the Bus Interchange Project Steering Group included some specific accountabilities for each part of the governance and management structure. For example, the terms of reference state that the Project Steering Group is accountable to the Central City Programme Steering Group for:
- ... ensuring alignment with other CERA recovery programmes, procurement process, delivery, management of interdependencies, risks and issues, resourcing (within individual members financial delegations), and ultimately, achievement of the projects' goals as articulated in the Christchurch Central Recovery Plan.*

⁴ See "Public Accountability and holding to Account", available at the Centre for Public Accountability website, www.centreforpublicaccountability.org, accessed on 6 April 2015.

- 5.8 Members of the HRPG had some specific accountabilities to the Ministers of Health and Finance. These were explained in Cabinet minutes and terms of reference. The new Project Steering Group for the New Central Library project also has terms of reference that list the group's responsibilities and who it reports to.
- 5.9 However, broader accountabilities were less clear. CERA explained that its project governance and management groups had an advisory role only and that individual CERA employees are accountable for decisions. These individual accountabilities tied in with financial delegations.
- 5.10 CERA's governance groups' advisory nature was not explained in project documents well. We were told that people found this confusing at first, but that it is not a problem now that people are used to it.
- 5.11 Accountabilities for the Acute Services Building project were poorly recorded and inconsistently understood. Nearly everyone we spoke to had a different understanding of the accountabilities for the project. Evidence such as Cabinet minutes suggests that the HRPG is advisory, but people were unsure what authority the HRPG has to make decisions and to commit the Ministry's resources to manage the project.
- 5.12 This had created no problems when we looked at the project. However, the HRPG's ability to govern the project could be at risk if, at some stage, the Ministry and the HRPG have conflicting views on the project.
- 5.13 The elected councillors are ultimately accountable for the New Central Library project, but internal mechanisms should be in place to support them. We found a reliance on line management relationships to provide that support, but it was not made clear how these applied to the project. In particular, several people told us that they were uncertain who is accountable for the project at a senior management level. At a lower level, accountabilities are in keeping with job descriptions and these are well understood. These also tended to be in line with financial delegations.
- 5.14 In our view, all three projects would benefit from recording a clear accountability framework that takes into account how broader accountabilities apply to the project, as well as more specific accountabilities.

Accountability to the public

- 5.15 All three projects are using public funding to build facilities that will provide services to the public. Therefore, the projects have some accountability to find out what the public wants and then report what they are delivering.

- 5.16 For the new Central Library, the Council consulted with the public in two stages. *Share an Idea* was an award-winning campaign that asked for ideas about the entire central city rebuild. This contributed to the Christchurch Central Recovery Plan. The more targeted campaign *Your library, your voice* followed this.
- 5.17 All ideas from the public have been made available on the Council's website, which also explains how these ideas were incorporated into the library design. This approach supports the Council's accountability to the public because people can see how the Council is delivering what the public said it wanted.
- 5.18 As an anchor project, the Bus Interchange was also part of *Share an Idea*. Consultation specifically for the Bus Interchange was restricted to targeted groups, such as passenger and operator groups. Information about how their comments influenced the Bus Interchange design have not been made public.
- 5.19 The Acute Services Building project has had less public consultation. Instead, user groups have provided structured input. How this information is being used is unclear.
- 5.20 CERA has kept the public well informed about the Bus Interchange project progress through dedicated project web pages and through its more general publications. These have included photographs and stories at important milestones. The Council also has information about the new Central Library, including pictures of the concept design, on its website.
- 5.21 The DHB and the Ministry jointly manage public communications for the Acute Services Building project. Most public information about the project seems to come through the DHB's website and publications circulated to the public. It was more difficult to find up-to-date information about which stage the project is at and when it is expected to be finished. In our view, this is information the public should know.

Lessons

- 5.22 A clear accountability framework helps people know who is accountable to whom and for what. It should include accountabilities specific to the projects and broader accountabilities that relate to existing structures and reporting lines.
- 5.23 Providing accessible and up-to-date information to the public about the project supports public accountability. Showing how public input has been used provides more accountability.

6

Roles and responsibilities

- 6.1 In this Part, we discuss:
- why roles and responsibilities are important; and
 - our main findings about how well each project met our expectations of roles and responsibilities.

Why roles and responsibilities are important

- 6.2 Good governance gives direction and surety to the people who put ideas into action and bring projects to life. The people at each level of project governance need to understand what part they play in completing the project and delivering intended outcomes.
- 6.3 Clearly documented roles and responsibilities confirm what is expected from each position and group, and how they work together. When roles and responsibilities are well understood – and followed – it helps each person make their intended contribution. If roles and responsibilities are not well understood, these contributions might be duplicated or, worse, not made at all.
- 6.4 Having clear roles and responsibilities also supports good decision-making when different views or conflicts need to be resolved.

Roles and responsibilities of governance and management groups

- 6.5 Governance arrangements worked more effectively and efficiently when roles and responsibilities were clearly defined and recorded.
- 6.6 The Bus Interchange project had a well-defined governance structure, with roles and responsibilities set out in the Project Steering Group's terms of reference. The project had a separate document that explained the roles and responsibilities of crucial project positions.
- 6.7 People understood what part they played well, both as an individual and as part of a group. People also understood what roles people and groups had in other parts of the governance and management structure. This helped make the governance structure more effective and the project a success.
- 6.8 Documents describing the roles and responsibilities for the New Central Library project were unclear and were not in line with the arrangements in place. For example, we could find no accurate diagram of the governance structure. In our view, this contributed to the Project Control Group acting as a project management, rather than governance group. It also meant that no one was responsible for some key roles such as risk management.
- 6.9 The Council has improved this situation. The Council has produced terms of reference for its new Project Steering Group that provide a much better

explanation of roles and responsibilities. However, the new terms of reference cover the Project Steering Group only and do not explain how other parts of the Council provide governance to the project. Expanding the terms of reference, including a diagram of the governance structure, would help to clarify the role of different groups and how they fit together.

- 6.10 Some of those involved in the Acute Services Building project did not clearly understand roles and responsibilities. This created particular problems because the new governance model for this project means that each entity has a new, unfamiliar role. People from each entity need to understand what they and others are supposed to do.
- 6.11 More broadly, the DHB's role is not clear. When Cabinet set up the new governance arrangements, it did not indicate how it intended the DHB to be involved day to day. For example, it did not indicate how the DHB would contribute to the design process or other decisions that might affect how the DHB delivers health services.
- 6.12 We understand that the DHB was not consulted about the new arrangements. No-one we spoke to was able to tell us what the DHB's role was or how the DHB, as the end user and owner of the completed facilities, was supposed to contribute. This is not satisfactory.
- 6.13 Without clarity, people have made assumptions about roles and responsibilities. We saw this cause conflict between the Ministry and the DHB because people made different assumptions about who should do what.
- 6.14 In a conflict, time and effort has to be spent on resolving the conflict, rather than on the project. Conflicts can also create an unpleasant environment for people to work in. Although some tension should be expected, and can even lead to better decisions, the tensions in this project are not productive.
- 6.15 In one example, we found that responsibility for managing risks and co-ordinating health and safety between the construction site and the existing hospital was not well defined. This meant that there could have been a delay in responding to an emergency until the responsible people had been identified and contacted.
- 6.16 We understand that the Ministry is taking steps to clarify roles and responsibilities for the project. It has already clarified responsibilities for health and safety between the construction site and the hospital. The Ministry told us that it intends to ensure that roles and responsibilities are more clearly defined from the start when this model is applied to other health projects.

Lesson

- 6.17 Clear roles and responsibilities help to reduce conflict and help people to focus on the right matters. They can also ensure that someone is responsible for all important functions.

7

Leadership

- 7.1 In this Part, we discuss:
- why leadership is important; and
 - our main findings about how well each project met our expectations of leadership.

Why leadership is important

- 7.2 Effective leaders model behaviours and actions that promote expectations of high standards of performance, professional conduct, and achievement. They show this in many ways, including:
- scrutinising and challenging proposals to inform and make good decisions;
 - owning those decisions and being ready for scrutiny;
 - ensuring clear and open communication within and outside the project;
 - complying with relevant legislation and other requirements; and
 - promoting a culture that commits to learning and continuous improvement.
- 7.3 Leadership is critical to a project from early stages through to outcomes. Poorly led projects can be managed to specifications but might compromise wider outcomes.
- 7.4 Good leaders can also identify opportunities from adversity. If their strategic views and insights are lacking, the project might miss opportunities for new and innovative approaches to achieving the outcomes.

Leadership of risks and issues

- 7.5 We saw examples of strong leadership from the Bus Interchange and Acute Services Building project governance groups. This leadership helped those projects to make progress towards a successful outcome when difficulties arose.
- 7.6 We did not see the same leadership for the New Central Library project. This resulted in risks not being addressed that could have caused the project to fail. Under the new governance arrangements for this project, leadership has improved and steps have been taken to manage these risks.
- 7.7 Members of the Bus Interchange Project Steering Group told us how they had made a difficult decision to delay opening the first stage of the Bus Interchange. Although the building was ready on time, a software problem was identified a few days before the planned opening date.
- 7.8 CERA, supported by ECan, which is responsible for bus services, decided to delay the opening. CERA explained that it had set up its contracts so that the main contractor and software supplier were collectively responsible for fixing the problem.

- 7.9 The problem was fixed within a few days, and the Bus Interchange was able to open with only a week's delay. This left enough time to vacate the Justice and Emergency Services Precinct site on schedule.
- 7.10 In our view, this was a good example of leadership in risk management and decision-making. It shows that the project's leaders were willing to make a difficult decision in the best interests of the project. They had the confidence to do this because they had prepared well for this type of setback.
- 7.11 Strong HRPG leadership has kept the Acute Services Building project progressing even when there has been disagreement between the Ministry and the DHB. The HRPG's leadership has been able to compensate for problems caused by the lack of clarity in project roles and responsibilities.
- 7.12 Despite their differences, people from both the Ministry and the DHB told us they think that the HRPG is leading the project well. Strong leadership is particularly important for this project, which is a much larger and more complex project than the other two we looked at.
- 7.13 In our view, this has been possible only because of the attributes of the members of the HRPG. We saw evidence of this leadership when we observed an HRPG meeting. However, although good leaders are important, a strong governance structure should not depend on individuals. Without strengthening other parts of the arrangements for the Acute Services Building project, the project would be at risk if the HRPG members chose to leave.
- 7.14 In December 2014, when we first looked at the New Central Library project, we saw weaker leadership that put the project at risk. Despite progress, the Project Control Group did not address significant risks to the project's affordability and funding.
- 7.15 For example, the Project Control Group had prioritised making the library as big as possible, even when indicative costs were significantly more than budget. Project reports also show that the Project Control Group dismissed smaller and cheaper options, and simply accepted that cost was a risk. The Project Control Group had also not considered how to manage a potential shortage of funding.
- 7.16 The new governance arrangements for the New Central Library project have been designed to strengthen leadership by including more senior people from the Council, as well as an independent chairperson. The Council has appointed an experienced Development Director to provide project management leadership. The Development Director has been responsible for putting the governance improvements in place.

- 7.17 The new Project Steering Group has been in place since August 2015. Therefore, the group has had limited opportunity to demonstrate its leadership of the project.
- 7.18 However, because its members are more senior and experienced than the Project Control Group, they are better placed to provide oversight. When we spoke to them, they had a good understanding of the main project risks and issues and where leadership was needed to address these.
- 7.19 Since December 2014, the project's Development Director and, more recently, the Project Steering Group have taken a leadership role in addressing the affordability and funding risks. Funding remains a major risk for the project, but it is clearly recorded as such. People at all levels are well informed about the risks and the steps in place to address them. Now, the Project Steering Group actively oversees risk management.

Review and improvement

- 7.20 The Bus Interchange and New Central Library projects reviewed and changed their governance arrangements. This has helped to improve how their governance groups perform, so that they can oversee the projects more effectively.
- 7.21 Internal and external reviews can help ensure that governance arrangements are fit for purpose throughout the life of the project. Project reviews can also provide assurance to governance that the project is on track, identify project risks, and suggest improvements.
- 7.22 CERA, as an organisation, was particularly strong in this aspect. CERA shows a genuine commitment to continually improving the way it governs and manages its projects. The Bus Interchange Project Steering Group supported this.
- 7.23 A full programme of risk-based assurance and probity reviews supports CERA's commitment. These reviews provide CERA and the Project Steering Group with assurance about their governance and management of the project. Although the Bus Interchange is now complete, this approach will be valuable to the other projects CERA is leading, some of which have several years to run.
- 7.24 As we describe in this report, the Council has reviewed its governance arrangements and has put in place several improvements. These improvements were the result of the Council's internal review and the early findings from our work.
- 7.25 This willingness to recognise and address weaknesses in the governance arrangements has made a clear improvement to how the New Central Library

project is being governed. In our view, further improvement could be achieved by introducing an ongoing programme of review and assurance, such as Independent Quality Assurance, for all of the Council's major capital projects.

- 7.26 Although it has had some reviews, the Acute Services Building project has had less independent scrutiny than we expect for a project like this. The Canterbury District Health Board Facilities Development Project is large and complex. We expected to see a range of independent reviews to provide assurance that the project is on track to deliver its intended outcomes.
- 7.27 So far, only mandatory Gateway reviews and some probity assurance about contract tenders have taken place. However, we understand that the HRPG is considering commissioning an Independent Quality Assurance or similar review of the Acute Services Building project.
- 7.28 Because the governance arrangements for this project are based on a new model, it would be particularly beneficial to review the arrangements regularly. In response to our early findings on the Acute Services Building project, the Ministry has identified a programme of work to address some of the problems we found. An ongoing programme of review would help provide assurance that any changes made are, and continue to be, effective.

Lesson

- 7.29 Strong leadership helps deliver effective governance and can compensate for weaknesses in other aspects. This is achieved by involving people with the right skills and attributes.

8

Information and reporting

- 8.1 In this Part, we discuss:
- why information and reporting are important; and
 - our main findings about how well each project met our expectations of information and reporting.

Why information and reporting are important

- 8.2 People leading projects must balance limited resources with direction and decisions that have the best possible influence on achieving outcomes. They need to make sensible choices based on what they can know now and what influence each choice will have. They must understand the current state of the project, the decisions needed, and the effects of their choices.
- 8.3 Project leaders are usually kept informed through regular reporting of a balance of present and future-focused information, including:
- current project performance, such as milestones, activities, achievements, work in progress, resource capacity, and health; and
 - anticipated events in the future, such as potential risks, ongoing issues, and resource demands.
- 8.4 Information should be tailored to meet the needs of decision-makers. It should be accurate, relevant to their role, and presented in a way they can readily understand. Too much information can obscure what they need and make the right information hard to find.
- 8.5 Decision-makers must also ensure that the people who will act on their decisions know what those decisions are so they can put them into practice.

Project reporting to governance groups

- 8.6 Overall, the people in governance and management groups for the three projects were satisfied with the information they received about their respective projects. Everyone we spoke to was well informed about their project and its main risks and issues. This meant that people in governance groups could understand what decisions they needed to make and what the implications of their decisions were likely to be.
- 8.7 When we first looked at the New Central Library project, its reporting lacked focus and consistency. Its risk register included too many risks, which made it difficult to see what the main risks were and what action was being taken to address them.
- 8.8 Some programme-level reports used indicators that did not accurately reflect the underlying information. This meant that programme level groups within the

Council and the Central City Programme Steering Group could not tell when this project was at risk.

- 8.9 Under the new arrangements, project reporting has been improved. Papers to the Project Steering Group include a dashboard-style report that highlights important information about budget, risks, issues, and milestones. Papers also include an overview of the project status and clearly identify matters for discussion.
- 8.10 We spoke to members of the new Project Steering Group, who were well informed about the project and satisfied with the information and reporting they receive.
- 8.11 Reports to the HRPG include important information about cost, risks, issues, progress, and health and safety. These comprehensive reports are of a high standard. However, there are many of them, different people produce them, and they have inconsistent formats and detail.
- 8.12 This is symptomatic of the project lacking clear accountability. A consolidated report that brings all the reports together in a consistent format would help the HRPG to understand and interpret the information it receives.

Sharing information within the project

- 8.13 Some project management teams were better than others at ensuring that people found out about governance groups' decisions. When this happened, people could act in line with those decisions.
- 8.14 For the Bus Interchange and New Central Library projects, project documents identified who should be receiving information. This helped to ensure that governance direction and decisions got to the people who need to know them.
- 8.15 The Acute Services Building project had no guidance or agreement on how information would be shared. No formal process ensures that people are informed about HRPG decisions and discussions. Instead, it is assumed that people will share information as required. Sometimes, this does not happen and people are not told what they need to know.

Sharing information outside the project

- 8.16 None of these projects is taking place in isolation. Therefore, they all need to share information with other projects and activities. For the Bus Interchange and New Central Library projects, the Central City Programme Steering Group, which includes members from both CERA and the Council, facilitates this at a

programme level. CERA and the Council are represented in each other's project governance groups. In general, we found that CERA and the Council were well informed about each other's projects.

- 8.17 At a lower level, CERA has formal and informal processes for sharing information between projects. These meetings have enabled arrangements such as co-ordinating road works around the Bus Interchange construction.
- 8.18 The Acute Services Building project has mutual dependencies with the other projects at Christchurch Hospital campus. At the time of our audit, the DHB was leading most of these projects and there were disagreements about how information was being shared with the HRPG and the Acute Services Building project. Delays in getting information was holding up the Acute Services Building and the other projects.
- 8.19 Since our audit, the Government has given the HRPG more oversight of these projects. This should help with co-ordination and information-sharing, although we understand that disagreements about this remain.

Lessons

- 8.20 Clear and consistent reporting that highlights the most important information means that members of governance groups stay informed about the project. This helps them to make good and timely decisions.
- 8.21 When projects share information with other functions and projects, co-ordination and alignment are better and decisions can take broader outcomes into account.

Capability and participation

- 9.1 In this Part, we discuss:
- why capability and participation are important; and
 - our main findings about how well each project met our expectations of capability and participation.

Why capability and participation are important

- 9.2 People governing projects require a wide set of attributes and knowledge to be fully effective. They are more likely to achieve successful outcomes when they have the right qualities, skills, and experience to help them make good decisions and judgements.
- 9.3 These people need to bring their expertise and background to the project. They also need to commit to, and take part in, the project and any wider programmes the project is part of.
- 9.4 Balance and scale are also important. Different and complementary experiences and skills bring a breadth of knowledge. This should include the right amount of independence to bring an unbiased perspective. There also needs to be a mix of views to stimulate challenge and debate. Robust discussion enhances the effect the group can have. This mix adds up to more than the sum of the separate parts.
- 9.5 Group size should optimise opportunities for good debate and consensus without becoming a wider forum for every aspect of the project.

Independence

- 9.6 We saw benefits when governance groups included people who are independent of the project and the entities involved. People who are independent of the project do not have a vested interest in the project's outcomes. This helps them to challenge entrenched or opposing views that sometimes prevent good decisions from being made.
- 9.7 The HRPG has three independent members. For this project, where the Ministry and the DHB often have conflicting views, independence has helped to keep the focus on project outcomes. The HRPG is able to ensure that decisions are made without needing agreement between the Ministry and the DHB. Both entities told us that they supported the contribution that the HRPG has made to the project.
- 9.8 The chairperson of the Project Steering Group for the Bus Interchange project told us that his independence meant that internal structures and reporting lines did not restrict him. This gave him more freedom to consult people about the project and share information with other projects. He could also be more free and frank with his opinions than people who represent their organisation.

- 9.9 When we first looked at it, the New Central Library project did not have any independence in its governance structure. We found that the Project Control Group was too heavily influenced by people with a vested interest in the project, and the group was not making the best decisions for the project.
- 9.10 The project's new structure has an independent chairperson for the Project Steering Group. He has chaired only two meetings so far, but other members of the Project Steering Group told us that they had already seen the benefits of his independence in the way he managed a recommendation to reduce floor area at the Project Steering Group's first meeting. He was able to get agreement even when faced with strong opposition.

Governance capability

- 9.11 We saw that people with the right capabilities are more effective in governance. These capabilities can include technical or subject-matter skills related to the project, as well as governance skills. When an entity or project lacks these skills, independent members can bring these skills to the project. They can also strengthen them when they do exist.
- 9.12 HRPG members brought additional skills in construction, providing clinical services, and governing major projects to the project governance. Through our interviews, observation of an HRPG meeting, and review of documents, we could see those skills in practice – for example, through the type of questions HRPG members asked and the level and nature of the direction they gave to the project team.
- 9.13 The independent chairperson of the new Project Steering Group for the New Central Library project has brought experience in local government, construction, and governance to the project. These are all relevant to the project.
- 9.14 The Bus Interchange project's independent chairperson brought governance experience and made several changes to improve the Project Steering Group's effectiveness – for example, ensuring that people attend meetings and that they come prepared. This helps with effective and efficient decision-making to keep the project moving forward. Other Project Steering Group members confirmed that the chairperson has helped them to understand and focus on what really matters.

Representation

- 9.15 We found good stakeholder representation in the governance structures for each project. This helped governance groups understand each stakeholder's needs and connect to people who can influence the project.

- 9.16 This also helped them to understand what is feasible – for example, in terms of committing resources, co-ordinating with other pieces of work, or whether their decisions will have the desired effect.
- 9.17 However, some entities have found that their resources are stretched between several projects. This is a particular problem for Christchurch because of the amount of major projects in progress as part of the recovery. For example, the person representing NZTA on the Bus Interchange project is a member of both the Project Steering Group and the Project Control Group. This makes it more difficult to clearly separate governance and management.

Iwi representation

- 9.18 Te Rūnanga o Ngāi Tahu is a partner in the Christchurch Central Recovery Plan and is represented on the Central City Programme Steering Group. However, Ngāi Tahu told us that its own resources are stretched between all the development taking place in Christchurch and that it took some time to finalise how the iwi would be involved.
- 9.19 People we spoke to about the Bus Interchange project did not see this delay as a symptom of any overall problem. In fact, Ngāi Tahu told us that the iwi had a strong relationship with CERA. When the Bus Interchange opened, it featured artwork by local Māori artists that had been incorporated into the design.
- 9.20 Getting Ngāi Tahu involved with the New Central Library project was more difficult. The project team met Ngāi Tahu and Ngāi Tuāhuriri⁵ early on to get their comments on the concept design. However, Ngāi Tahu told us that it lacked resources for the involvement it wanted to have with this project. We understand that the Council has recently re-engaged with Ngāi Tuāhuriri through the Matapopore Trust, which is now advising on design and potential artworks.

Lesson

- 9.21 Governance groups benefit from including people who are independent of the project. Independent members of governance groups help make good decisions because they do not have a vested interest. They can also bring additional skills and experience to the project.

5 Ngāi Tuāhuriri is the hapū with mana whenua over Christchurch City.

Appendix

Our recommendations

Bus Interchange

We made no recommendations for the Bus Interchange project.

New Central Library

Christchurch City Council has already made several changes to strengthen its governance arrangements for the New Central Library project.

We recommend that Christchurch City Council continue to strengthen the new governance arrangements that are in place for the project by:

- clarifying project accountabilities at all levels; and
- reviewing regularly the new governance arrangements to ensure that they are bringing the improvements to governance that were intended.

We recommend that Christchurch City Council review and strengthen its quality assurance processes for its major capital projects, including the New Central Library project.

Acute Services Building

To strengthen the governance arrangements for the Acute Services Building project, the Ministry of Health (the Ministry) has identified a programme of work that addresses some of our findings. This work is at an early stage. Our recommendations refer to aspects of the Ministry's programme of work.

We recommend that the Hospital Redevelopment Partnership Group, the Ministry, and Canterbury District Health Board work together to agree and clearly record their roles and responsibilities and lines of accountability. This should include lessons from other parts of the public sector that use similar governance models.

We recommend that the Ministry and Canterbury District Health Board continue to work together to finalise arrangements for transferring ownership of the Acute Services Building and related assets from the Ministry to Canterbury District Health Board.

We recommend that the Ministry and the Hospital Redevelopment Partnership Group review and strengthen the quality assurance processes for the Acute Services Building project.

We recommend that the Ministry prepare standard processes and guidelines for working with district health boards in projects that use the same governance model as the Acute Services Building project.

We recommend that the Ministry increase its capacity and capability for the major health capital projects that it is required to manage.

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- Delivering scheduled services to patients – Progress in responding to the Auditor-General’s recommendation
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- Ministry for Primary Industries: Preparing for and responding to biosecurity incursions – follow-up audit
- Governance and accountability of council-controlled organisations
- Queenstown Lakes District Council: Managing a conflict of interest in a proposed special housing area
- Reviewing aspects of the Auckland Manukau Eastern Transport Initiative
- Annual Report 2014/15
- Service performance reporting: Results of the annual audits of TEIs for the year ended 31 December 2014
- Request for inquiry into the regulation of the ancient swamp kauri industry
- Kaipara District Council: The Auditor-General’s decision on requests to make a report under section 44 of the Local Government Act 2002
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