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Tēnā koe

### **Follow up on Performance Audit of the Governance of the City Rail Link Project 2022**

As requested, please find below an updated written response to your request on how we are addressing your performance audit recommendations.

#### **Specific comments in response to recommendations**

**Recommendation 1** referred to the need for a better system of tracking and prioritising Sponsors Assurance Manager recommendations.

The assurance manager's representatives attend the Joint Sponsor Team (JST) meetings and Sponsors' meetings with CRL. Assurance manager recommendations are recorded monthly and are discussed as part of the standing JST agenda. Where they present a strategic risk, they are added to the risk register, which is also a regular item on the JST agenda.

Sponsors have been working with our assurance manager to ensure that their focus is on sponsor's risks and risk framework, and not on matters that are the responsibility of the Link Alliance or City Rail Link Limited. CRL and the assurance manager both keep sponsors aware of key operational issues, which may require escalation to sponsors. Sponsors monitor these issues, but only take action where there are risks to cost, scope and the project completion date.

**Recommendation 2** referred to completion of a benefits realisation plan and assigning responsibility for benefits management.

This work has been led by the Ministry of Transport and we refer to their response on progress towards completing this plan.

As noted in our responses below, as the CRL project has entered its next phase of delivery, new governance and operating structures are being put in place to ensure that the project and wider programme benefits can be planned for and achieved.

**Recommendation 3** refers to appropriate involvement of delivery partner boards with the project.

In response to this recommendation, sponsors have established the One Client Governance Group. The One Client Governance Group (Group) includes the Chairs of the Boards of City Rail Link Limited (CRL Ltd), Auckland Transport, KiwiRail Holdings Limited (KiwiRail), Auckland One Rail, and sponsors' representatives from Auckland Council and Te Manatū Waka, who have

collective oversight of the project dependencies and interdependencies during the testing and commissioning phase.

The aim of the Group is to ensure that integration between the entities is prioritised and achieved for the success of the City Rail Link project (CRL Project) and for future customers. The project is considered to include the delivery of the Project Alliance Agreement (PAA) works and the post-delivery phase leading to and beyond in-revenue service (Day 90).

The Group is supported by the renamed Delivery Partners Steering Committee, which is now One Client Executive Committee.

The Group meets 3-4 times per year, or more regularly as required. To date, the Group met in May, July, and was scheduled to meet at the end of September but met in early November. At these meetings, the Group has considered and has now agreed (6 November 2023) the terms of reference that focus on operational readiness. The Group has been provided with updates from each of the partner agencies, has developed a combined Day 90 risk register, and is ensuring connected governance oversight between the delivery partners and City Rail Link Limited.

As a result of this Group, and as the project progresses towards Day 1, we are seeing more reporting of the City Rail Link project and risks through to Auckland Transport's Board, and in their monthly updates and quarterly performance reporting to the Transport and Infrastructure Committee.

**Recommendation 4** referred to sponsors' officials sustaining improvements in reporting to Sponsors to promote accountability, improve governance and gain the confidence of stakeholders.

Since the release of the OAG report in 2022, Auckland Council has a new Mayor and council. This term of council has established a Transport and Infrastructure Committee, responsible for the oversight of major transport and infrastructure matters that affect the region, including the City Rail Link project oversight.

Briefings to council's new sponsors representatives (Mayor and Deputy Mayor) were undertaken late last year, and tours of CRL and the underground station have been offered to all councillors, with one visit on 9 October and the next on 7 November.

CRL continue to report twice yearly to Auckland Council's Transport and Infrastructure Committee. These reports are made available to the public. The most recent can be viewed here ([21.09.2023 - Transport and Infrastructure Committee - Item 10 - Streaming Auckland Council](#)). An outcome of this meeting was a request to have a session with Waka Kotahi to better understand the safety risks and regulations around level crossings and operations once CRL is operating.

In addition, KiwiRail are now providing regular updates to the Transport and Infrastructure Committee on the overall rail network rebuild programme and how this supports the City Rail Link. These are also publicly available online and the presentations are available via council's website. KiwiRail presented to the September Committee here: ([https://infocouncil.aucklandcouncil.govt.nz/Open/2023/09/20230921\\_TICCC\\_AGN\\_11402\\_WEB.htm](https://infocouncil.aucklandcouncil.govt.nz/Open/2023/09/20230921_TICCC_AGN_11402_WEB.htm)). KiwiRail also presented on the 18 May 2023.

Reporting continues twice yearly to the council's Audit and Risk Committee, with the last report being in May 2023 and the next one scheduled for November 2023.

The combined reporting through the Transport and Infrastructure Committee has enabled elected members to have a good understanding of the project, the risks and to have confidence in the programme.

Regards



**Phil Wilson**  
**Chief Executive**