



Wellington Water Limited - Project Kelleher &
Project Portland

Final Report

March 2025

Confidential and Legally Privileged

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Appendices



Appendix B – Limitations





1. Executive summary

In this section we set out the scope, methodology, limitations, background, key findings, recommendations, and next steps.

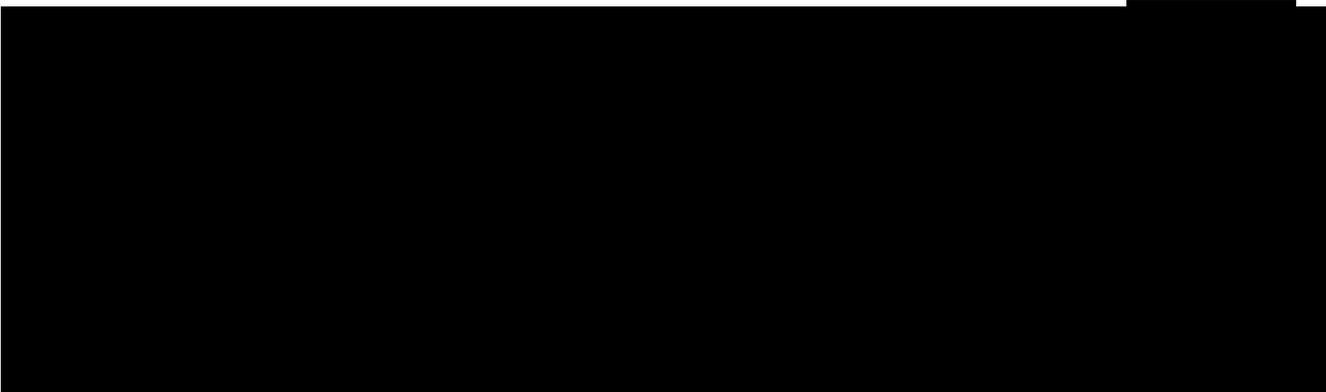
Background

- 1.1 Deloitte was engaged by ██████████ Wellington Water Limited (WWL or the Client), on ██████████ 2024 and ██████████ 2024 to provide services to WWL ██████████ ██████████.
- 1.2 Deloitte was engaged to carry out reviews ██████████ in relation to specific elements of its financial systems and processes. Deloitte has undertaken an external fact-finding process which involved conducting interviews, reviewing limited documentation and supporting evidence, a limited review of emails, and aspects of WWL's financial systems.
- 1.3 Deloitte has previously provided two progress update letters to ██████████. These were shared on ██████████ 2024, and ██████████ 2024 respectively. The latest progress update letter can be found at **Appendix A**.

The ██████████

- 1.4 ██████████ 2024, WWL's ██████████ ██████████ concerns that the processes surrounding the use of WWL's financial system may provide opportunities for fraud to occur. ██████████:
 - a. Payments to third parties being 'approved' without the ██████████ approving the payment.
 - b. WWL being overbilled on major projects where the invoices are significantly higher than the approved fee. This fee is paid without approval ██████████.
 - c. WWL is invoiced for future phases of a project without approval ██████████ and is invoiced again when the work occurs.
 - d. Invoices are provided for 'reconciliation' of costs without further details.
 - e. Disputed amounts are paid without approval ██████████.
 - f. WWL receive invoices from iwi for time spent on consultation as well as generic iwi consultation invoices.
 - g. The allocation of work through the ██████████ is a decision taken by panel members and does not take into account WWL needs. Panel members are often provided a full list of WWL funding available, not just the expected construction range.
- 1.5 In this report we refer to this as ██████████ and the work Deloitte conducted is referred to as Project Kelleher.
- 1.6 To understand the nature ██████████ and potential root causes, we have conducted 28 interviews, reviewed documentation provided or referred to by interviewees, and understood the end-to-end process. As we have reviewed the overall processes and controls, the findings from this work have been summarised into themes rather than mapped to specific aspects of the ██████████

1.7



1.8

Scope

1.9 The scope of the engagement relating to Project Kelleher was to:

- a. Consider WWL systems and processes for initiating and executing procurement / purchasing decisions, creating purchase orders, and approving payments for invoices for capital projects.
- b. Consider controls and processes relating to access and permissions to WWL's financial system and approval of payments relating to [REDACTED]
- c. The scope of the review included reviewing the following documents and sources of information:
 - i. Relevant policies, processes, procedures, and guidelines relating to procurement, contract management, delegations, financial processes, conflicts of interest, and preferred supplier [REDACTED]
 - ii. Processes relating to the use of WWL's financial system, including the approval process, supplier Masterfile management, monitoring and reporting, approval delegations and approval permissions.
 - iii. The role that other organisations have [REDACTED] [REDACTED] in accessing WWL's financial system, creating purchase orders and approving payments in WWL's financial system.
 - iv. Other relevant material, communications, or correspondence within the scope of the inquiry.

1.10 The extent of our review included looking historically to understand WWL context, drivers of decisions, and how these key processes have been designed. We also considered the future state, and how processes can be improved to meet the evolving needs of WWL.

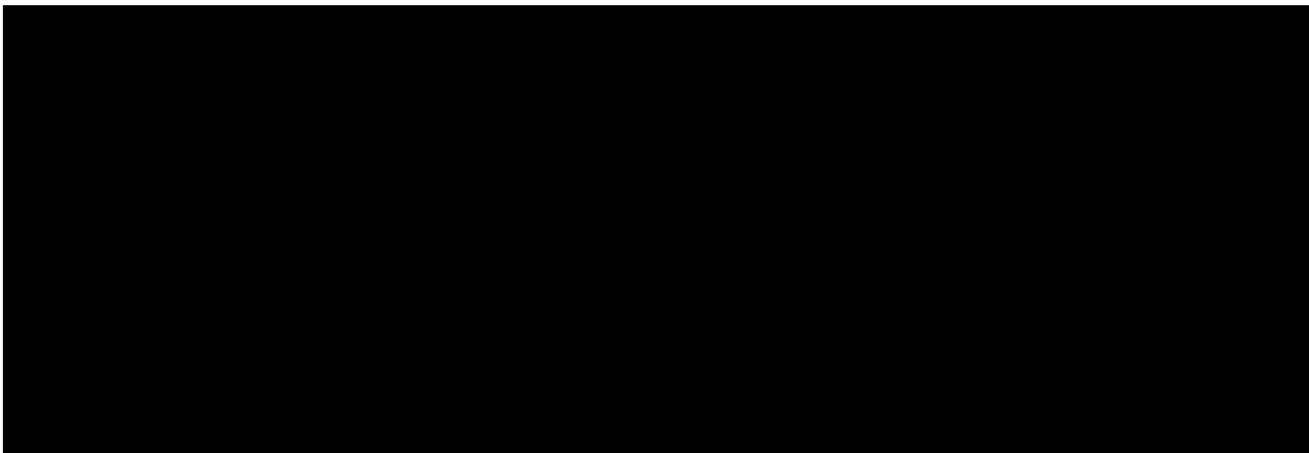
1.11 The work steps above were undertaken to ascertain the extent to which [REDACTED] concerns were supported by [REDACTED] and documentary evidence.

1.12

Methodology

- 1.13 We have completed the following work to date relating to Project Kelleher. Note scope has evolved iteratively over the course of fieldwork in consultation with [REDACTED]. As such, the steps below differ from the approach set out in our Engagement Letter.
- a. Interviewed [REDACTED] understand detailed context, risks, and issues.
 - b. Interviewed finance personnel selected by WWL to understand financial processes, controls, and systems.
 - c. Initial document request and review to understand key WWL policy, processes, and evidence as it relates to [REDACTED].
 - d. Agreed next steps with [REDACTED] and [REDACTED] with consultation from [REDACTED].
 - e. [REDACTED] requested a progress update letter to summarise key themes from interviews. A second progress update letter was provided following additional interviews to update the themes and draft observations.
 - f. Conducted 28 interviews with key [REDACTED] personnel as identified by WWL to understand processes, practices, risks, issues, and opportunities relating to the procurement, allocation, award, management, and payment processes relating [REDACTED] procurement.
 - g. Requested supporting documentation and evidence from interviewees and reviewed this information to validate themes.
 - h. Collected Office 365 email data in respect of two WWL representatives ('Custodians') who were identified as [REDACTED].
 - i. Reviewed a selection of documents.
 - j. Identified and validated where possible weak or absent controls which may present opportunity for waste, abuse, or fraud.
 - k. Identified recommendations to improve processes and controls to support mitigation of fraud risk.

1.14



Limitations and disclaimers

- 1.15 The limitations in respect of this report are set out in **Appendix B**. Without diminishing the importance of the other limitations, we specifically highlight the following limitations:

- a. We understand and acknowledge the need for our work and findings to be reported to WWL as soon as possible. As WWL has required this draft report by [REDACTED] 2024, there is evidence, work, and analysis which has not been feasible to consider or complete within this timeframe. Accordingly, WWL should consider the extent to which further analysis or investigation should be conducted to understand key risk areas for waste, abuse, and fraud. This could include investigating the extent to which amounts paid to third party suppliers who are part of the [REDACTED] [REDACTED] are or are not reasonable. We have provided some specific steps that could be considered in paragraph 1.32-33.
- b. We have not provided this draft report to [REDACTED] WWL employees, or third parties, for comment on the accuracy of any findings and/or observations made in the report. Accordingly, it will be important that [REDACTED] to consider this in relation to any natural justice implications when using the information contained herein.
- c. [REDACTED]
- d. We have taken steps to validate the findings through supporting evidence within the reporting timeframes, however, in some instances we have relied purely on statements made in interviews.
- e. At the time of preparing this draft report, the extent of our email review outlined at paragraph 1.14 has been limited. To achieve this, the search criteria applied was very tightly targeted and there is a high likelihood that emails relevant to this matter have not been identified and / or reviewed.
- f. This report may contain confidential information. If you are not the intended recipient, or have received this report without the express authority of Deloitte or WWL, you are hereby notified that any review, copying, distribution, or disclosure of the contents is strictly prohibited.
- g. If you have received this report in error or without authorisation, please notify Deloitte or WWL immediately, refrain from reading or copying the contents, and permanently delete all copies of this report from your records.

Structure of the report

1.16 To meet WWL timelines, this report has been issued in two parts. The executive summary was provided on [REDACTED] 2024. The full draft report was provided on [REDACTED] 2024. Because of this, the executive summary contains more detail than would be considered standard and the key findings sections have been written in a way that focusses on providing specific examples to support the findings set out in the executive summary. This has been done to reduce the duplication of content between the executive summary and main report. The remaining sections address each of the key findings summarised to the issue areas below:

Section Issue

-
- 2 Issue 1 – Management and oversight of panels without sufficient competitive tension.

 - Issue 2 – Lack of clarity in roles and responsibilities, including inherent conflicts of interests relating to key roles.

 - Issue 3 – Limitations and risks with respect to the structure and design of the [REDACTED]

 - Issue 4 – Weak financial management processes and controls relating to [REDACTED]

Relevant context

- 1.17 From interviews and review of documentation, we understand that WWL has been through a period of significant growth and change since its establishment in 2014. To meet the increasing demands of delivery, several procurement decisions were made to supplement WWL's capability and provide reliable access to qualified resources. These decisions were made in response to a sustained period where WWL was under delivering on its capital programme. This included the establishment of the Three Waters Network Operations and Maintenance Alliance Agreement (**'the Alliance'**), the contractor, and consultant panels.
- 1.18 In 2016 WWL went out to market to establish a consultant panel who would be used to support design phases of projects and would also provide outsourced Project Management (**'PM'**) capability. Prior to the establishment of the consultant panel, WWL were tendering in market for projects. The purpose of the consultant panel was to provide access to experienced, qualified, and reliable consultants to support the design and management of projects with providers who were pre-qualified, thus removing the need for extensive tendering and negotiation periods.
- 1.19 In 2018 the Alliance agreement was established [REDACTED] WWL to work in a collaborative and integrated model. The Alliance performs the operations and maintenance (**'O&M'**) of the Network Assets which WWL is ultimately responsible for. Processes are managed [REDACTED] [REDACTED] overseen by the Alliance Leadership Team (**'ALT'**).
- 1.20 In 2019 WWL went to market to establish the Capex Contractor Panel (**'the contractor panel'**). The intent was to deliver a regional approach to the capex contractor market which has the capacity and capability to service its business as usual (**'BAU'**) capex physical works programme. Tender documents suggest that the procurement approach prior to the panel was inefficient and led to inconsistent schedules of work for the contractors. A key priority in the establishment of the contractor panel was that it be based on a whānau relationship with WWL and that it worked collaboratively with the consultant panel.
- 1.21 Both the consultant and contractor panels are overseen by their respective leadership and governance groups and have a WWL representative panel lead as the point of contact between the panel and WWL. Both panels self-allocate work with an approach based on even distribution between participants with a focus on fairness.
- 1.22 In July 2024 the Water Reform was expected to be established, so the decision was made to extend the terms of the panels without reassessment or reopening them to market. The reason for this decision was to minimise disruption with the expectation that the Water Reform went ahead. As the Water Reform has been halted, there have been questions raised internally about the ongoing suitability of the panel model in its current form to meet the needs of WWL.
- 1.23 This review has identified that the establishment of the panels and Alliance agreement reflected a point of time at WWL. The scale of WWL was not sufficient to meet the delivery need of the network and so establishing these arrangements was intended to provide outsourced capacity to be able to deliver. Interviewees noted the need for a change in model and the inability of WWL to meet the demand of delivery at the time. The purpose of this review was not to assess the appropriateness of the panel and Alliance agreements when they were established, however, it appears that the models have not evolved over time to meet WWL's changing needs. This has resulted in practices, processes, controls, and culture that do not consistently evidence that the benefits gained from these models are commensurate with the cost.

1.24 The findings set out below and herein reflect aggregate themes identified over the course of fieldwork for [REDACTED] Project Kelleher [REDACTED]. This is due to [REDACTED] being closely related in terms of the systems and processes they make comment on.

Key findings

1.25 Every interviewee has confirmed they have seen no evidence of fraud. In addition, they confirmed they have no concerns that fraud is occurring. However, there were concerns raised that there may be opportunities for waste and/or abuse.

1.26 The key findings set out below indicate systematic and widespread issues relating to the design, operation, control, and assurance over processes that are fundamental to the operation of WWL. This exposes WWL to significant risk. The absence of reliable controls significantly reduces the ability to prevent and detect fraud.

1.27 The findings below include reference to relevant elements of the [REDACTED] provided against each theme:

- a. **Management and oversight of panels without sufficient competitive tension [REDACTED] references paragraph 1.4 (g) [REDACTED]**
 - i. We have observed a lack of oversight and/or involvement by WWL in the management of panels to support and promote competitive tension, quality, and to ensure value for money is being delivered by panel members and the Alliance. [REDACTED]
[REDACTED] We are unaware of independent quality reviews conducted, including when the panel agreements were extended, to give WWL confidence that the panels are delivering value commensurate to their cost. We would expect to see the panel arrangements regularly and independently monitored and assessed to ensure they continue to meet the needs of the organisation in terms of value, quality, and service.
 - ii. Interviews and review of documentation have indicated a historical focus by WWL leadership on prioritising partnership, transparency, and delivery, over competitive tension and achieving value for money. This has influenced the design of the models to favour transparency and collaboration over scrutiny and professional commercial challenge. A number of interviewees disclosed that the arrangements appeared to prioritise WWL's consultants and contractors over ratepayers. It has also contributed to a culture that may indicate that the use of the panels was the only option for procurement of services irrespective of cost, quality, or timeliness. This was observed in interviews through a reluctance to exit from procurement and negotiations (driven by WWL leadership) and the lack of consideration for knock on costs and impacts on delivery.
 - iii. There appears to be insufficient oversight or independent assurance provided by risk and assurance, and supporting functions within WWL, or commissioned by WWL, over their panel members performance and financial processes.
- b. **Lack of clarity in roles and responsibilities, including inherent conflicts of interests relating to key roles [REDACTED] references paragraph 1.4 (a, b, e, g)).**
 - i. Project Managers ('PMs') are contracted through the consultant panel creating an inherent conflict in balancing the needs of WWL with the priorities of their employer. Additionally, interviewees indicated a lack of clarity between the role of the outsourced PMs [REDACTED]
[REDACTED] Feedback outlined a tension where the

PMs were the ones with the ability to influence work and quality, but the WWL staff remained responsible for the programmes and projects being delivered on time, to scope, and to budget. It was suggested that issues such as performance and value for money became difficult to navigate with the inherent conflict of PMs having to hold their employers to account on the behalf of WWL. While there are procedures outlining key roles, we would expect to see clearly defined, agreed, and embedded roles and responsibilities as well as appropriate mechanisms for holding consultants accountable for delivery, performance, reporting, and financial transparency.

c. **Limitations and risks with respect to the structure and design of the [REDACTED] [REDACTED] references paragraph 1.4 (b, c, d, g) [REDACTED].**

i. Relating to the [REDACTED]

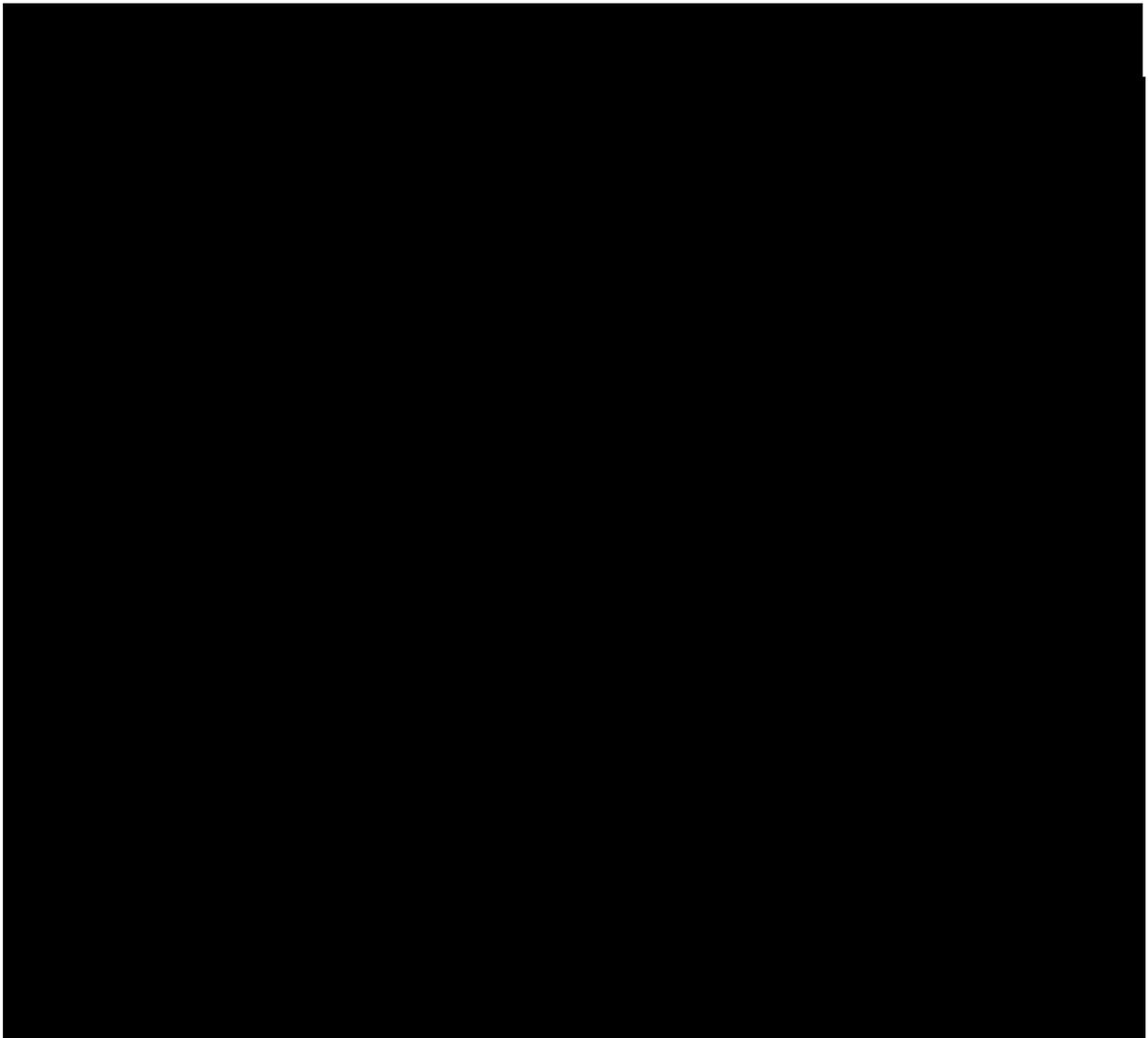
- The model has been designed to prioritise trust, partnership, and delivery, without appropriate controls to assess, on an ongoing basis, the benefits of the panel are commensurate with the cost. For example, Councils' budgets for projects have been shared with panel members to support transparency and assist with panel planning. This provides panel members with significant insight into the funds available for work they are costing and increases the risk that their costs will simply equal the budget provided, rather than provide WWL with their best price.
- There is a lack of strong incentives and disincentives to motivate participants to deliver high quality and value for money both from a model and contract design, as well as implementation, perspective. For example, self-allocating work by panel participants without adequate performance-based assessment by WWL may risk not achieving these outcomes. Where there is contractual basis for actions available such as claiming damages, we have been advised there has not been an appetite within WWL to use them. It was suggested the maintenance of the relationship (and the benefits of security and certainty of supply during a period of increased critical capex investment) took precedence over enforcement of contract obligations. As a result, WWL has been reliant on the panel members 'doing the right thing' and owning up to errors and cost when things go wrong.
- There is a lack of clarity in defining value for money and how it is demonstrated through the panel processes and panel regular self-assessment reports. It is not clearly defined so the quality of insight is limited. Additionally, the lack of clear expectations on value for money limits WWL in identifying poor performance and being able to address it effectively.

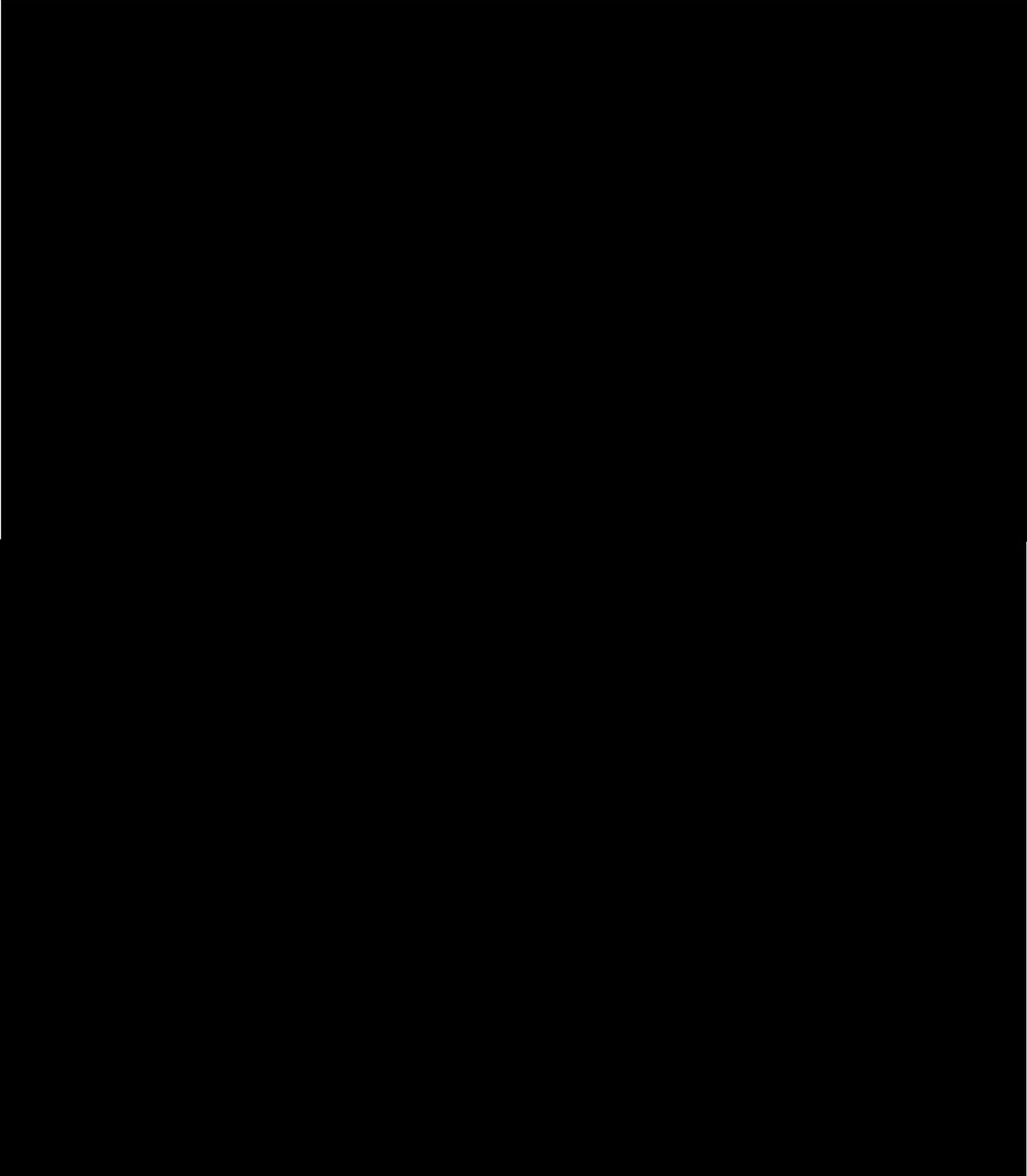
ii. Relating to the contractor and consultant panels:

- While the allocation of work within the panels is intended to be based on a variety of allocation principles (including collaboration, equal distribution, capacity, and expertise), in practice it appears to be based primarily on an equal distribution. It is conducted by the panel participants, rather than by WWL allocating based on quality, past performance, and value. WWL [REDACTED] [REDACTED] As a result, multiple interviewees identified concerns that projects were being allocated to consultants or contractors who were not the right fit for the job. In addition, WWL retain the risk, cost, and liability of work rather than the panel members. This limits the incentive for panel members to deliver competitive responses and deliver to a consistently high quality.

- There is limited market testing to validate that costing is competitive outside of Major Projects and Urgent Works. While there are various mechanisms to estimate cost such as engineer's estimates, panel budgets, and review by WWL, there is not reliable data or benchmarking of costs against the market. As the priority has been to use the panel where possible, there is a closed loop of cost and assumptions which are not regularly tested in market. We have been advised that the panel costs have been escalating significantly since their establishment. One example was provided where a supplier provided costing for very similar pieces of work, once in 2019 (pre the establishment of the contractor panel) and then in 2020 (after the establishment of the panel). The 2020 cost was nearly three times of the 2019 cost. Interviewees in some cases suggested WWL is overpaying which, coupled with the lack of controls, could create the conditions for waste or abuse. It is difficult to quantify the legitimacy of cost increases given there are other external factors likely to be relevant, such as the increasing cost of construction, materials, and a high inflationary environment. However, we have been provided with multiple examples raised by WWL personnel showing similar instances of increasing costs. While this evidence has been reviewed, cost analysis and market testing has not been conducted. Refer to paragraphs 1.32-33 for possible next steps.

d.





e.

1.28 As set out in paragraph 1.15 above, due to timing constraints, we have not conducted our own detailed procedures that we would usually undertake to understand the extent to which behaviours of the panel members could be classified as waste, abuse, or fraud. Accordingly, we are unable to make any conclusions on these matters. Paragraphs 1.32-33 outlines next steps for consideration by WWL that may assist in reaching a conclusion on these matters.

Recommendations for WWL to consider

1.29 We set out below some recommendations for WWL to consider to address the findings outlined above. As noted, these findings cover many fundamental aspects of the way in which WWL engages with its third parties. Accordingly, addressing the recommendations set out below would benefit from a concerted approach to fully address the risks identified. This should include consideration of the extent to which the current operating model is still fit for purpose.

1.30 WWL is currently in the process of identifying and implementing a variety of changes to existing processes that we refer to in this report. The recommendations and next steps outlined below should therefore be considered in relation to existing activities which we may not be aware of or have reviewed.

1.31 Our recommendations, specifically when considering good practice, relating to each of the key findings are as follows:

a. Management and oversight of panels.

- i. Assess the management and oversight arrangements and revise where appropriate to reflect WWL and its current priorities. Including whether:
 - Roles and responsibilities of WWL management, panel oversight and leadership, and panel participants are appropriate.
 - The extent to which the design, terms, objectives, and priorities of the panels when they were established are still appropriate in today's environment.
 - There is appropriate tension and focus on value built into the design, operation, and oversight of panels.
 - Terms of references, agreements, and contracts appropriately reflect WWLs expectations.
 - Monitoring, reporting, key performance indicators ('KPIs'), work allocation practices, incentives and disincentives are appropriate, understood, aligned to WWL needs, and activated when needed to promote value and quality.
 - There is a formal and robust assurance framework, including both internal and external independent views, to provide confidence over financial processes, key controls, performance evaluation, and management oversight.
 - WWL should identify all of the contractual updates required [REDACTED] and develop a plan (including the process and a realistic timeframe) to raise and agree appropriate contractual changes with the counterparties.
- ii. Specific initiatives around promoting and increasing the understanding, awareness, and development of a healthy "Speak Up" culture, including:
 - Review, refresh and regular communication of WWL's 'Speak Up' Policy. Embracing and reinforcing (on a regular basis) a culture where speaking up when something 'doesn't feel quite right' should be communicated from the top down and will provide employees with a clear understanding of what behaviour is expected and tolerated, and that they work for an organisation where any issues and/or concerns can be raised in a safe way. The focus should be on promoting and embracing awareness, education, training, and guidance so staff know how to confidently identify and escalate concerns straight away.
 - Providing appropriate training and support around WWL's specific procurement practices and procedures and the importance of these.
 - Providing employees with regular Fraud and Corruption training to educate employees on specific fraud and corruption risks as they relate to WWL, common red flags to look out for, factors that may allow fraud to occur and how employees can escalate and report any concerns.

b. Lack of clarity in roles and responsibilities, including inherent conflicts of interests relating to key roles.

- i. Review the current model for contracting PMs through the consultant panel and consider whether the conflict is appropriately managed or if an alternative model is required to represent the interest of WWL (for example, hiring in house PMs or PMs being from a separate panel consultant to the consultant working on the project).
 - ii. Review and formalise the roles and responsibilities between PMs [REDACTED] to ensure clear delineation between the roles which is consistently understood and applied across all projects.
- c. **Limitations and risks to the structure and design** [REDACTED]
- i. Relating to the [REDACTED] (and in addition to the steps set out in paragraph 1.31:
 - Review current processes, practices, and reporting to determine whether there is the required structure to maintain competitive tension as well as working relationships with panel participants. This includes considering whether:
 - i. financial information provided including the level of detail provided.
 - ii. there is appropriate baseline information such as agreed rates, cost benchmarking and market testing to gain confidence over the pricing being put forward.
 - iii. contractual terms and conditions regarding professional indemnity, retentions, and defects periods are appropriate.
 - iv. value for money is clearly defined, understood, monitored, and scrutinised.
 - ii. Relating to the [REDACTED]
 - Review the work allocation process and consider updating to enable work to be allocated based on criteria including price, ability to deliver, approach, and past performance. This should include clear pathways for approval or not by WWL.
 - Review and formalise performance management procedures relating to panel participants, including escalation procedures, expected key controls, and contractual levers for managing WWL risk.
- d. **Weak financial management processes and controls relating to** [REDACTED]
- i. Review and update key financial controls through the claims process to address weaknesses and risks in current practices. This includes relating to:
 - The use and monitoring of bulk POs for [REDACTED] claims.
 - Formalising and documenting procedures and reducing manual inputs and controls.
 - Confirming with [REDACTED] the key assurance activities being conducted on the claims to gain confidence in the accuracy of data provided.
 - Preventing payments being made without approval from the relevant WWL staff.
 - Formalising and uplifting contract management practices and oversight.
 - Financial delegations and how they are administered within TechOne.
 - Setting expectations on application of overheads by subcontractors.

Possible next steps for WWL to consider

- 1.32 We set out below some possible next steps for WWL to consider for further investigation and analysis of key issue [REDACTED], as well as internal concerns raised about projects, processes, and controls. As noted in paragraph 1.15 this review was time bound and therefore focused on interviews and understanding supporting evidence. It did not include performing in depth analysis, reconciliation, or assessment to quantify costs that may be indicative of waste.
- 1.33 If WWL wants to understand the details of specific instances, the following next steps could be considered:
- a. [REDACTED]
 - b. Independent benchmarking and analysis of cost against market and other regions.
 - c. Financial reconciliation of claims to date, invoice amount, TechOne records, and contracts for all [REDACTED] spend to establish a baseline and identify variances.
 - d. Analysis of financial delegations and approvals within TechOne to test for approval inconsistencies or errors.
 - e. Deep dive/detective analytics and/or an investigation may be conducted to understand key risk areas as they may relate to waste, abuse, and fraud. This could include investigating the extent to which amounts paid to third party suppliers who are part of the [REDACTED] are accurate and appropriate.
 - f. Analysis of overheads [REDACTED] to understand the extent of cost that is being on charged to WWL.



2. Key Findings

In this section we set out specific examples to support the findings in the executive summary.

Issue 1 – Management and oversight of panels without sufficient competitive tension (executive summary paragraph 1.27 (a)).

Relevant

- 2.1 These findings relate to the following
- a. allocation of work through the is a decision taken by panel members and does not take into account WWL needs. Panel members are often provided a full list of WWL funding available, not just the expected construction price range.
 - b.
- 2.2 The specific details can be found at paragraphs 1.4 (g) and

Detailed findings

- 2.3 Where at all possible, we have attempted to provide documentary evidence for the findings included in the executive summary. Where this has not been possible, we have relied on perspectives from interviewees. The findings set out in this report reflect consistent themes identified through interviews.
- 2.4 **We have observed a lack of oversight and/or involvement by WWL in the management of panels to support and promote competitive tension, quality, and to ensure value for money is being delivered by panel members.**
- a. Currently it does not appear that management oversight is sufficiently set up or informed to effectively oversee or govern the panels. The roles of key related groups are not clear and there is a lack of clarity on the nature of the WWL management required to oversee them. Reporting provided primarily focusses on delivery and health and safety. While this is important, there is limited insightful reporting provided to give a view on value for money.
 - b. Interviewees indicated that management governance bodies within WWL were generally used to provide updates rather than used to inform decision making. This was evident in papers we reviewed where the action recommended was to 'receive the report' rather than to note, endorse, or approve what was in it. Additionally, reporting provided on panel performance did not include clear trend reporting over time or actions required. Interviewees noted opportunities relating to uplifting reporting to consider earned value reporting or gainshare arrangements, which we understand are being explored by WWL.
 - c. Many interviewees noted that the current panel arrangement is a low-risk commercial arrangement for suppliers with little to no formal incentive to ensure high quality, efficiency or the need to use high performing or the most qualified staff on projects. We have been informed of instances where the stability and reliability of WWL business has resulted in higher performing teams being pulled off WWL work in favour of other jobs. Interviewees indicated the reason for this is confidence that the WWL work will be there when they return. We have not been provided with specific evidence to substantiate this claim.
 - d. There has been no process for assessing whether existing panel members remain the right providers or giving the opportunity for new parties to be introduced to the panel.
 - e. We have been provided an example of the closest 'like-for-like' comparison of work showing the cost before and after panel implementation. In 2019 a tender evaluation report for was costed at In 2020 a report for what we are

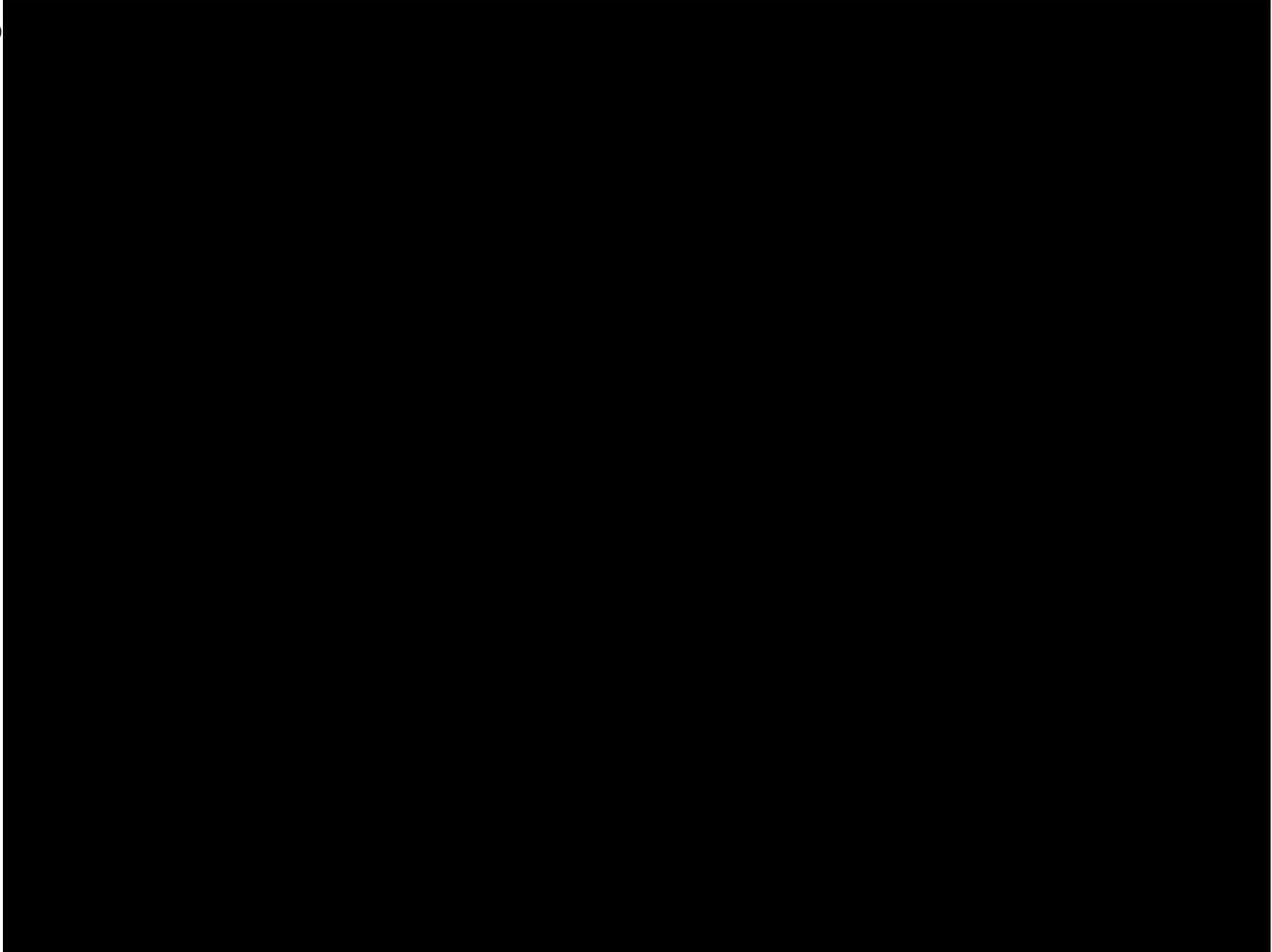
advised was very similar work, by the same contractor was costed at [REDACTED] We have seen evidence of both reports but are not in a position to comment on the extent to which the two projects are directly comparable.

2.5 Interviews and review of documentation have indicated a historical focus by WWL leadership on prioritising partnership, transparency, and delivery, over competitive tension and achieving value for money.

- a. We have been provided multiple examples of WWL staff raising concerns with regards to the current delivery model. This includes a variety of issues such as:
 - i. detailed financial information on project funding available being provided to contractors,
 - ii. performance and quality concerns,
 - iii. cost escalation concerns, and
 - iv. data / reporting limitations.

We have not been provided evidence to demonstrate formal action taken to address concerns. For example, on 27 June 2024 an extensive list of concerns with the capital delivery model was submitted to a senior staff member who responded saying they would pass it on to relevant personnel to review. We have not been provided with evidence of actions that were taken in response to this. However, we understand there are actions underway.

b



- c. Interviewees have noted there has been a directive from leadership of 'delivery at any cost'. That delivering work is paramount and there being no appetite for going to market as it may negatively

impact the relationship with the panels or lead to delays. Similarly, there has been a reluctance to push back on performance issues to prevent risk to delivery. While we are aware of some action being taken by WWL on poor performing panel members (for example, ██████ being managed with respect to the ██████) we were advised that this is only in extreme cases. Key roles within WWL which would traditionally be responsible for maintaining controls are being measured primarily on delivery which shifts the behaviour and focus to deliver over quality and value for money. In addition, PMs are employees of the consultant rather than being independent. This makes it more difficult to effectively raise performance concerns as they would be focused on the PMs colleagues.

- d. The ██████ are set up on the foundation of whānau values. As a result, the principle of trust has been applied across the board. However, WWL lacks the process, control, and assurance structure to validate this trust. While WWL has been operating as though the entities are part of its whānau, it is ultimately WWL paying the bill. Accordingly, it should have appropriate assurance mechanisms in place to attest to the quality and consistency of work and the level of cost. Interviewees have also indicated that the trust depends on the quality and commitment of the panel members. While some panel members may be committed to the principles and delivering high quality, others may not.
- e. Interviews have indicated there is a lack of policy, procedure, and support to embed consistent and reliable practices. This has contributed to a lack of clarity in roles and responsibilities of key people across WWL. The view has been everyone has to *'start from scratch'* or *'figure it out for themselves'*. This presents the risk of deviation from expected practices by individuals.

2.6 **There appears to be insufficient oversight or independent assurance provided by the risk and assurance function within WWL, or commissioned by WWL, over their ██████ performance and financial processes.**

- a. We have been advised there is no clear schedule of assurance or review being conducted over key financial processes and controls or associated core processes for spend. Given the volume of spend administered by WWL, we would expect to see a consistent programme of assurance activities, including independent review, to gain confidence in the processes and controls. This could include regular internal audit and review of accounts payable processes, procurement procedures, accuracy and application of approvals in line with financial delegations, mapping of key assurance activities conducted across the wider business, and identification of weak controls requiring uplift.
- b. There is informal understanding of the assurance activities being conducted across the business. This limits the ability for targeted oversight directed to processes where there are limited or unreliable controls.
- c. Many interviewees highlighted a lack of clarity or knowledge over the assurance practices of ██████. However, trust is placed on the accuracy and validity of the statements of claim being provided by panel members each month.
- d. Interviews and evidence provided have indicated limited access to or capacity on behalf of key support functions such as legal and procurement. We understand there was an extended period where the central procurement function was recruiting and so did not have capacity to support. As a result, a commercial role was recruited ██████ to support delivery. In addition, access to internal legal counsel appears to have been inconsistent with some areas using external legal advice without input from the ██████.
- e. We understand cost benchmarking has not been regularly conducted over ██████ spend, however, there is some currently underway.

- f. We have been advised that the current internal audit programme is light touch and intended to be targeted to areas of importance. There is also significant time and resource committed to reactive reviews which limits the ability of internal audit to consistently provide independent proactive review of core functions such as financial processes and procurement.
- g. Internal audit reporting to the Audit and Risk Committee (**ARC**) does not include open internal audit actions which limits ARC's ability to track the closure of actions or understand the risk being held by open actions.

Issue 2 – Lack of clarity in roles and responsibilities, including inherent conflicts of interests relating to key roles (executive summary paragraph 1.27 (b)).

Relevant [REDACTED]

- 2.7 These findings relate to the following [REDACTED]
- a. Payments to third parties being 'approved' without [REDACTED] [REDACTED].
 - b. WWL being overbilled on major projects where the invoices are significantly higher than the approved fee. This fee is paid without approval [REDACTED]
 - c. Disputed amounts are paid without approval from [REDACTED]
 - d. The allocation of work through the [REDACTED] is a decision taken by panel members and does not take into account WWL needs. Panel members are often provided a full list of WWL funding available, not just the expected construction price range.
- 2.8 The specific [REDACTED] details can be found at paragraphs 1.4 (a, b, e, g).

Detailed findings

- 2.9 **Project Managers ('PM's') are contracted through the consultant panel creating an inherent conflict in balancing the needs of WWL with the priorities of their employer.**
- a. There is an inherent conflict of interest in the design of the consultant model where the PM is also an employee of the consultant used. The purpose of a PM is to hold the project accountable with respect to delivery, time, quality, and cost. This role is intended to represent WWL's interest in the project and intervene if the providers are not delivering in line with it. This is at risk when it has been outsourced to the provider who is performing the services (i.e., a member of the consultant panel) While we understand the model was designed to provide the capability without having to grow WWL's internal headcount, it does not embed competition or independence in the approach.
 - b. This issue was escalated to a senior staff member via email [REDACTED] as an issue with the model, noting that outsourcing the PM role to be delivered by the same consultant implementing the project reduces the incentive for the PM to secure value for money. It suggested in a worst case, it could incentivise them to minimise risk for their organisation and maximise personnel hours and therefore revenue.
 - c. Interviewees have indicated there is varied capability across the PMs. Some are more capable of delivering a high-quality service in line with expectation, while others require more WWL support and time which is not always feasible to provide. In addition, WWL stepping in to provide support can confuse the line between the PM and WWL, which then makes it harder to hold the PM and the panel consultant accountable for decisions.
 - d. We have also been advised that PM's have access to everything which is on the WWL intranet. This means they could access commercially sensitive information.
- 2.10 **Lack of clarity between the role of the outsourced PMs [REDACTED]**
- a. In the email sent to a senior staff member [REDACTED] we have seen evidence of concerns that [REDACTED] are accountable but hold none of the levers for influencing the outcome, as that sits with the PM's. Interviewees have also highlighted a lack of clarity between key parties on where the related delivery oversight roles stop and start. This has created uncertainty

in application and expectations across [REDACTED], as well as between WWL staff and [REDACTED] management.

Issue 3 – Limitations and risks with respect to the structure and design of the [REDACTED] (executive summary paragraph 1.27 (c)).

Relevant [REDACTED]

- 2.11 These findings relate to the following [REDACTED]
- a. WWL being overbilled on major projects where the invoices are significantly higher than the approved fee. This fee is paid without approval [REDACTED].
 - b. WWL is invoiced for future phases of a project without approval [REDACTED] and is invoiced again when the work occurs.
 - c. Invoices are provided for ‘reconciliation’ of costs without further details.
 - d. The allocation of work through the [REDACTED] is a decision taken by panel members and does not take into account WWL needs. Panel members are often provided a full list of WWL funding available, not just the expected construction price range.
- 2.12 The specific [REDACTED] details can be found at paragraphs 1.4 (b, c, d, g) [REDACTED]

Detailed findings

- 2.13 From our review of Processed Documents as outlined in in paragraph 1.14 (c) we have identified several communications that support the key findings and observations that have been outlined in this report. Specifically:
- a. Accountability and contractual obligations:
 - i. We observed email communication [REDACTED] questioning WWL’s approach around prioritising relationships above holding [REDACTED] to account regarding issues with the [REDACTED] project where ultimately a lack of performance incentives in panel contracts resulted in WWL bearing the delivery risk for [REDACTED] which they had no control over including [REDACTED] of avoidable costs and potential enforcement costs of [REDACTED]. This highlights how a lack of performance incentives in contracts can lead to unfavourable delivery and commercial outcomes with significant impacts on ratepayers. Management have advised that since then, [REDACTED] did provide a credit. WWL suggested [REDACTED] they provided [REDACTED]. Refer to paragraph 2.14. (b) i.
 - b. A focus and priority on panel relationships and partnership:
 - i. We observed email communication [REDACTED] that reference proposed wording being softened for a Council report around tender prices for all Capex contractor panels prices being well above the engineer’s estimates on the basis that this may be “detrimental to our panel”.
- 2.14 Relating to the [REDACTED]
- a. The model has been designed to prioritise trust, partnership, and delivery, without appropriate controls to sufficiently gain confidence that the benefits of the panel are commensurate with the cost.
 - i. The following themes were identified through interviews:
 - There is often insufficient justification provided by panel members to support increasing costs. In addition, there is limited market engagement by WWL to

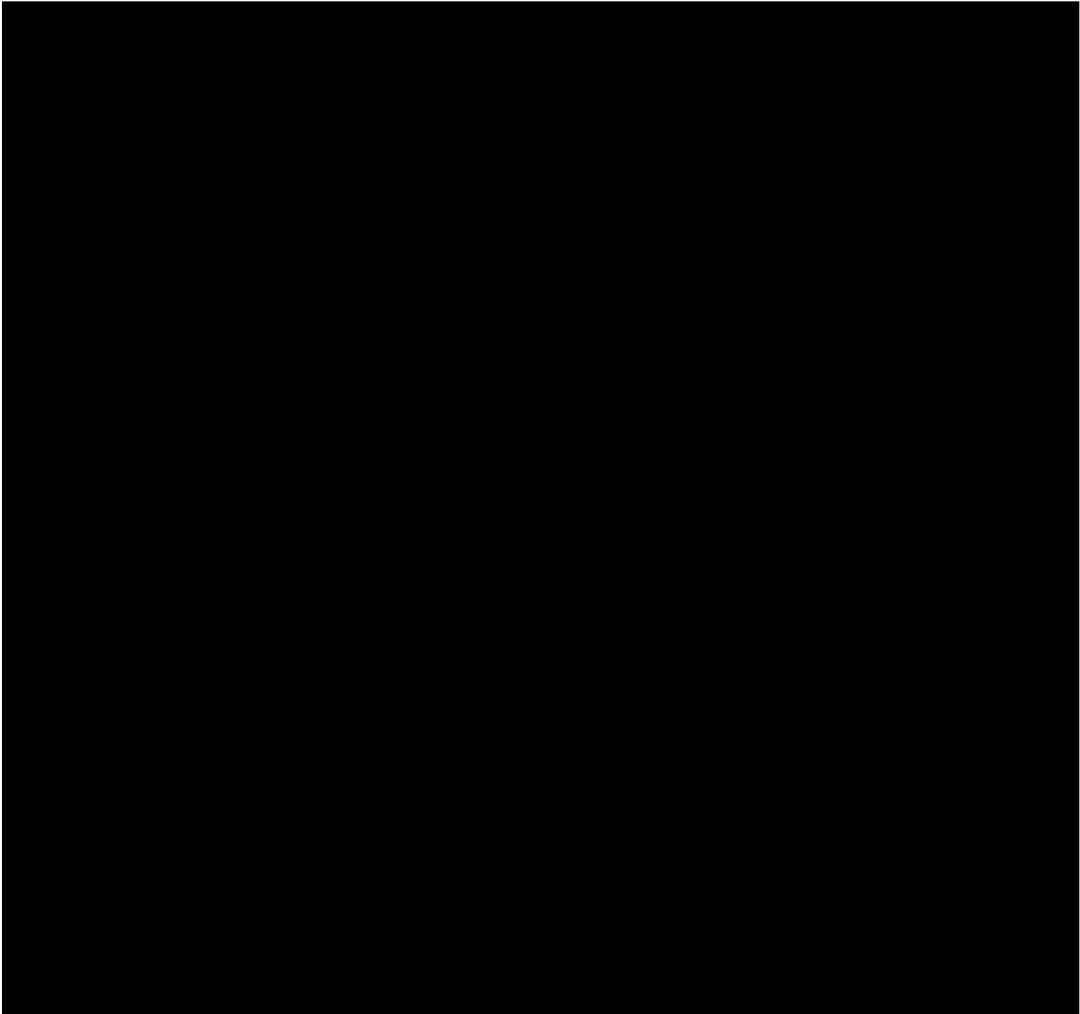
understand competitive industry cost and insufficient benchmarking data to inform WWL's understanding of what appropriate cost increases are.

- Within the [REDACTED] [REDACTED] This was identified as a conflict, and we understand is being addressed.

ii. Examples of higher than anticipated costs, with a lack of sufficient justification include:

- [REDACTED]
- [REDACTED]
- [REDACTED]

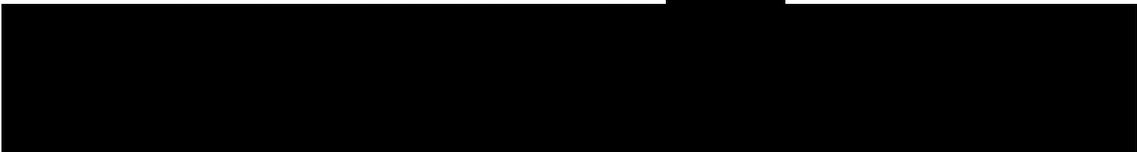
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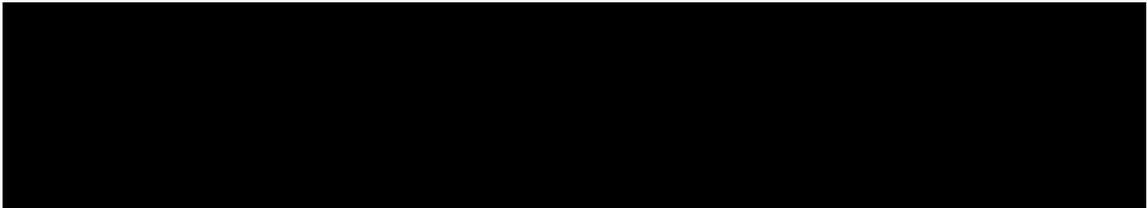


b. There is an absence of incentives and disincentives to motivate participants to be competitive and deliver high quality and value both from a model and contract design as well as implementation perspective.

i. WWL has [REDACTED] [REDACTED] However, we are advised that this is rarely used and only in extreme cases. [REDACTED] [REDACTED] Emails indicate that initially WWL were seeking a contribution towards costs from [REDACTED] Advice from WWL procurement at the time suggested that the urgency to resolve the situation took precedence over pursuing liability with [REDACTED] and that as WWL was relying on them to conduct the work, disrupting the relationship could have adverse effects. It is also noted that WWL played a part in providing the direction to [REDACTED] so has some responsibility. However, the project was paying compensation to the landowner relating to the issues including:

- [REDACTED] and
- [REDACTED]
- The total costs of the stand-down costs are [REDACTED]





Management have advised that since then, [REDACTED] did provide a credit. WWL suggested [REDACTED] they provided [REDACTED]

- ii. Once committed to the work, there are limited mechanisms to reduce the allocation of work based on poor performance, quality, service, or value. There is therefore no incentive for efficiency, or quality, or learning from mistakes made. We note there are lessons learned conducted, but the weight of these is subject to the recipient prioritising continuous improvement, rather than being commercially motivated to improve.

- An example of this was provided through an email which outlined multiple instances of what was described as '*significant performance issues.*' It states that '*even the best delivered projects have remained significantly below the standard of any of the other contractors on the panel.*' Key issues raised include:
 - i. Limited experience of personnel and PMs, and high staff turnover.
 - ii. Infrequent and inadequate programme updates.
 - iii. No monthly reviews being conducted by the contracts manager (done by the PM).

The email states the following areas where WWL have created an environment where poor performance can occur:

- iv. WWL not [REDACTED] resulting in WWL work being lower priority.
- v. WWL not holding contractors financially accountable for mistakes. An example was provided where [REDACTED] were paid to fix them. It notes that without the financial accountability there is no incentive to learn from mistakes or visibility from the contractors leadership on performance issues. As noted above, management advised that part of this was delivered as Urgent Works and so delivery was prioritised to reduce network water loss. The delivery approach for this programme is now being revised.
- vi. WWL procurement approach does not enable reducing the allocation of work based on poor performance, assign more work based on good performance, or introduce new contractors to the panel.

The email provides multiple project references citing specific instances for each. Relevant projects include [REDACTED]



- iii. Interviewees have also indicated instances where WWL would have expected the panel consultants to provide guidance and insight on major project risks but this does not always occur. An example where this did not occur was where [REDACTED] were [REDACTED]
- iv. We have been advised that professional indemnity has not been reviewed for currency. [REDACTED]



[REDACTED]

This is a matter WWL should consult with their legal team on for advice.

- c. **There is a lack of clarity in defining value for money and how it is demonstrated through the panel processes and panel self-assessment.**
- i. While value for money is referenced with respect to panel performance, it is not clearly defined with corresponding consistent measures to assess against. As a result, there are significant limitations to identifying when performance is not meeting expectations. We understand these are in the process of being reviewed and formalised.
 - ii. Panel members self-assess their performance regularly and report to panel management. Each member rates against key areas on a scale of 1 – 5 based on set criteria. There are defined criteria which self-assessments are made against including key result areas for:
 - Knowledge Management;
 - Health and Safety;
 - Customer Focus;
 - Value for Money;
 - Sustainable and Healthy Market;
 - Collaboration, Relationships and Trust; and
 - Reliable Delivery of Quality Projects.
 - iii. Regarding value for money, interviewees felt the assessment and supporting narration were often insubstantial to comment on value in a meaningful way. Additionally, actions to address shortfall between target and actual performance were not clear.
 - iv. While the panel members self-assess their performance, there been no regular assessment of performance, capabilities, quality, and value by WWL. An initial assessment was conducted when the panels were established, but nothing formal has been done to assess the extent to which the panels are continuing to meet WWL needs as they have changed over time.

2.15 Relating to the contractor and consultant panels:

- a. **Allocation of work within the panels is based on an equal distribution and conducted by panel participants rather than based on quality, past performance, and value, with input from WWL.**
- i. The allocation process as set out in the procurement and allocation process documents sets out equal share as the primary principle of the allocation model. While there is the expectation that WWL sign off, we are advised that WWL have not been as active in the allocation process as intended.
 - ii. As a result of the self-allocating of work, we have heard multiple examples of getting the 'wrong contractor/consultant'. Examples included the [REDACTED] and [REDACTED] (refer to paragraph 2.26-28). As mentioned above, management have since advised of some developments with respect to [REDACTED] and [REDACTED]
 - iii. There are also examples where detailed financial information is provided to the contractor panel. One example provided related to submitting the detailed funding breakdown of the Capital Delivery Plan to the contractor panel to support them with their planning. However,

it presents the risk that work is costed to meet the funding available. This was raised as a risk to a senior staff member on [REDACTED] 2024 and instructions have been given not to share it again.

- iv. There has also been the concern raised that [REDACTED] raising conflict risks.

b. There is limited market testing to validate that costing is competitive outside of Major Projects and Urgent Works.

- i. Costing the panels put forward is peer reviewed by other panel members and provided to WWL for approval or further negotiation. However, without regular benchmarking, market testing, and commercial challenge, there is a closed loop around the expected prices which reduces the value of these checks. We note a cost benchmarking review is being conducted currently.
- ii. While some rates and fees have been agreed within the panels, interviewees noted there was a lack of clarity and visibility over panel management or agreed rates. This reduces the visibility and confidence of WWL [REDACTED] in tracking the accuracy of costs. They also noted concerns that personnel were being priced on incorrect rates that did not align to their experience level. We understand that due to the lack of visibility on correct rate cards, and absence of details relating to the statements of claim, errors like this are not always easy for WWL to identify.
- iii. [REDACTED]
- iv. The contractor and consultant panels were designed to communicate and collaborate with each other. Interviewees have indicated this could be resulting in consultants advising contractors of expected costs of projects. There was suggestion, which we have not seen evidenced, that consultants would reach out to contractors when they were pricing to indicate costs which undermines the engineer's estimates and value for money.
- v. Financial information is pulled from multiple sources within WWL and is managed through spreadsheets with informal quality controls. Interviewees noted this results in using costing and financial data which is unreliable.

Issue 4 – Weak financial management processes and controls relating to [REDACTED] (executive summary paragraph 1.27 (d)).

Relevant [REDACTED]

- 2.16 These findings relate to the following [REDACTED]
- Payments to third parties being ‘approved’ without the [REDACTED] [REDACTED]
 - WWL being overbilled on major projects where the invoices are significantly higher than the approved fee. This fee is paid without approval [REDACTED]
 - WWL is invoiced for future phases of a project without approval [REDACTED] and is invoiced again when the work occurs.
 - Invoices are provided for ‘reconciliation’ of costs without further details.
 - Disputed amounts are paid without approval [REDACTED].
 - WWL receive invoices from iwi for time spent on consultation as well as generic iwi consultation invoices.
- 2.17 The specific [REDACTED] details can be found at paragraphs 1.4 (a-f).

Detailed findings

- 2.18 [REDACTED] an annual purchase order (‘PO’) for services is created and approved by the Board. Work is drawn down from this single PO. There are insufficient, informal, and unreliable supporting financial controls to provide confidence in the legitimacy and accuracy of claims and payments being made under such a broad PO.
- For example, [REDACTED] PO for FY 24/25 is a single line item for [REDACTED] and [REDACTED] [REDACTED] PO is for [REDACTED] Statements of claim are drawn down from the total balance each month.
 - Based on interviews and evidence it is not clear who is responsible for monitoring the total PO to determine how expenditure is tracking. [REDACTED]
[REDACTED]
[REDACTED]
- 2.19 **Monthly statements of claim are paid automatically, irrespective of whether WWL personnel have approved them as being accurate.**
- Interviewees indicated the approach adopted appears to prioritise cash flow for the supplier over the accuracy and appropriateness of payments being made to incentivise applications to the panel. However, the absence of reliable controls has created an environment which makes it difficult to clearly track and reconcile cost and exposes WWL to significant risk of incorrect payments being made.
 - With respect to the [REDACTED] concerns around approving the statements of claim have been escalated in writing to a senior staff member [REDACTED] The memo submitted notes that the statements of claim received over three months have been significantly higher than anticipated (over [REDACTED] when the forecast provided was [REDACTED]). This raised concerns around the management of the project and that the claims exceed the project level delegated financial authority. It recommends not approving the claims, and the sign off on the statement of claims

spreadsheet was not provided [REDACTED]. However, we understand payments were still made to the supplier over this period.

- c. [REDACTED] submitted a retrospective Project Change Notice requesting a variation to reconcile historical costs it had incurred and billed but not approved or notified to WWL prior. It specified [REDACTED] maintained monthly invoicing on the project since May 2020 and the cost has been billed. It stated that as of July 2024 the approved budget was [REDACTED] but the value invoiced was [REDACTED] exceeding the agreed contract total. We understand there has been ongoing discussion [REDACTED] [REDACTED] [REDACTED] to understand and reconcile the costs both invoiced and paid, and the total approved contract value.

2.20 There is no contract management system to manage and/or oversee large projects and programmes, including monitoring contract terms, total contract value and associated variations.

- a. This limits WWL's ability to effectively manage projects and programmes with a multitude of variations or know what the total contract value is. This risk is exacerbated by the absence of financial controls we would usually expect to see such as project or programme specific POs with a total contract value cap, and goods receipting practices linked to financial delegations which are not paid if the approval is not given.
- b. [REDACTED] was provided as an example where this became an issue resulting in variations being requested to account for spend already incurred.

2.21



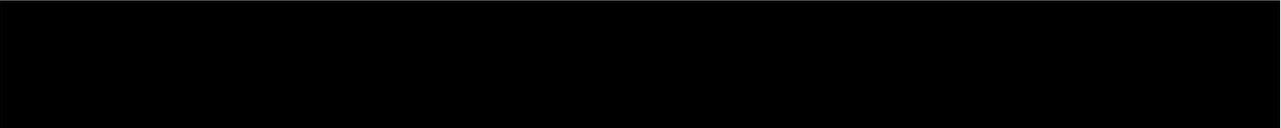
2.22 Financial delegations within TechOne are tied only to financial value, not budget group.

- a. The configuration of delegations in TechOne is limited to a financial threshold but does not have any further limitations to prevent error. There is no attribution of delegation to budget group to ensure costs are consistently approved by the delegate who is most appropriate and responsible for the work. We have been advised that to mitigate this risk, training is provided on induction to raise awareness of the need to be careful in selecting approvers.
- b. The delegations policy is out of date and supported by informal matrices, however, we understand the delegations policy and framework are currently being reviewed and updated.

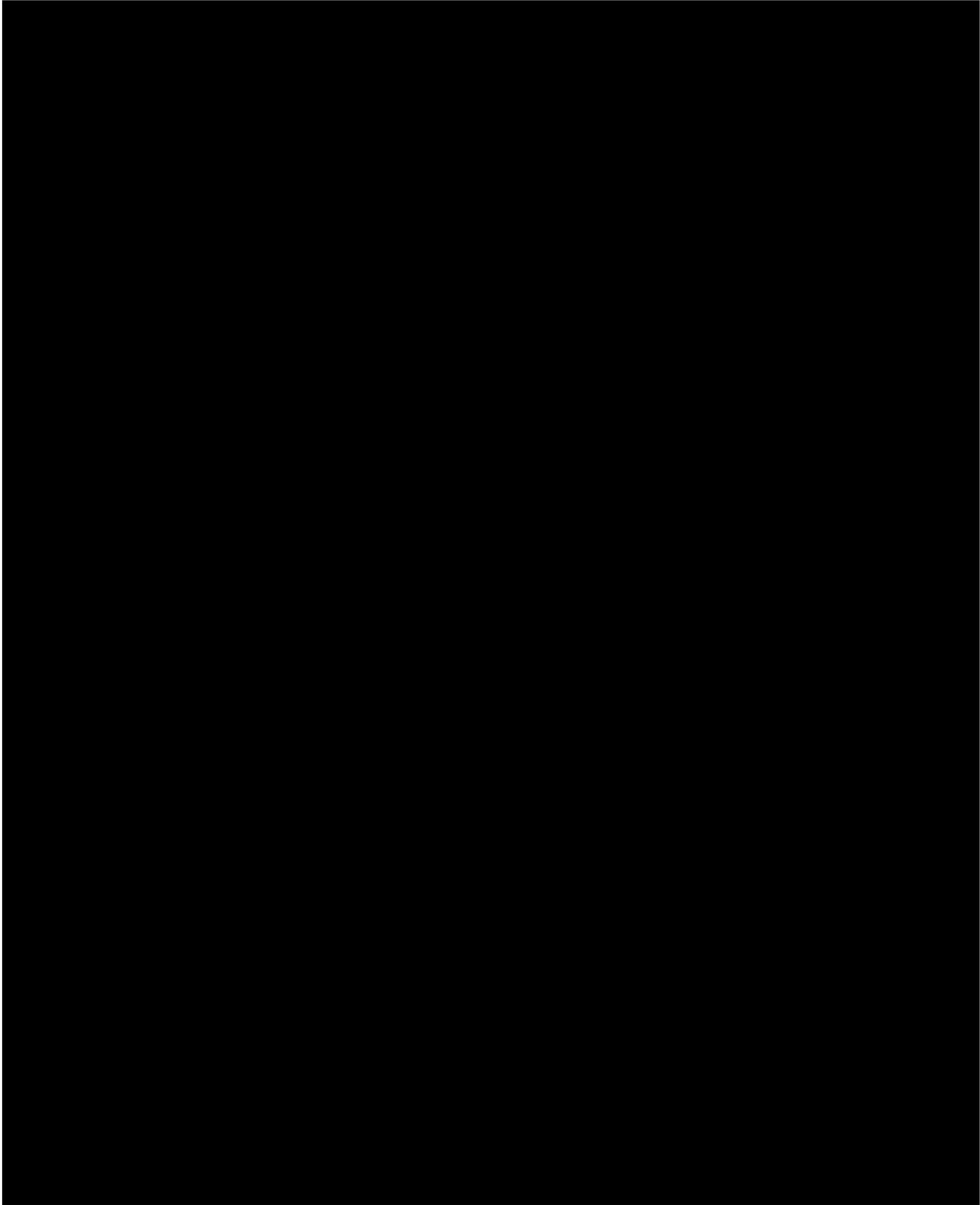
2.23 Manual processes exist which increases the risk of error and/or inaccuracy.

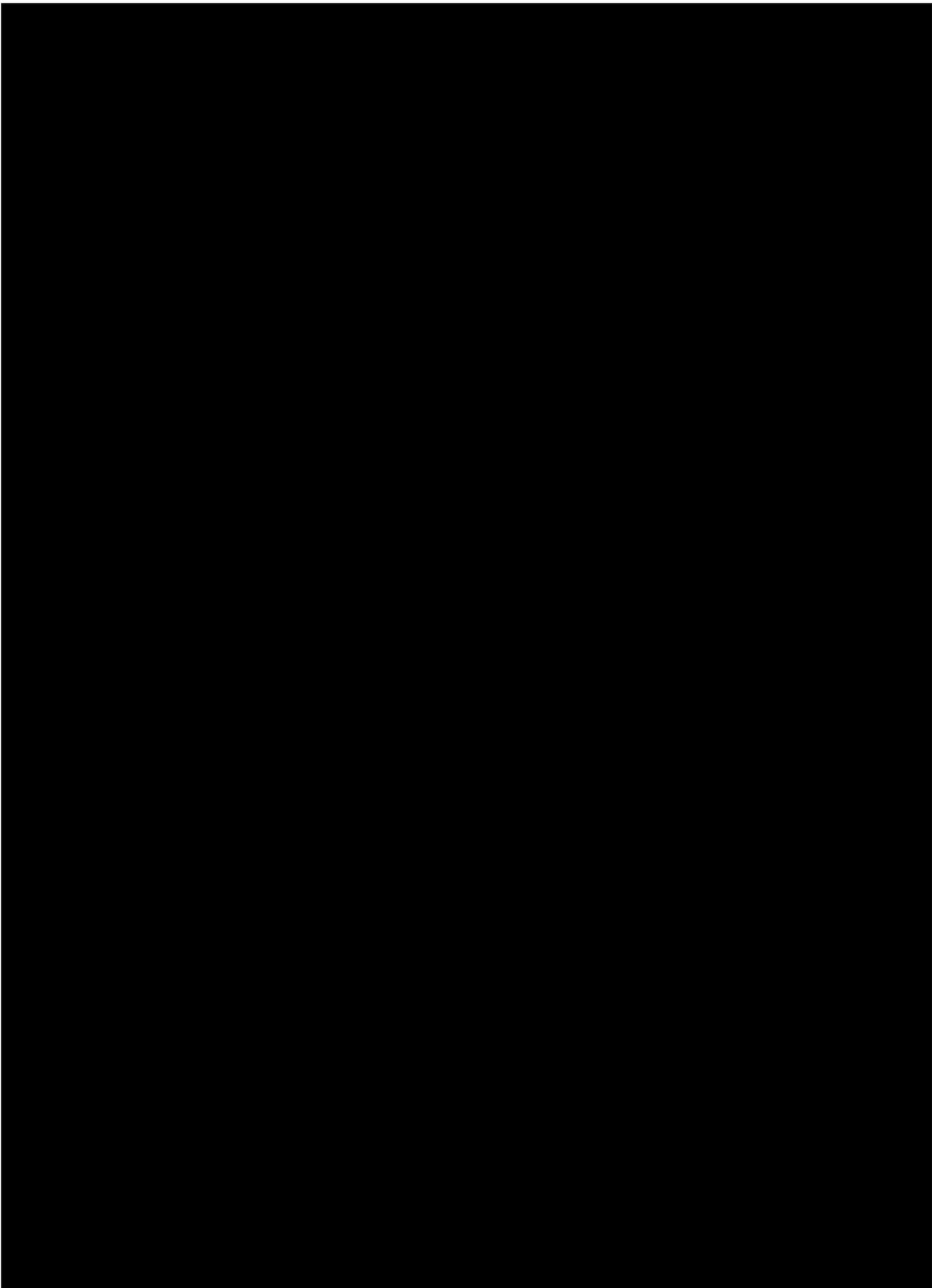
- a. Core systems are not integrated resulting in manual inputs, unreliable data, and delays in accessing key information. For example, TechOne, and the Project Management tool (Project Server) are not integrated so financial information can be out of sync. We are advised that the systems and processes were not prioritised and one of the benefits of the panels was use of their systems.
- b. With respect to the statement of claims, the manual spreadsheets used for approval have resulted in keying errors where people have accidentally signed off the incorrect line.
- c. The accounts payable team manually journal the monthly claims to a task code within TechOne to link it to the project. This manual task creates the risk of error.

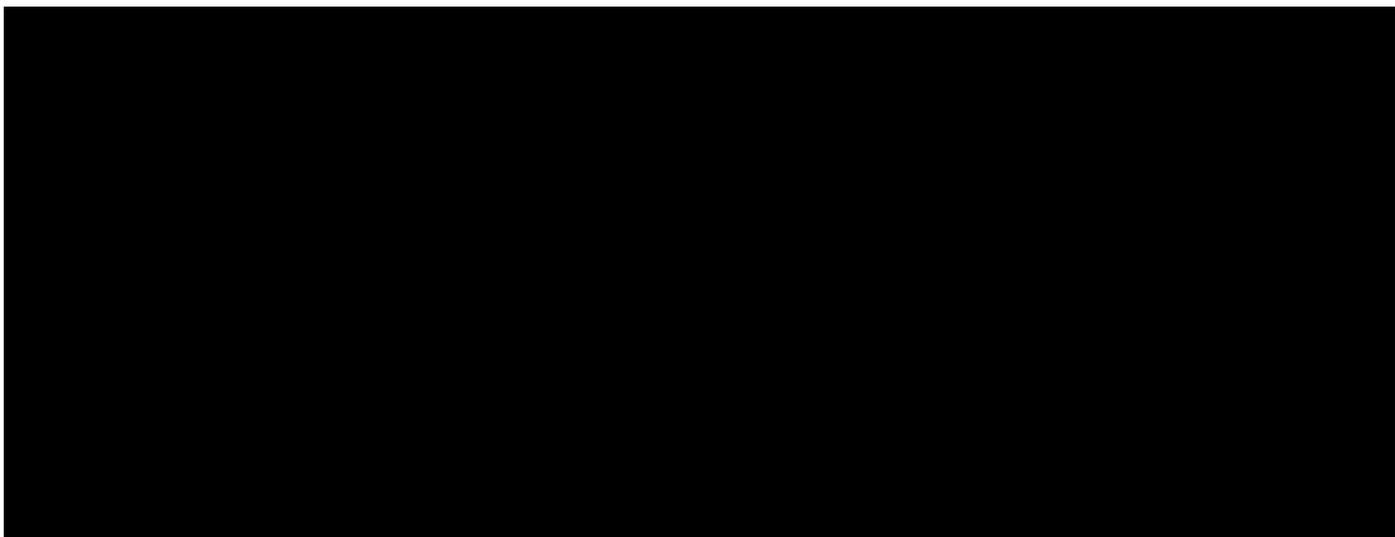
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- a. Interviewees have indicated this significantly impacts the budget with material portions of the project costs being consumed by the two sets of overheads. However, specific evidence has not been provided to substantiate the proportion claimed.







Appendix A – Progress update memo

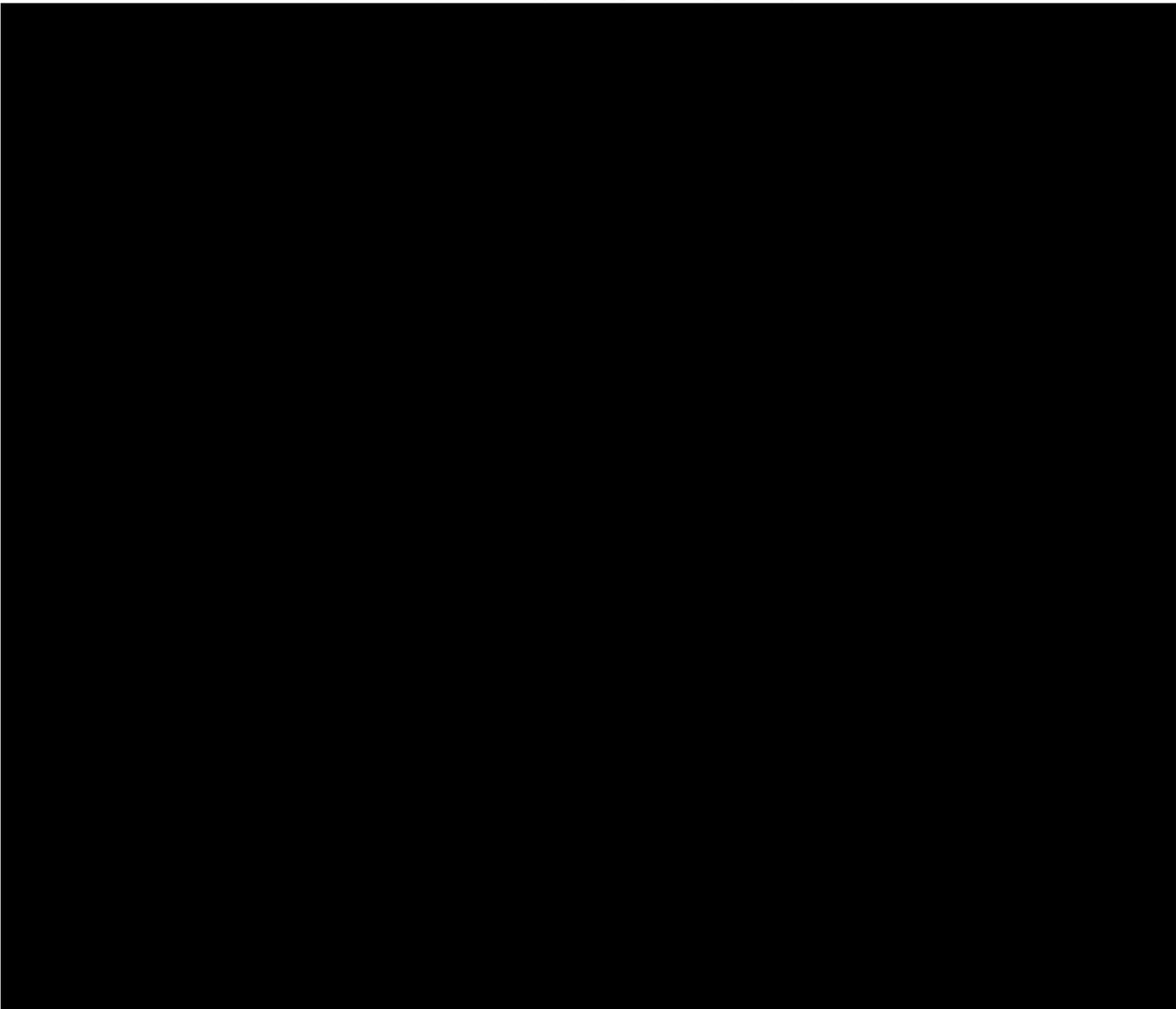
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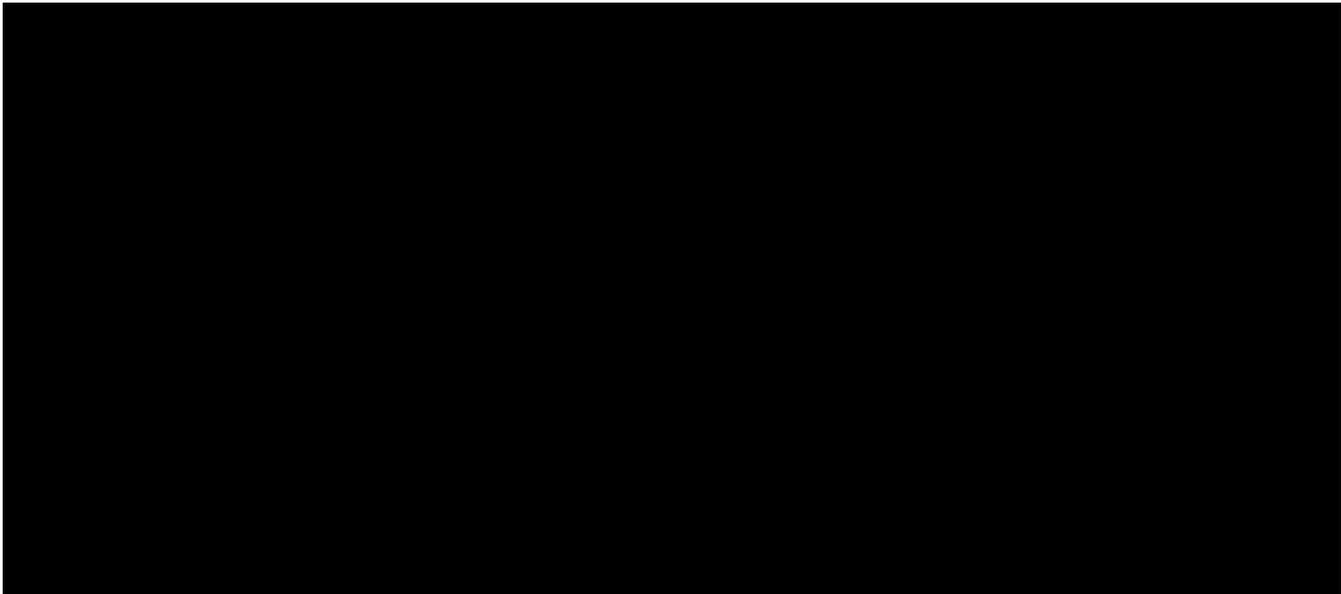
Privileged and Confidential

[REDACTED]
Wellington Water Limited

Dea [REDACTED]

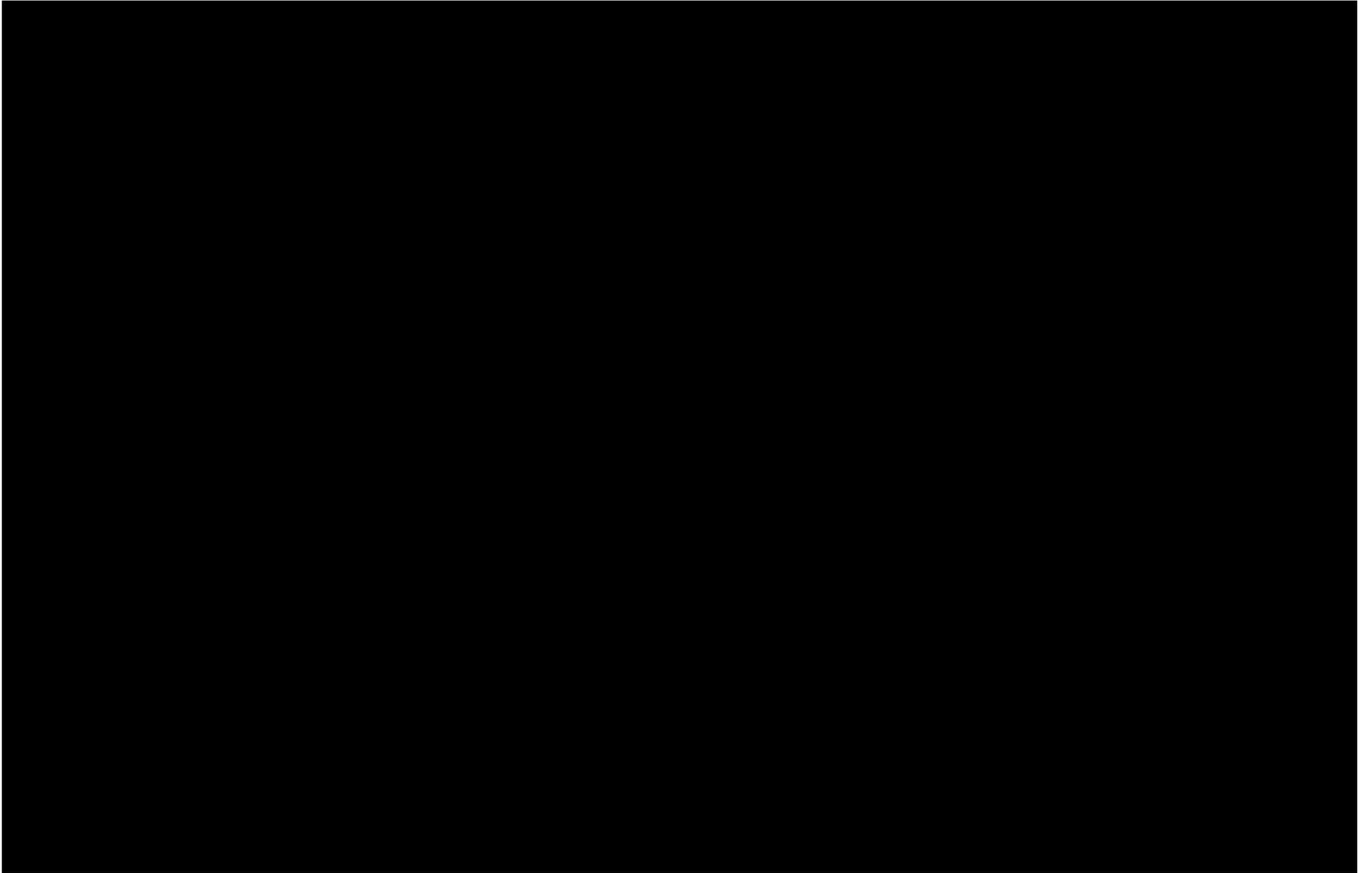
Deloitte review – preliminary update on preliminary findings relating to Project Kelleher



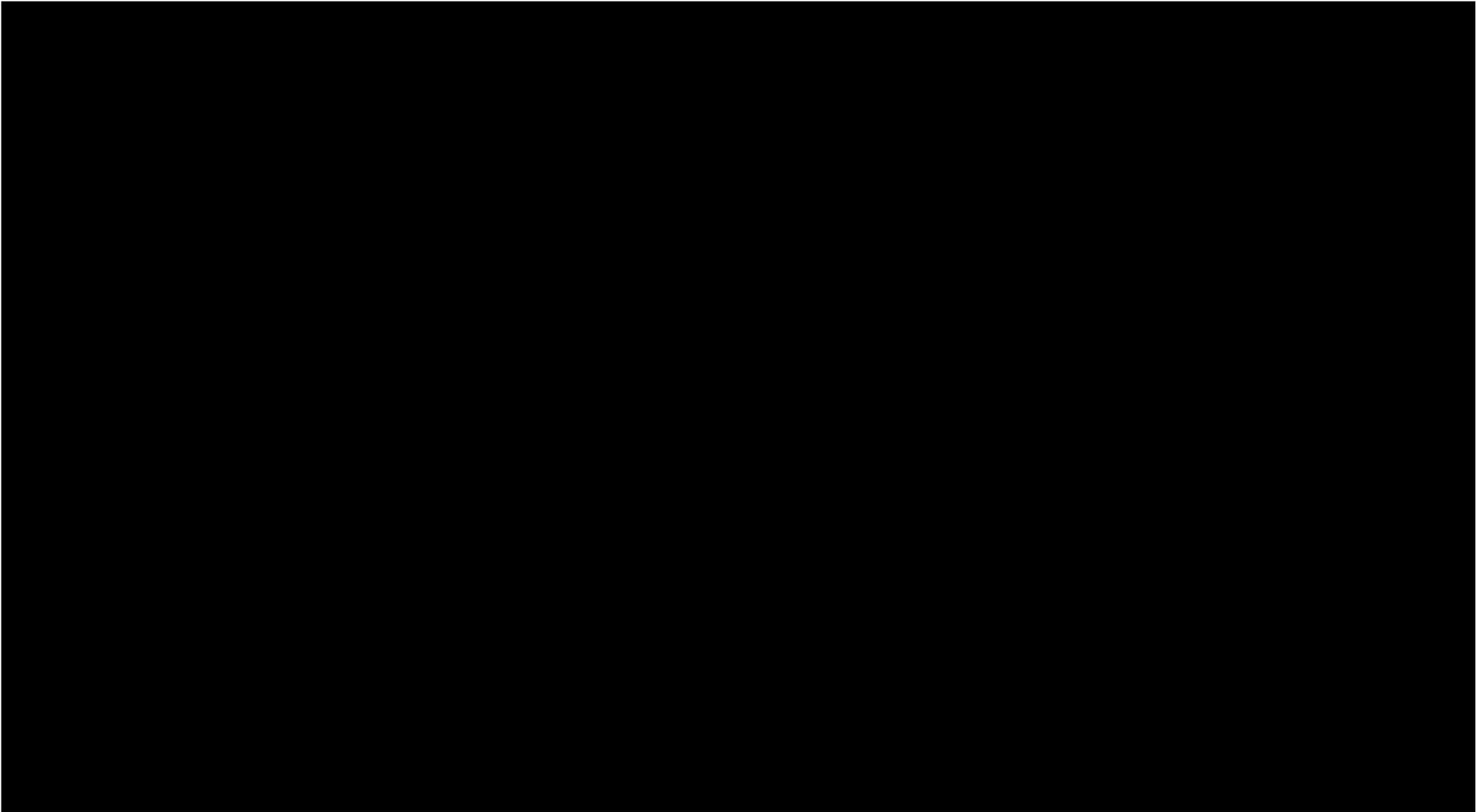


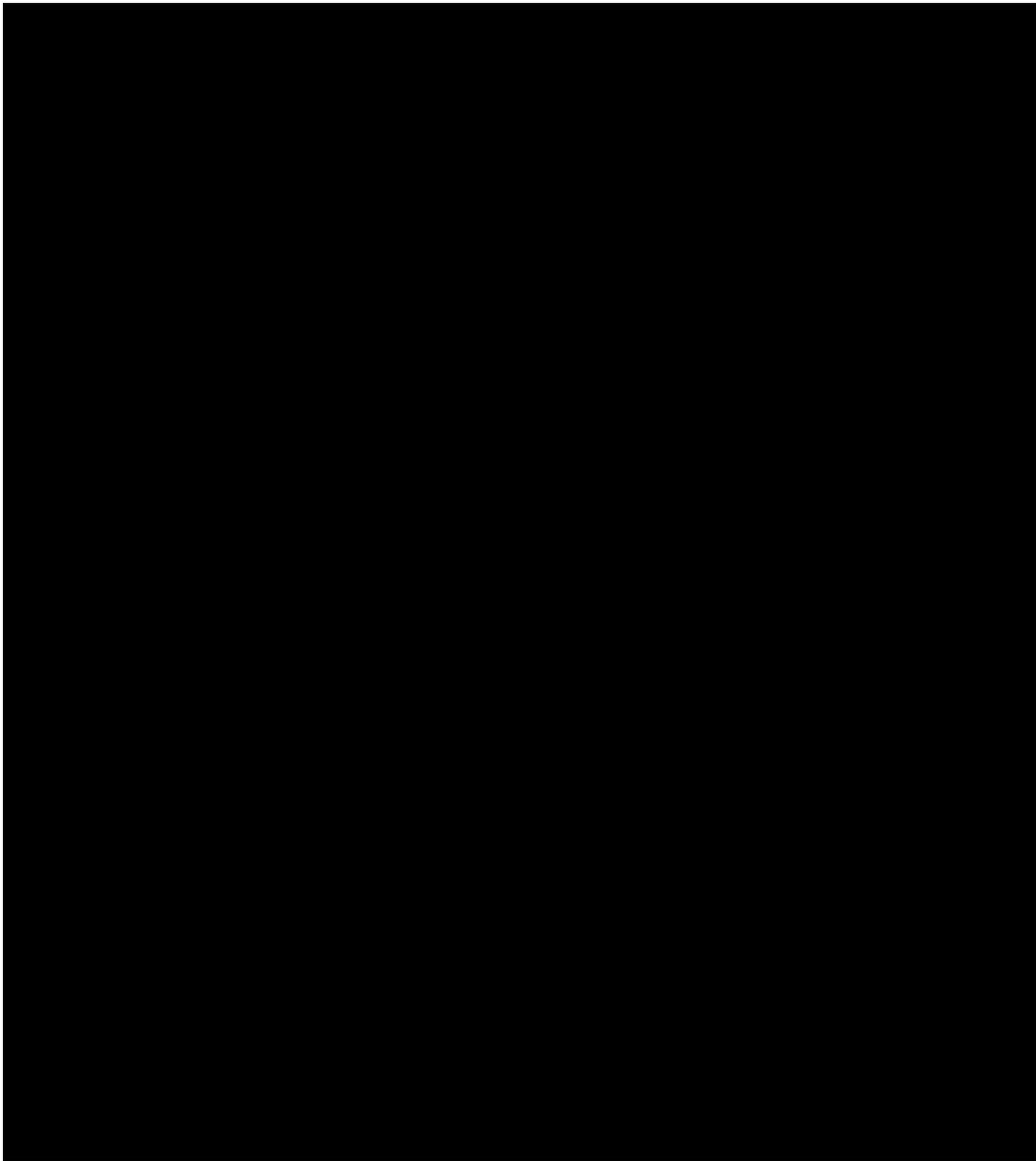












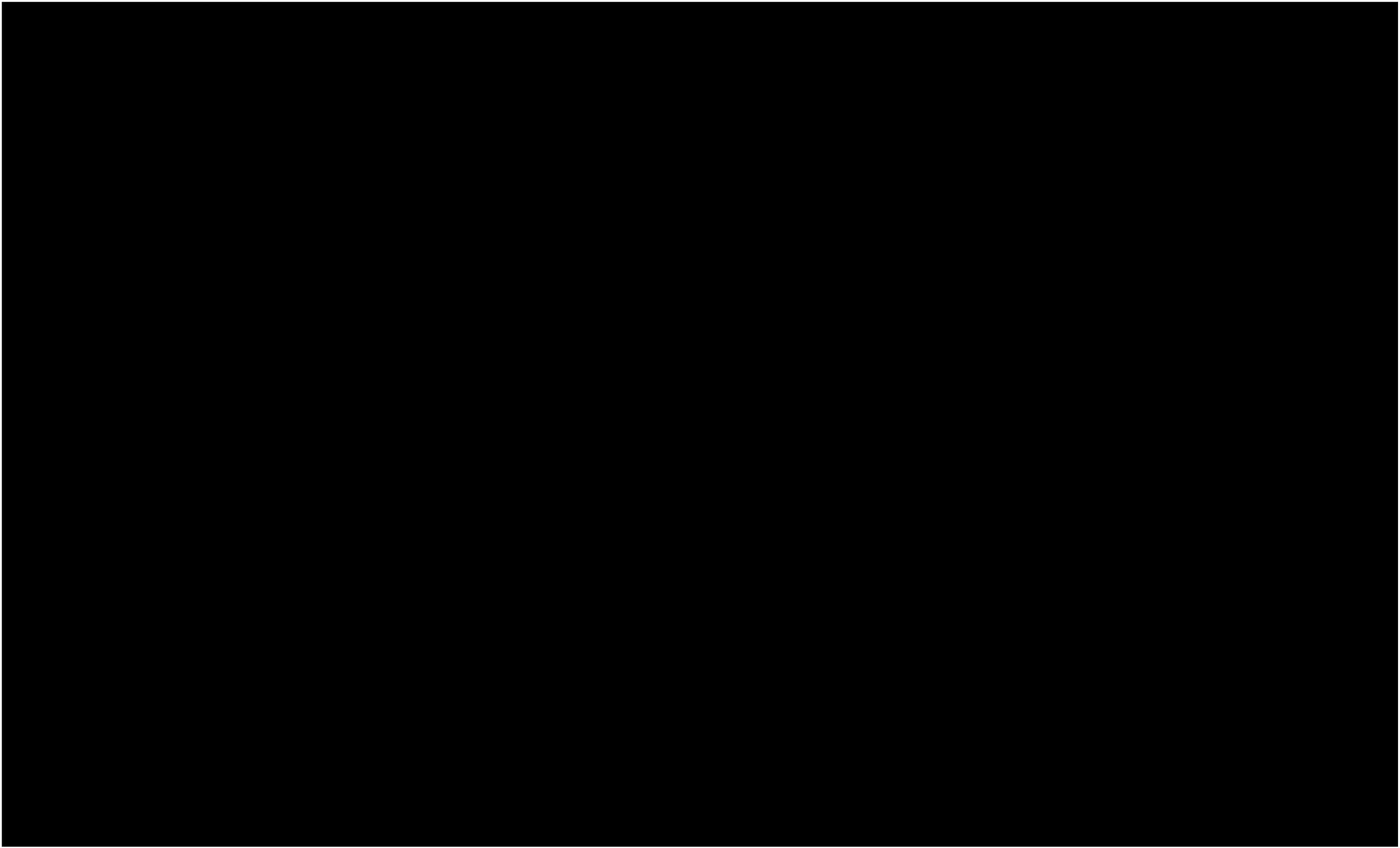
Appendix B – Limitations and disclaimers

We note the following limitations in respect of this report:

- a) This report was prepared for the specific purpose of assisting Wellington Water Limited (**WWL** or **the client**) to assist in providing around clarity into the concerns raised.
- b) No other party is to be provided with this report or a copy of it, or may rely on it or our work, without our express prior written approval. Deloitte accepts no liability whatsoever to any party who relies on our report and/or our work except to the extent set out in our engagement letter and Master Terms of Business.
- c) We are not qualified to provide legal advice. Legal advice should be sought on legal matters.
- d) This report has been prepared based on work completed as [REDACTED] 2024. We assume no responsibility for updating this report for events and circumstances occurring after that date.
- e) We reserve the right, but are under no obligation, to alter the findings reached in this report should information that is relevant to our findings subsequently be identified.
- f) For the purposes of preparing this report, reliance has been placed upon the material, representations, information, and instructions provided to us. Original documentation has not been seen (unless otherwise stated) and no audit or examination of the validity of the documentation, representations, information, and instructions provided has been undertaken, except where it is expressly stated to have been.
- g) We note the limitations to the Standard discovery process outlined in **Appendix C**. Further, given the nature of this investigation and the vast volume of potential documents we note:
 - i. There could be further relevant Custodians.
 - ii. The custodians could potentially have further documents that have not been collected.
 - iii. Further processing of those documents could potentially identify further relevant documents.
 - iv. The application of additional search terms could result in further relevant document being identified.
 - v. The review of documents is not a precise science. For example, documents that seem irrelevant at the start of the review process could be highly relevant as the investigation proceeds.
- h) Evidence obtained by Deloitte includes information provided at interviews which may not be factually correct or capable of corroboration. As a result, no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by WWL personnel. We accept no responsibility for the reliability of the information provided to us to the extent it is inaccurate, incomplete, or misleading, or for matters not covered by our report or omitted due to the limited nature of our work.
- i) Our work does not constitute an assurance engagement in accordance with New Zealand standards for assurance engagements, nor does it represent any form of audit under New Zealand standards on auditing (International Standards on Auditing (New Zealand)). Consequently, no assurance conclusion

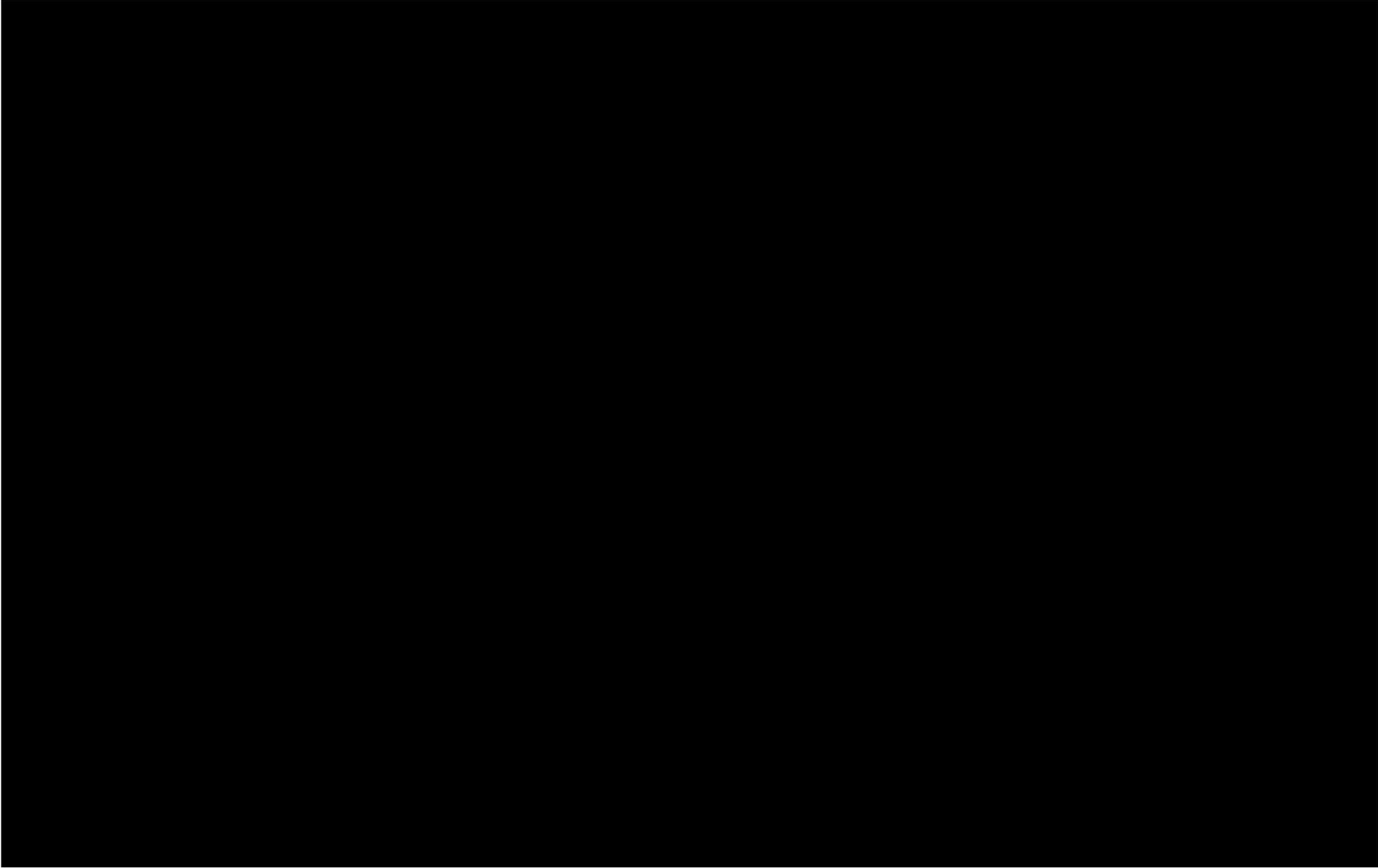
nor audit opinion is provided. We do not warrant that our enquiries will identify or reveal any matter which an assurance engagement or audit might disclose.

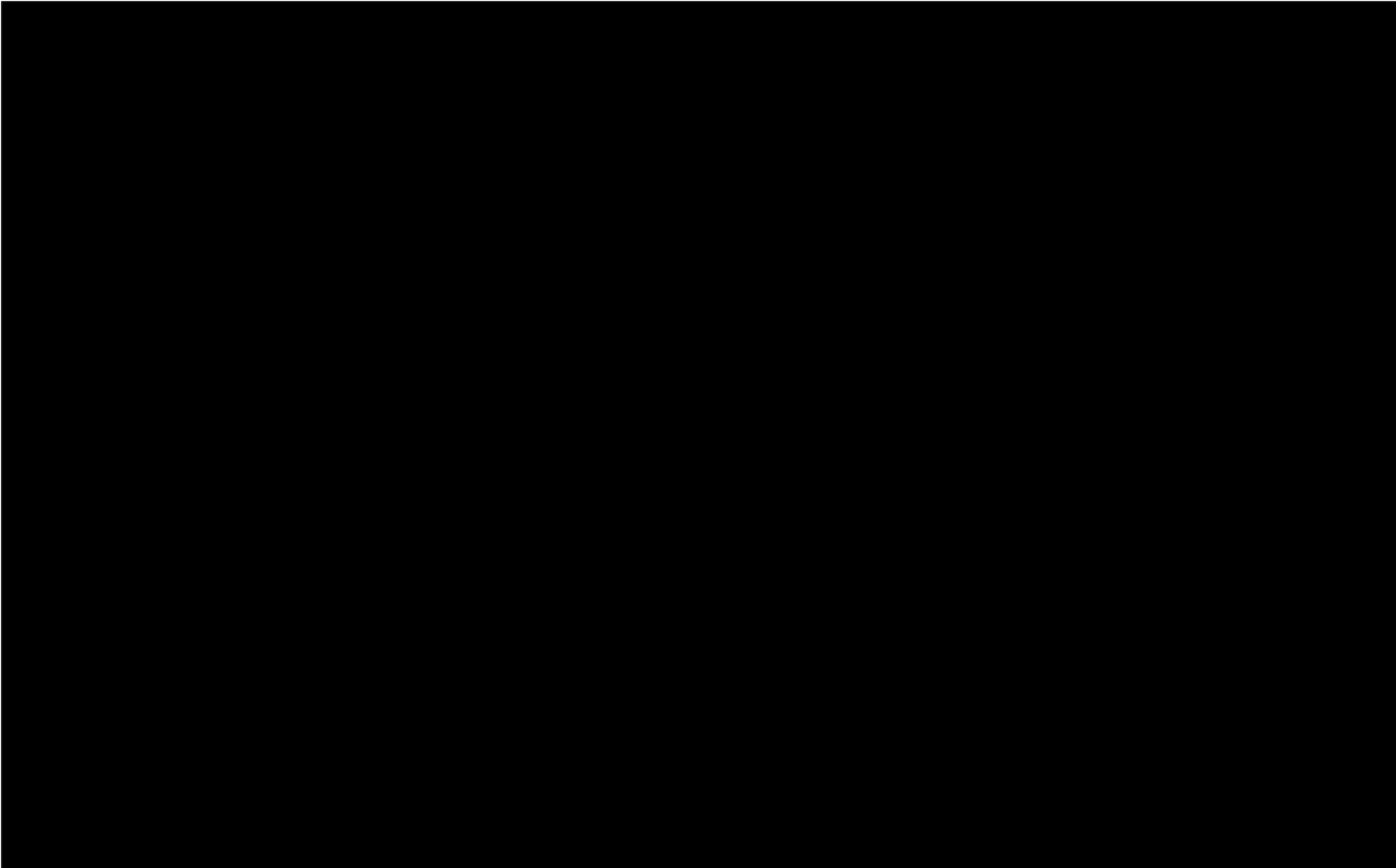
- j) Deloitte is not responsible for ensuring any party's compliance with the requirements of the Privacy Act 2020 or similar requirements in other jurisdictions.
- k) Our assessments are based on observations from our review, interviews and documentation review undertaken in the time allocated. Assessments made by our team are matched against our expectations and good practice. This report offers observations and insights and has considered the views of stakeholders with whom these matters have been discussed.
- l) The matters raised in the report are only those which came to our attention during the course of performing our work to date and are not necessarily a comprehensive statement of all matters, insights or risks that might be made. We cannot, in practice, examine every matter, issue, risk, control. Accordingly, WWL should not rely on our report to identify all potential issues associated with these processes at this stage.
- m) Detailed testing and reconciliation of contracts, statements, or invoices has not been conducted as part of this review.
- n) We understand and acknowledge the need for our work and findings to be reported to WWL as soon as possible. As WWL has required this draft executive summary [REDACTED] 2024, there is evidence, work, and analysis which has not been feasible to consider or complete within this timeframe. Accordingly, WWL should consider the extent to which further analysis or investigation should be conducted to understand key risk areas for waste, abuse, and fraud. This could include investigating the extent to which amounts paid to third party suppliers who are part of the [REDACTED] are or are not reasonable. We have provided some specific steps that could be considered in paragraph 1.32-33.
- o) We have not provided this draft report to [REDACTED] WWL employees, or third parties, for comment on the accuracy of any findings and/or observations made in the report. Accordingly, [REDACTED] [REDACTED] to consider this in relation to any natural justice implications when using the information contained herein.
- p) We have not interviewed [REDACTED]. A request was made for an interview, but this was declined. As such we have not been able to obtain any further understanding around the nature and/or extent of [REDACTED].
- q) We have taken steps to validate the findings through supporting evidence within the reporting timeframes, however, in some instances we have relied purely on statements made in interviews.
- r) At the time of preparing this draft report, the extent of our email review outlined at paragraph 1.14 has been limited to limited. To achieve this, the search criteria applied was very tightly targeted and there is a high likelihood that emails relevant to this matter have not been identified and /or reviewed.

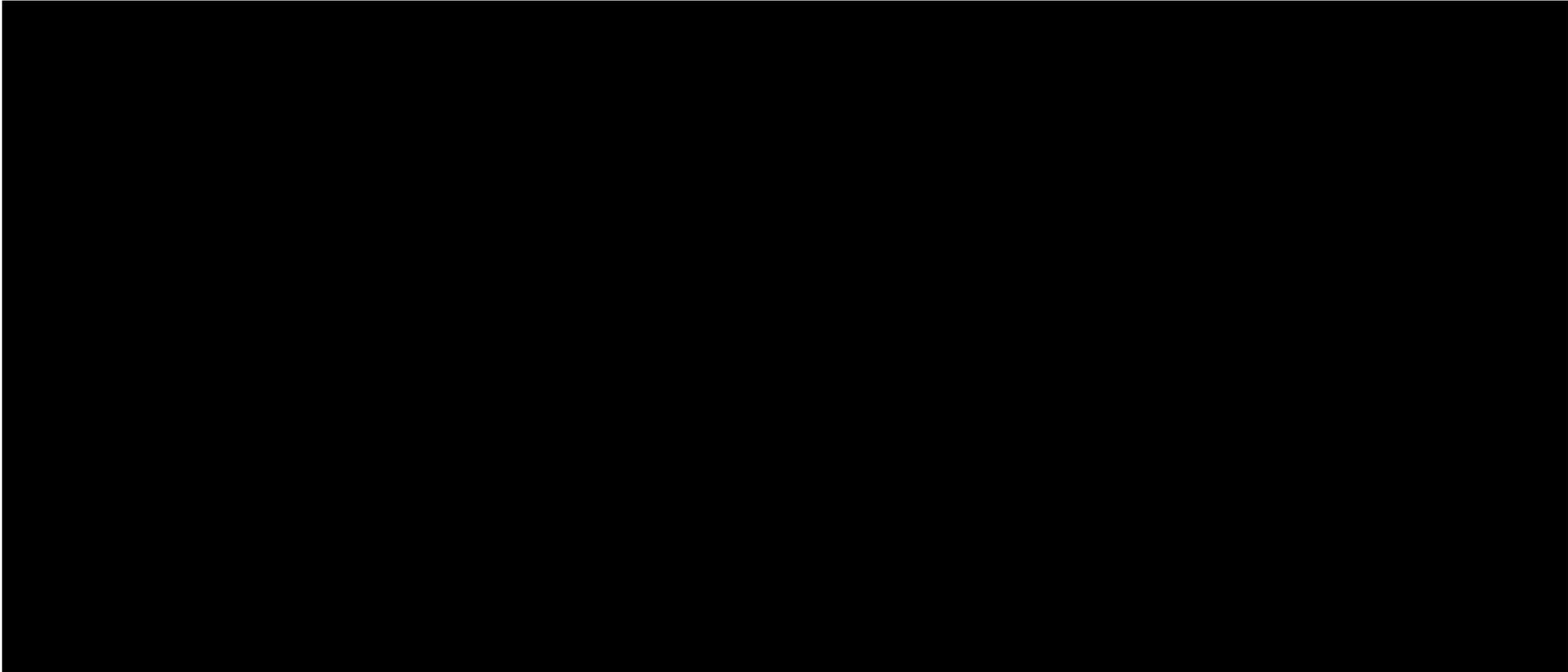














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