

Report 09.212  
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Committee Finance, Audit and Risk Committee  
Author Barry Turfrey Chief Financial Officer  
Leigh-Anne Buxton, Manager, Human Resources

## Review by Price Waterhouse Coopers

### 1. Purpose

To advise the Committee on the fraud review undertaken by Price Waterhouse Coopers.

### 2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### 3. Background

In late 2008 Greater Wellington engaged Price Waterhouse Coopers (PWC) to undertake a review of our financial and payroll systems. This review involved running a series of tests, devised by PWC, using data dating back to 2007.

The results of this review were presented by PWC to the Chief Executive, Chief Financial Officer and the Manager, Human Resources.

There were an extremely large number of exceptions resulting from the various tests. To reduce the exceptions to a more manageable level a series of filters have been applied to the results. These filters involved such items as:

- Setting a dollar threshold
- Removing banks from the GST tests
- Extending the working hours for those tests where approval was given outside normal business hours.

The tests identified a number of transactions for further review.

The results were reviewed by the Chief Financial Officer (financial transactions) and the Manager, Human Resources (payroll transactions).

#### **4. Results of the review**

The review highlighted a number of transactions which required further examination. This work has largely been completed and to date there are no issues with the transactions identified by the tests.

There is some further review to be completed which will be carried out in the next few weeks.

#### **5. Next steps**

While the results to date are positive, the tests have highlighted some improvements to our systems. In particular:

- Considering removing the ability to access SAP from a remote location
- Reducing the period for when password changes are required
- Being more proactive in blocking vendors who have not been used for a specified period.

It is intended that a similar series of tests will be run on our systems around September/October 2009.

#### **6. Communication**

No communications are necessary at this time.

#### **7. Recommendations**

*That the Committee:*

1. ***Receives the report.***
2. ***Notes the content of the report.***

Report prepared by:

Report prepared by:

Report approved by:

**Barry Turfrey**  
Chief Financial Officer

**Leigh-Anne Buxton**  
Manager, Human Resources

**David Benham**  
Chief Executive