

Report 10.382  
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Committee Finance, Audit and Risk Committee  
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## 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 to the Committee in May 2009 (report number 09.212). There were no major issues with any of the transactions identified by the tests.

In April this year PWC was again engaged to carry out a fraud review on our systems. The results have been received and analysed by the Chief Financial Officer (financial transactions) and the General Manager, People and Capability (employee master data).

There were 26 separate tests run by PWC with a number of filters applied to ensure that the resulting exceptions were at a manageable level. 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 covered a wide variety of areas including approvals, bank accounts, creditor and employee details.

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

The review highlighted a number of transactions which required further examination. The results were also discussed with PWC and further work was carried out by Greater Wellington as a result. 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 week. An update will be given to the Committee at the meeting.

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

While the results to date are positive, the tests have resulted in some follow up actions to our systems. In particular:

- Being more proactive in blocking vendors who have not been used for a specified period
- Discuss with staff the need to ensure work/life balance.

It is intended that a similar series of tests will be run on our systems in a year's time.

#### **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:

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