



# Independent Oversight Committee

## Independent Oversight Committee information release

June 2022

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Independent Oversight Committee  
REPORT to the Crown  
April 2022

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Report of the Committee providing independent oversight in relation to the implementation and delivery of the Southern Response Earthquake Services Limited Pre-October 2014 Payment Package

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## A. Introduction

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The Independent Oversight Committee (the Committee) was established to ensure that the Package (as that term is defined in the Committee Terms of Reference) is implemented and delivered in accordance with the principles and processes for the Package agreed between Southern Response Earthquake Services Limited (SRES) and the Crown; and with due consideration being given to the interests of affected policyholders.

It is the view of the Committee that SRES is meeting this objective.

## B. Reports, advice and recommendations

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The Committee refers to its previous Reports to the Crown.

The Committee provided a Report to the SRES Board in February 2022.

The Committee has drafted its first report to policyholders. The SRES Board and the Crown have been consulted in accordance with the Terms of Reference and the approved report will soon be available on the Committee webpage which is being established in conjunction with the Treasury.

The Committee has provided the following **advice and/or recommendations** to SRES in this reporting period.

1. The Committee has reviewed all SRES policyholder communications and has made a number of specific recommendations in relation to these documents.
2. The Committee recommended that the SRES monthly reporting information be broadened to include more detailed analysis so that the Committee can measure SRES progress in specific areas and so that any delay points in progressing applications can be identified and addressed.
3. The Committee provided recommendations and advice in relation to the intended documentation (including the Terms of Reference) and processes for the SRES Package Review Process.
4. The Committee recommended that SRES complete internal auditing for both internal and external fraud. SRES has engaged KPMG to undertake this work and will provide the subsequent report to the Committee.

The Committee acknowledges the responsiveness of SRES to the Committee's **recommendations and advice**.

The Committee provides SRES Management with other minor **recommendations and advice** at each monthly meeting. These are summarised in the minutes of the meetings.

## C. Summary of work performed

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The Committee met formally in March and April 2022 as required by the Terms of Reference.

At each meeting, the Committee received operational reports from the SRES General Manager and Project and/or Unit Manager as to the steps SRES is taking in implementing the Package. Additional data is now being provided each month to enable the Committee to monitor progress on a more detailed level.

The Committee is pleased to see that the number of package applications finalised each month has increased considerably during this reporting period. SRES continues to update staff training, streamline processes, and develop systems to address complex issues affecting multiple policyholders as they arise. This is enabling Package applications to be progressed more efficiently without jeopardising the quality of the process.

SRES provides updates on the following issues at each meeting as these are matters of particular interest to the Committee and are permanent Agenda items:

- the development and implementation of the Package Review Process;
- current legal issues and discretionary decisions in relation to the Package; and
- how the Package will respond to “out of scope” only applications. (We note that an application for leave to appeal the High Court’s decision in *Sneesby v Southern Response Earthquake Services Ltd* [2022] NZHC 262 has now been filed.)

SRES has continued to increase its staff levels in all areas necessary to meet the demands of applications and settlements, legal matters, reporting obligations and other work. The staffing of customer relationship management roles is currently complete and staff training and improvements to processes continue. The Committee actively monitors human resourcing.

The Committee monitors the documentation of business processes and adherence to the same, and receives regular updates on progress and compliance, including quarterly reviews completed by KPMG as internal auditor. SRES is also now providing the Committee with its in-house compliance reports. SRES has now set updated deadlines for the updating and completion of the remaining business processes and reports on progress at each meeting.

A formal checklist of Key Performance Indicators has now been established by the Committee to measure SRES progress in specific areas and to identify any gaps in reporting.

The Committee has not received any direct communications from policyholders in this reporting period. The Communications Policy remains in place.

To comply with reporting obligations to the High Court, and to establish a webpage for Policyholders, the Committee has been working with SRES and the Treasury to prepare its meeting Minutes and Crown Reports for public release. This involves consultation as to the extent of necessary redactions to preserve privacy of individuals, commercially sensitive information, and privileged and confidential material. The Committee, in the interests of transparency, prefers redactions to be as limited as possible.

The Committee webpage has faced some delays but is expected to be live within the next few weeks.

The Committee has now filed its (redacted) Crown reports to February 2022 with the High Court as required.

The Committee continues to note its appreciation for the quality of reports and level of cooperation provided by SRES and its advisers

D. Recommendation for changes to Terms of Reference

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No recommendations at this time.

Signed by

A handwritten signature in blue ink, appearing to read 'D. Ayers', is positioned above the printed name.

Committee Chair, David Ayers

Date: 29 April 2022

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