

Independent review
commissioned by the
Auckland Council
Chief Executive

13 December 2013



Building a better
working world

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¹ This is a factual findings review and not a review in accordance with External Reporting Board Standard RS-1, which relates to reviews of historical financial statements.

Part 1 – Executive summary

1.1 Background

As a result of information made public about the conduct of His Worship, Mr Len Brown (the “mayor”) on 14 October 2013, the council chief executive commissioned an independent review into the use of council resources by the Mayoral Office and any preferential treatment as it relates to the mayor’s relationship with Ms Bevan Chuang (“Ms Chuang”).

In accordance with our engagement letter, we have been appointed to provide an independent review of the matters set out in 1.2 below.

1.2 Scope of independent review

The scope of the review was to “examine the following matters:

- i. Any use of council resources within the Office of the Mayor, in respect of the mayor’s relationship with Ms Chuang, that contravenes council policies (e.g. payments and procurement);
- ii. Any improper preferential treatment in relation to Ms Chuang’s engagement as an employee, contractor, or advisor within the Auckland Council Group; and
- iii. Any other issues that EY or the chief executive of the council considers relate to, or arise out of, the above matter.

The period covered by the review was 1 November 2010 until 21 October 2013”.

A summary of procedures we have undertaken can be found at Appendix One.

The council chief executive has confirmed the intention of (iii) above was to recognise certain matters might arise as a result of (i) or (ii) that required further consideration if they raised potential issues concerning the use of council resource and/or compliance with council policies even if they were not related to the mayor’s relationship with Ms Chuang. The inclusion of (iii) did not however result in a comprehensive or wide ranging examination of the mayor and Mayoral Office.

For avoidance of doubt, the review did not cover:

- Review or judgement of the sexual relationship between the mayor and Ms Chuang;
- Any assessment or judgement of the mayor and his behaviour against the Code of Conduct: Elected Members (“code”), as the code has its own prescribed complaint process;
- Review of the use of hotels outside of Auckland; and
- Review or judgement as to whether the mayor’s time spent engaging in his relationship with Ms Chuang during working hours is appropriate. The mayor is not an employee of council and his terms and conditions are governed by determinations made by the Remuneration Authority. The mayor’s working week is not defined.

1.3 Restrictions and limitations

We draw attention to the limitations inherent in this report.

- We were not required to, and did not undertake an audit in accordance with New Zealand Auditing Standards. Consequently, no assurance has been expressed.
- Our review covered the period 1 November 2010 to 21 October 2013 (the “period”). Any events or transactions that occurred outside the period, which we refer to in this report, have been included for information purposes only.
- The scope of our work was limited to review of documentation and information made available to us and specific enquiries undertaken to pursue our mandate. As we were not engaged to perform an audit, we have not verified the authenticity or validity of the documentation made available to us. Unless expressly stated, we have not sought to verify whether all information provided to us verbally is credible or truthful. Interviews have not been conducted under oath.
- We did not review every transaction of the Mayoral Office or council.
- Given the sensitive nature of the review we have avoided identifying the names of third parties where this is not necessary to achieve the objectives of the review.
- If additional or new information is brought to our attention subsequent to the date of this report which would affect our findings, we reserve the right to amend our findings accordingly.

1.4 Summary of factual findings

The following provides a summary of our findings. Further detail can be found in Part 2.

1. The mayor used his council provided phone to make 1,375 calls and texts to Ms Chuang between 19 November 2010² and 21 October 2013, out of a total population of 13,797 calls and texts. Ms Chuang advises the mayor’s calls and texts to her were all of a personal nature. The mayor has advised two-thirds of the calls and texts he made to Ms Chuang were of a personal nature. We note the mayor made calls and sent texts of a personal nature to a variety of people during the same period. Personal use of mobile phones is permitted by the Elected Members Technology Policy and Guidelines. Costs relating to personal calls and texts are required to be reimbursed by the elected member in accordance with the policy. The mayor made one reimbursement of \$263 for personal phone use on 25 October 2012 for the 2011/2012 period. No subsequent reimbursements have been made by the mayor. We have not been able to quantify the amount required to be reimbursed for personal calls and texts over the period.
2. Ms Chuang attended several functions as the mayor’s translator, mayor’s guest or as an Ethnic Peoples Advisory Panel (“EPAP”) member where she provided translation services. We did not find any evidence that she was paid for providing these services by council. Ms Chuang has never been, and is currently not, included on the list of official translators maintained by council.
3. The mayor, via one of his Diary Managers, provided a brief written email reference for Ms Chuang on 5 July 2011 in relation to her application for a role at Auckland Art Gallery. Earlier that day, the mayor made three phone calls to the Auckland Art Gallery Head of Development but was unsuccessful in speaking with her. The mayor has advised he provides references for people on a regular basis. Upon request, the mayor provided a number of

² The period of our review begins on 1 November 2010. Phone records could not be located for the period 1 November 2010 to 18 November 2010.

character references and nomination support letters to us (for other people). However, these were not references for specific employment roles.

4. During the period of the mayor's relationship with Ms Chuang, the mayoral vehicle and driver were used to transport Ms Chuang to her home after a number of official functions. The mayoral vehicle was also used by the mayor to personally drive Ms Chuang during the day. While the mayor was out of Auckland, the mayoral car and driver were in one instance used for private family transportation - this resulted in the use of council resource as the driver is paid by the hour (five hours of driver time were utilised). The use of the mayoral vehicle is governed by the Remuneration Authority determinations. In 2011 and 2012, the determinations were silent on the private use of the mayoral vehicle. The 2013 determination makes reference to the full private use of the vehicle. In all three years, the determinations are silent on the private use of the driver resource. The mayor has advised his understanding of the determinations is that the vehicle is available for full private use but he has also advised the driver is not available for private use.
5. The mayor has received nine complimentary (free) hotel rooms or suites which have not been registered as gifts or disclosed in his completed annual Declaration of Interests. The value of the complimentary rooms/suites based on rates³ provided by the hotels is \$6,130.
6. The mayor has received hotel upgrades (to better quality rooms or suites) which have not been registered as gifts or disclosed in his completed annual Declaration of Interests. A total of 64 such upgrades has been identified. The value of the upgrades based on rates provided by the hotels is \$32,888.50.
7. The mayor has received other gifts which have not been registered as gifts or disclosed in his completed annual Declaration of Interests such as one NRL grand final ticket and associated hospitality in 2011 and an iPad in April 2012 (subsequently auctioned at the Mayoress' Charity Gala Ball).
8. The mayor had dinner with a personal friend in Shanghai on 11 November 2011. The dinner was paid for by council. Supporting email documentation reviewed raises a question as to whether the full cost of the meal should have been paid by council.
9. We have not identified any instances where council funds were used to pay for gifts given by the mayor to Ms Chuang.
10. The content of council emails we reviewed between the mayor and Ms Chuang were of a council related business nature.
11. Our review of Mayoral Office expenditure did not identify any expenses incurred by council (either directly by the mayor or his immediate support team) that related to the mayor's relationship with Ms Chuang.
12. We did not identify any improper preferential treatment by the mayor in relation to Ms Chuang's appointment to the EPAP, New Lynn Night market, Howick Local Board contracts and Auckland Tourism, Events and Economic Development ("ATEED") services.
13. We did not identify any instances where Ms Chuang accompanied the mayor on any domestic or international travel.
14. We have not identified any private use of hotels by the mayor that were paid for using council resource.
15. We were unable to identify the security guard who interrupted the mayor and Ms Chuang engaged in sexual activity in the Mayoral Office early one evening.

³ Where rack rates were not available, hotels have provided alternative rates

Part 2 - Findings

2.1 Use of public resource

2.1.1 Mayoral car and drivers

Background

The mayoral car, and the mayor's use of the car, is not governed by a specific council policy.

The Remuneration Authority⁴ releases an annual determination on the mayor's remuneration package and, in 2013, allows the full private use of the vehicle. The 2011 and 2012 determinations are silent on the mayor's private use of the mayoral vehicle.

The Mayoral Office employs mayoral drivers to transport the mayor to and from work, and for official business. The drivers are paid at a contractual hourly rate.

The understanding of the Chief of Staff, Mayoral Office and the mayor was that the car was available for private use throughout the review period. The mayor and the Chief of Staff, Mayoral Office have both advised they do not consider the driver is available for private use.

Findings

1. The mayoral car is used privately.
2. The car and driver were used to transport Ms Chuang to her home after attending functions as the mayor's translator, mayor's guest or as an EPAP member where the mayor was also present.
3. The car and driver were used to drop off a range of the mayor's guests after attending functions.
4. The mayor used the mayoral car to personally drive Ms Chuang during the day.
5. The car and driver are sometimes used for tasks on behalf of the mayor or the Mayoral Office.
6. The fuel card linked to the mayor's car was used only for re-fueling and car washes.

⁴ The Remuneration Authority is responsible for annually considering and determining the remuneration and allowances of Members of Parliament and the Judiciary, as well as specified statutory officers and members of local authorities and community boards.

2.1.2 Mobile phone

Background

The mayor has a mobile phone account paid for by council ("phone"). The policy governing the use of council paid phones by elected members is the Elected Members Technology Policy and Guidelines (issued October 2010). This permits personal use of the council mobile phones. Costs for all personal use are required to be reimbursed to council by the elected member.

" Personal usage of the mobile phone is permitted, however, costs for these must be reimbursed to council by the Elected Member" (Elected Members Technology Policy and Guidelines, October 2010)

Findings

1. On 1 November 2010, the mayor signed a Technology Agreement Form agreeing that he had "read and understood the Elected Members Technology Policy and Guidelines".
2. The mayor's phone has been used to make calls and send texts to Ms Chuang. A total of 1,375 calls and text messages were made to Ms Chuang between 19 November 2010⁵ and 21 October 2013 out of a total population of calls and texts of 13,797.
3. The mayor's phone has been used to make calls and send texts of a personal nature to a range of people.
4. Ms Chuang is an appointed member of the EPAP so we cannot determine the split between personal and business related phone and text activity between her and the mayor. She advises the mayor's calls and texts to her were all of a personal nature. He has advised that two thirds of the calls and texts he made to Ms Chuang were of a personal nature.
5. The mayor made one reimbursement of \$263 on 25 October 2012 for personal use for the 2011/2012 period. No subsequent reimbursements have been made.
6. Total charges paid by council for the mayor's mobile phone calls and texts are \$4,538.50 for the period of the review.
7. The pricing plan for the mayor's mobile phone varied over the period under review. Typically, charges are incurred for all calls outside the council group with calls within the council group covered by a monthly fee (texts incur separate charges). It is therefore not possible to determine, from the data available, whether particular calls and texts relate to council or personal matters. It is not possible to calculate the cost of personal calls and texts to be reimbursed. The figure (relating to all personal calls and texts and not just those made to Ms Chuang) theoretically is within a range from \$0.00 to \$2,898.77.

2.1.3 Gifts to Ms Chuang

Background

The mayor gave Ms Chuang gifts in his private capacity. This has been confirmed by both the mayor and Ms Chuang.

Findings

1. We have not identified any instances where council funds were used to pay for gifts the mayor gave Ms Chuang. The mayor confirmed he has not used council funds to purchase gifts for her.

⁵ The period of our review begins on 1 November 2010. Phone records could not be located for the period 1 November 2010 to 18 November 2010.

2.1.4 Email usage

Background

Email correspondence between the mayor's two council email accounts and Ms Chuang was reviewed.

Findings

1. The email content was of a council related business nature.

2.1.5 Mayoral Office expenditure

Background

Mayoral Office expenditure occurs through a variety of channels. Expenditure by the Mayoral Office includes: supplier invoices, credit card purchasing, personal reimbursement for council expenditure and use of council provided foreign exchange (when overseas).

The mayor does not have a council credit card and has made three expense claims during the period. The majority of his mayoral related expenses are paid for by Mayoral Office staff who support the mayor while he undertakes duties (both domestically and internationally). Mayoral Office staff use credit cards and/or pay personally and claim back the council related expenditure through the council's expense reimbursement process.

Findings

1. We did not identify any expenses incurred directly by the mayor that related to his relationship with Ms Chuang that were paid for by council.
2. We did not identify any expenses incurred on behalf of the mayor in relation to his relationship with Ms Chuang that were paid for by the mayor's immediate support team.

2.2 Preferential treatment

2.2.1 Auckland Art Gallery reference

Background

Ms Chuang was employed by council when she worked at Auckland Art Gallery. The mayor provided a brief written email reference relating to Ms Chuang to the Auckland Art Gallery. The mayor has advised he provides references for people on a regular basis. The mayor has advised he has not provided any other references for Ms Chuang.

Findings

1. Ms Chuang did not include the names of her referees in her application for a role at the Auckland Art Gallery but indicated three referees were available.
2. She provided names of referees at the request of the Auckland Art Gallery after her interview. The mayor was one of the three referees. The Head of Development, Auckland Art Gallery, requested references from two of the three referees. This included a request to the mayor on 4 July 2011, via his office.
3. The Head of Development, Auckland Art Gallery does not recall speaking to the mayor about Ms Chuang until after the role was awarded to her. The mayor made three calls to the Head of Development, Auckland Art Gallery (mobile and desk phones) on the 5 July 2011 at 11.27am, 11.28am and 1.15pm prior to the reference being emailed at 1.52pm. The email reference was sent by one of the mayor's Diary Managers.
4. We have reviewed references provided by the mayor for other people during the review period. However, these references were character references or support letters for nominations and awards and not employment references for specific roles.

2.2.2 Ethnic People Advisory Panel ("EPAP") appointments

Background

The EPAP was established by Council as a requirement of Section 86 of the Local Government (Auckland Transitional Provisions) Act 2010. The Act requires the mayor to appoint the members of the EPAP. The EPAP was established in March 2011.

Findings

1. The process for selecting members to the EPAP is facilitated by Democracy Services. This process recommended a list of potential appointees, with the mayor making the ultimate decision on their appointment. The mayor had no involvement in the interviewing and scoring of potential panel member appointees.
2. The list of recommended appointees was provided to the mayor by Democracy Services for review and approval. Ms Chuang was on the list of recommended appointees.
3. Following mayoral review, EPAP appointments were confirmed (including Ms Chuang).
4. Ms Chuang has advised she did not know the mayor at the time of her appointment. There is no record of any phone calls made by the mayor to Ms Chuang prior to May 2011 on his council mobile phone.
5. We have not reviewed any processes that may have been initiated around the incoming 2013-2015 EPAP.

2.2.3 Translating services

Background

A list of official translators is maintained and managed by International Relations. Translators are used to support the mayor and other council staff when engaging with delegations from different countries.

Findings

1. Ms Chuang attended several functions as the mayor's translator, mayor's guest or as an EPAP member where she provided translation services. We did not find any evidence that she was paid for providing these services.
2. In an email on 18 November 2011, one of the mayor's Diary Managers wrote to the mayor's Chief of Staff, Mayoral Office stating the mayor had requested that Ms Chuang be his preferred Chinese interpreter for all future events.
3. Ms Chuang did not travel as a translator on any international or domestic trips made by the mayor.
4. In December 2012, Ms Chuang was contracted by ATEED on two occasions to provide translation services. She invoiced ATEED for these services. The mayor was not present at these events.
5. We did not find any indication the mayor influenced ATEED's decision to engage Ms Chuang to provide translation services.
6. Ms Chuang has never been, and is currently not, included on the list of official translators maintained by council.

2.2.4 New Lynn Night Markets

Background

Ms Chuang is currently contracting to Auckland Council providing co-ordination services in relation to the New Lynn Night Markets.

Findings

1. The process for awarding the New Lynn Night Market co-ordinator contract to Ms Chuang was reviewed. There is no indication of any mayoral involvement in any decision around the awarding of the contract to her. The contract was awarded in January 2013.

2.2.5 Howick Local Board

Background

A short term contract was awarded to Ms Chuang in 2012 to provide administrative services to the Howick Local Board.

Findings

1. The process for awarding a temporary contract to Ms Chuang was reviewed. There was no indication of any involvement from the mayor in relation to the decision to award the contract to her.
2. The contract awarded was for the period 14 May 2012 to 3 August 2012.

2.2.6 Security guard

Background

Both the mayor and Ms Chuang confirmed a security guard interrupted them engaging in sexual activity early one evening in the Mayoral Offices. We have completed steps to seek to contact the security guard and have been unable to determine his identity.

Findings

1. We reviewed the email data set for correspondence relating to the security guard. No correspondence was found.
2. We interviewed management at The Edge (responsible for security services at the Town Hall) and they were unable to identify the security guard in question.
3. We met with individual security staff and offered them the opportunity to speak with us. To date, no security guard has come forward.
4. The mayor has confirmed he did not seek to contact the security guard post the incident and does not know the identity of the security guard.
5. Ms Chuang confirmed she did not contact the security guard post the incident. Ms Chuang confirmed the mayor did not attempt to speak to the guard at the time of the incident.

2.3 Other

As a result of (iii) of the scope of our review, further matters arose that required consideration:

2.3.1 International travel

Background

In the course of our review, we examined international travel to identify whether Ms Chuang travelled with the mayor in her capacity as an EPAP member and/or as a personal guest of the mayor.

In examining international travel, we reviewed a trip by the mayor to China and Hong Kong in November 2011 as part of a NZTA initiative. The mayor's flights and accommodation for the NZTA portion of the trip were funded by NZTA. The trip involved an extension to Guangzhou which was non NZTA related and paid by council. One Mayoral Office staff member accompanied the mayor. All costs related to this staff member's travel were paid by council.

Findings

1. Ms Chuang did not accompany the mayor on this trip (or any other council trip internationally or domestically).
2. The mayor's proposed NZTA itinerary was rearranged by Mayoral Office staff to reduce the planned official activities on the evening of the 11 November 2011.
3. On that night, the mayor advises us he had dinner in the hotel restaurant with the Mayoral Office staff member who accompanied him on the trip and a personal friend the mayor advises us he knows well. This person had been requested by the mayor to provide translation services on the Guangzhou extension (13 and 14 November 2011). No evidence of payment has been found for these translation services. The Mayoral Office staff member has advised us she has no recollection of the dinner or attending the dinner.
4. The dinner cost NZ\$134.93 (\$647.50 RMB) and was paid for by the Mayoral Office staff member using their personal credit card and claimed back from council via the council expense claim process.
5. The mayor has advised the dinner was council related business. However, council emails we reviewed refer to at times, to the dinner being "private" and/or "personal". On 9 November 2011, an email between council staff was exchanged highlighting NZTA were not comfortable to pay for this personal friend of the mayor's meal cost on the Friday night and could the accompanying council staff member "discreetly arrange to pay for her meal".
6. Because the dinner cost included hospitality for a personal friend of the mayor, a question arises whether the full cost of the dinner should have been a council expense.

2.3.2 Hotel rooms

Background

We obtained waivers from the mayor and selected employees of the Mayoral Office to obtain both council and private information in relation to bookings made by, or for, the mayor in various Auckland hotels during the review period.

The Mayoress has advised there is an arrangement with The Stamford Plaza whereby the family (including the mayor) stay privately on a regular basis with the Mayoress being responsible for payment.

In providing context around the mayor's hotel bookings, a number of the hotels advised us it is standard industry practice to provide room upgrades for VIPs from time to time and there are also valid commercial reasons why hotels may choose to also provide VIPs with complimentary (free) rooms.

Findings

1. There were no hotel rooms used by the mayor for private purposes that were paid for by council.
2. No complimentary rooms/suites have been registered by the mayor as gifts or disclosed in his completed 2011 and 2012 Declaration of Interests.
3. The mayor received a total of nine complimentary rooms during the period. The value of the complimentary rooms/suites based on rates provided by the hotels is \$6,130.
4. A number of rooms were provided to the mayor at a discounted rate for a standard room and, in most cases, a superior room or suite was provided. There were 64 room upgrades during the period. None of the upgrades were registered by the mayor as gifts or disclosed in the mayor's completed annual Declaration of Interests. The value of the upgrades based on rates provided by the hotels was \$32,888.50.

A summary of complimentary and upgrade rooms by hotel follows:

Hotel	Total room nights booked ⁶	Complimentary room nights ⁷	Upgrade room nights ⁸	Non comp or upgrade room nights
Heritage Auckland	1	0	1	0
Hilton Auckland	4	4	0	0
The Stamford Plaza Auckland	57	0	57	0
SKYCITY and SKYCITY Grand Hotels	8	3	5	0
Pullman Auckland	1	0	0	1
The Langham Auckland	2	1	1	0
Copthorne Hotel Auckland Harbour City	1	1	0	0
Total	74	9	64	1

⁶ Room nights refers to both night stay and day stay.

⁷ Complimentary rooms have been provided to the mayor at no cost.

⁸ Upgrade rooms are rooms where a lower rate has been charged for a room that normally attracts a higher rate.

2.3.3 Gifts received by the mayor

Background

Gifts of a personal nature are given to the mayor from time to time. Gifts take different forms and may for instance relate to travel, physical objects or hospitality of any form.

Findings

1. The mayor has not registered the receipt of any gifts for the period 1 November 2010 to 30 November 2011.
2. The registering of gifts received by the mayor in the mayor's gift register from 1 December 2011 is incomplete.
3. Gifts not registered include one NRL 2011 grand final ticket and associated hospitality and an iPad in April 2012 (subsequently auctioned at the Mayoress' Charity Gala Ball). These gifts came to our attention during the course of our review. We have not sought to determine whether other gifts were received but have not been registered.
4. The mayor's completed annual Declaration of Interests for 2011 and 2012 do not disclose any gifts.
5. The mayor has not completed his 2013 annual Declaration of Interests.

2.3.4 Use of mayoral car by family for private use

Background

In the absence of a specific policy governing the use of the mayoral car and driver, the mayor and the Chief of Staff, Mayoral Office have advised the mayoral car is available for private use. The mayor and Chief of Staff, Mayoral Office, have both advised they do not consider the driver resource is available for private use.

Findings

1. We identified one instance where the mayoral car and driver were used for a private family activity without the mayor being present. As the driver was paid on an hourly basis, the driver's hours relating to this family activity were paid by council. Five hours of driver time were utilised.

Appendix One - Procedures performed

The accompanying table provides details of the procedures performed. Procedure results are included in Part 2 – Findings.

Scope area	Procedures performed
Mobile phone	<p>An analysis of the mayor's council mobile phone records was performed.</p> <p>The above records yielded information on a total of 3,142 phone calls and 10,655 text messages originating from the mayor's council mobile phone in the relevant period.</p> <p>Of these calls and text messages, 153 telephone calls and 1,222 text messages were to the mobile phone of Ms Chuang. No calls to Ms Chuang's home phone number were identified.</p>
Email	<p>A forensic analysis of council email data for 16 custodians was performed. The analysis included 1,065,891 email messages, attachments and other digital files extracted from council servers, by council staff.</p>
Mayoral car	<p>Our findings in relation to the use of the mayoral car are based on secondary sources, including interviews with the mayor, Ms Chuang and the drivers, and on documents identified during the analysis of the email data.</p> <p>Timesheets for the relevant period were reviewed for both drivers.</p>
Hotels	<p>Certain Auckland hotels were approached (via the use of privacy waivers) to provide information in relation to all accommodation and hospitality booked by or on behalf of the mayor, including details of any complimentary rooms or upgrades they may have provided.</p> <p>In the case of paid bookings, we confirmed whether the booking was for the purpose of council business or not.</p> <p>In the case of paid bookings, we confirmed who made the payment where they were of a private nature or alternatively whether the payment was reimbursed by the council.</p> <p>Information was also obtained in relation to a hotel restaurant in the People's Republic of China.</p> <p>We reviewed hotel transactions paid by council through their vendor payment process including reviewing relevant transactions against supporting documentation.</p> <p>The following Auckland hotels were approached and participated with the full consent of the mayor and other relevant Mayoral Office employees who made bookings on behalf of the mayor:</p> <ul style="list-style-type: none">▪ Pullman Auckland▪ The Langham Auckland▪ Hilton Auckland▪ SKYCITY and SKYCITY Grand Hotels▪ Heritage Auckland▪ Sofitel Auckland Viaduct Harbour▪ Copthorne Hotel Auckland Harbour City▪ The Stamford Plaza Auckland▪ Rendezvous Grand Hotel Auckland

Scope area	Procedures performed
	<p><i>We would like to note the cooperation of the mayor and other Mayoral Office staff in providing their written consent to obtain information from hotels in Auckland.</i></p>
<p>Credit card expenditure</p>	<p>A review of credit card expenditure was performed across 15 card holders. The card holders selected were those card holders who work in the Mayoral Office in roles closely associated with the mayor and a selection of council employees who also support the mayor through the roles they hold.</p> <p>We reviewed transactions where it was evident the expense involved the mayor, e.g. expenses incurred by the individual on behalf of the mayor and/or where an expense was incurred and the mayor was present.</p> <p>Relevant transactions were reviewed against supporting documentation.</p> <p>The authorisation of credit card transactions was reviewed.</p> <p>We confirmed the mayor did not hold a council credit card.</p>
<p>Expense reimbursements</p>	<p>A review of expense reimbursements was performed across 30 employees and the mayor. Employees selected included those who work in the Mayoral Office and a selection of council employees who also support the mayor through the roles they hold.</p> <p>We reviewed reimbursement transactions where it was evident the expense involved the mayor, e.g. expenses incurred by the individual on behalf of the mayor and/or where an expense was incurred and the mayor was present.</p> <p>Relevant expenditure was reviewed against supporting documentation.</p> <p>The authorisation of relevant expenditure was reviewed.</p>
<p>Mayoral Office expenditure</p>	<p>A review of expenditure incurred and paid by the Mayoral Office through the vendor payment channel was performed.</p> <p>We reviewed a sample of vendor transactions where it was evident the expenditure involved the mayor or was related to the mayor.</p>
<p>Foreign exchange expenditure</p>	<p>A review of all foreign exchange provided to the mayor for council international travel was performed.</p> <p>We reviewed, on a sample basis, the recorded foreign exchange used against supporting documentation.</p>
<p>Travel bookings</p>	<p>A review of all international and domestic travel bookings for accommodation and flights for the mayor and Ms Chuang was performed.</p> <p>We reviewed the bookings against supporting documentation. There were none for Ms Chuang.</p>
<p>Ms Chuang expense claims and payments</p>	<p>A review of all payments and expense claims made to Ms Chuang, her companies and her other trading names was performed.</p> <p>We reviewed the payments and claims against supporting documentation.</p> <p>The authorisation of payments was reviewed.</p>
<p>Annual Declarations of Interests</p>	<p>A review of the annual declarations made by the mayor was performed.</p> <p>We reviewed the annual Declaration of Interests.</p>

Scope area	Procedures performed
Gift registers	<p>A review of gift registers maintained for the mayor and the Mayoral Office was performed.</p> <p>We reviewed the entries made on the registers and reconciled the entries to known gifts received through our other procedures performed.</p> <p>This review was not intended to be, nor could it be, a review of the completeness of the gift registers maintained by the Mayoral Office and mayor.</p>
Ms Chuang and relevant appointments and contracts with council	<p>A review of the contracts with, employment of and appointment of Ms Chuang was performed.</p> <p>We reviewed the EPAP appointment process and supporting documentation.</p> <p>We reviewed the New Lynn Night Market contract awarding process and supporting documentation.</p> <p>We reviewed the short term contract awarded by the Howick Local Board and supporting documentation.</p> <p>We reviewed the contracting for translation services and supporting documentation.</p> <p>We reviewed the Auckland Art Gallery reference process and documentation.</p> <p>We reviewed other employment applications lodged by Ms Chuang to the Auckland Council Group.</p>
Mayor reimbursements	<p>A review of reimbursements made to council by the mayor was performed.</p>
Council and elected member policies	<p>We read the following policies provided by council:</p> <ul style="list-style-type: none">▪ Code of Conduct: Elected Members▪ Elected members' technology policy and guidelines▪ Fleet vehicle policy▪ Elected members' expense rules▪ Civic gifts policy▪ Mobile phone device policy▪ Gifts and inducements policy

Appendix Two - Glossary

Reference	Description
ATEED	Auckland Tourism, Events and Economic Development Limited
Chief Executive	Mr Doug McKay
Chief of Staff, Mayoral Office	Mr Phil Wilson
Council	Auckland Council
Custodians	User of an Auckland Council email account
Democracy Services	A department of Auckland Council that supports elected members
Elected members	All elected members of the council including governing body and local boards
EPAP	Ethnic Peoples Advisory Panel
International Relations	A department of Auckland Council that supports international relations
Mayoral Office	Council support services directly related to the fulfilment of mayoral duties and responsibilities housed at the Town Hall.
Ms Chuang	Bevan Ka Yan Chuang
NZTA	New Zealand Transport Agency
Office of the Mayor	Council employees working in the Mayoral Office
The Edge	A part of Regional Facilities Auckland Limited
The mayor	His Worship Mr Len Brown
The period	The period of this review being 1 November 2010 to 21 October 2013
RMB	China currency (yuan renminbi (CNY))

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