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Wendy Walker
Chief Executive
Porirua City Council
Via e-mail wendy.walker@porirucity.govt.nz

10 October 2019

Mayoral fuelcard expenditure

Dear Wendy

Background

You have requested that we undertake agreed assurance procedures in respect of six specific transactions on the Mayor's fuelcard statements. These six transactions were identified by Council staff as reflecting a different pattern of Mayoral travel than was standard.

We reported to you in our letter dated 4 October 2019 that in the absence of further, more detailed information from the Mayor that we would be unable to complete the originally requested assurance procedures. On 7 October 2019 you received the more detailed information from the Mayor. You have asked that we perform specific additional assurance procedures in relation to the information you have received from the Mayor and report our factual findings to you.

This report relates to your request that we undertake the agreed assurance procedures.

Scope of procedures

Our agreed assurance procedures have been limited to the following:

- ▶ Meet with the Mayor to understand the process and information sources used in compiling the schedules of events attended by the Mayor and associated mileage during the periods covered by the transactions identified by PCC for further scrutiny
- ▶ Using our professional judgment, we selected a sample of items included in the information provided by the Mayor on 7 October 2019. We agreed the information contained therein to the sources advised by the Mayor as being used in compiling the schedules of events attended by the Mayor and associated mileage during the periods covered by the transactions identified by PCC for further scrutiny
- ▶ Compare the information provided by the Mayor on 7 October 2019 to the content of the Mayor's diary and meeting attendance records provided to us by Council to assess whether the time of day is consistent.

These procedures were performed solely to assist you in evaluating the reasonableness of the costs incurred through use of the Mayors fuelcard.

Attached as appendix 1 is a schedule of the information provided to you by the Mayor together with the results of our additional assurance procedures as they relate to the judgementally selected sample of items. We provided a draft of Appendix 1 to the Mayor to confirm it accurately reflects the information he provided.

Factual findings and observations

Process

We met with the Mayor and his adviser at 3.30pm, 8 October 2019. The Mayor and his adviser described the process used to compile the tables of information summarised in the attached appendix 1. The compilation approach involved use of diaries, social media posts and date / time stamps on photographs to create a record of events that were attended by the Mayor during the time between the refuelling transactions for which he has been asked to provide this additional information.

We requested travel records from the Mayor covering the time periods below on 30 September 2019:

- ▶ 31 August 2019 - 2 September 2019
- ▶ 28 July 2019 - 30 July 2019
- ▶ 22 July 2019 - 24 July 2019
- ▶ 2 July 2019 - 4 July 2019
- ▶ 30 June 2019 - 2 July 2019
- ▶ 25 June 2019 - 27 June 2019.

We received the information pertaining to the period 2 July 2019 - 4 July 2019 at 3.54pm on 9 October 2019. Information in respect of the other requested time periods was received on 7 October 2019.

To minimise delays to similar information requests in the future PCC could benefit from:

- ▶ An agreed procedure between the Mayor and Council officials regarding the nature of information and record keeping that is expected to be available to support the efficacy of the costs being incurred by Council.
- ▶ The Mayor has been able to compile additional information requested in support of the queried transactions but had not maintained records in a manner that readily enabled such information to be provided. Given the public interest in public entities being able to defend expenditure of public monies standard processes should be implemented to capture this type of information in a timely manner.
- ▶ We understand that the Mayoral vehicle is one of a few in the PCC fleet without GPS technology enabled. GPS technology would capture more accurate information that can be independently validated.

Sample of items

Two categories of travel account for approximately 64% of the mileage included appendix 1. This travel relates to trips to Palmerston North to collect the Mayors infant child and travel associated with transporting the Mayors son to [REDACTED] where he is in attendance. We have discussed the time of day for these trips directly with the Mayor. Based on our analysis of the Mayor's diary, this travel aligns with other time commitments. We were provided with photographs which indicate the Mayor was with his infant child immediately following the trips to Palmerston North, including a photograph of the Mayor and his infant in attendance at a function on 27 June 2019.

We independently selected a sample of 7 items from Appendix 1, excluding the travel associated with the items discussed in the preceding paragraph. Our selection was across each of the 6 refuelling transactions for which the Mayor has provided the additional detailed information. In relation to each item selected we were provided with access to the source of the information used by the Mayor to compile the information contained in Appendix 1. Our findings are recorded on appendix 1.

The 7 items specifically sampled account for 287 kms out of a total 2,848 kms in Appendix 1.

We have analysed the Mayor's estimate of mileage associated with several entries in Appendix 1 using Google maps. While Google maps assumes a route that may not replicate the Mayor's travel, we do not have GPS records for the Mayor's precise route, the estimated mileage provides a reasonable comparison for validation. All such items reviewed by us are noted in appendix 1.

We also analysed typical fuel consumption for the Mayor's vehicle, a 2018 Holden Captiva. Based on our analysis and strictly on our procedures performed, the Mayor's mileage was estimated consume fuel at a rate of 12.7 litres per 100 kms. This is consistent with publicly reported fuel consumption estimates for this model of vehicle.

Limitations

We have undertaken these additional assurance procedures at your request. Our work has been conducted under the general terms and conditions expressed in the external audit engagement agreement dated 18 November 2016. While these procedures have been undertaken on the basis of the terms and conditions contained in our audit engagement agreement they do not constitute an audit or a review engagement and therefore we do not provide an assurance opinion.

Because the procedures do not constitute either a reasonable or limited assurance engagement in accordance with auditing, review or other assurance engagement standards issues by the New Zealand Auditing and Assurance Standards Board ("NZAuASB"), we do not express any conclusion and provide no assurance. Had we performed additional procedures, or had we performed an audit or a review in accordance with auditing, review or other assurance engagement standards issued by NZAuASB, other matters might have come to our attention that would have been reported to you.

You are responsible for judgements regarding the sufficiency of the additional assurance procedures we have been requested to perform.

Reliance on this Report and Restriction on Use

Neither this report nor any part of it may be published or distributed other than for the specified purpose without obtaining the written consent of Ernst & Young, unless disclosed in accordance with any law or by order of a Court of competent jurisdiction.

This report is intended solely for the use of Porirua City Council for the specified purpose set out above. As the intended user of this report, it is for you to assess both the procedures to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter. This report is restricted to those parties that have agreed the procedures to be performed with us (since others, unaware of the reasons for the procedures, may misinterpret the results).

We disclaim all responsibility to any party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of this report, the provision of this report to the other party or the reliance upon this report by the other party.

Yours sincerely



Grant Taylor
Partner

Attachment

Copy to: Tony Appleby, Sector Manager, Office of the Controller and Auditor-General

Appendix 1

The tables below reflect the additional information provided by the Mayor in relation to the 6 fuelcard transactions for which he was requested to provide this data. We have copied the data directly from the tables contained in the Mayor's e-mails to the Chief Executive of Porirua City Council. We have not altered or amended the data in any way with the exception that the data pertaining to the 2nd-4th of July 2019 which was provided in a handwritten form, has been entered into the table below.

The sample of items selected by EY for further scrutiny have been highlighted in yellow together with comments summarising the nature of the scrutiny we have been able to undertake.

Date	Trip	Km	Source of information / EY comments
Transaction 1 - 31 August 2019 - 2 September 2019			
31.08.19	Parliament national women's awards	50	Photo provided by the Mayor indicates this event took place on 30 August and therefore outside the time period.
	Flower Show Paramata	15	
	TBay bowls event (patron)	7	
	Plim rugby event	15	
1.09.19	Parliament church event	50	Source - from Mayor's calendar. The event was a church service in the Grand Hall at Parliament. The service focused on the Right to Life bill. Per Google maps, travel distance Titahi Bay to Parliament is circa 24.4 kms (one direction).
	Waitangirua church conf	15	
	██████████ wellington	30	Note 1 Per Google maps, travel distance Titahi Bay to Parliament is circa 28.6 kms (one direction).
	Elim Church	7	
	Palmerston North ██████████	250	Note 1 Per Google maps, travel distance Titahi Bay to Massey University campus in Palmerston North is circa 124.6 kms (one direction).
2.09.19	Office and misc	5	

Transaction 4 - 2 July 2019 - 4 July 2019		
2/7/2019	Gear homestead - Wellington Water	10
	Tairangi School	20
	T Bay Kohanga	7
3/7/2019	[REDACTED]	38
	Chamber of Commerce	10
	[REDACTED]	60
	[REDACTED]	250
4/7/2019	Police college	10
	Post Production Billy Graham boxing	64
	Misc	40

Note 1
Note 1

Photo provided of Mayor at the event celebrating post production of movie at Park Road Post in Mirimar. Per Google maps, travel distance Titahi Bay to Park Road Post is 31.5 kms in one direction.

Transaction 5 - 30 June 2019 - 2 July 2019		
Date	Trip	Km
30/06/2019	[REDACTED] Island Bay	60
	Palmerston North [REDACTED]	250
1/07/2019	[REDACTED]	60
	US Embassy Lower Hutt	50
	Plim Sports	15
	Titahi Bay Community Group	7
2/07/2019	Gear Homestead Violo	10
	HLC community engagement	20

Note 1
Note 1
Note 1

In diary. Mayor provided official invitation for the Independence Day event



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Transaction 6 - 25 June 2019 - 27 June 2019			
25/06/2019	[Redacted]	60	Note 1
	Office		
	Waitangirua Mall Meeting	20	In Mayor's diary
	Palmerston North [Redacted]	250	Note 1
26/06/2019	Office	7	
	Arena ceremony		
	Committee meeting	60	Note 1
27/06/2019	Committee meeting		
	Meeting PM	7	Photo from Mayor's camera roll on phone.
	Whitiraia Lunch	60	Note 1
Note 1			
	Palmerston North	1,250	Travel required to collect infant child
	[Redacted]	570	Transport of child [Redacted]