



3 November 2017

To **{Insert Name}**

This is a generic letter sent to a variety of media agencies in response to a number of different requests submitted under the Official Information Act. We have “mapped” the content of those requests and we have endeavoured to cover all of the material you have requested. No doubt you will let us know if that is not the case.

Firstly we acknowledge that it has been frustrating for you not to have access to the information earlier. We were constrained in disclosing information while the employment process was ongoing, and since Dr Murray’s resignation we have been working to collate the information requested. It has taken us until today to be able to release the information due to the sheer volume of requests we have received, the detailed nature of those requests and the volume of material that it has covered. The fact that this was an employment matter between the Chief Executive and the Board has added an additional complexity to the access to information.

We are keen to be as transparent as we can be in the circumstances and with this letter we enclose a variety of information.

1. CEO expenses and receipts

Replacement spreadsheets detailing expenses for the State Services Commission (updated as at 31 October) will be loaded onto our website on Friday 3 November. The spreadsheets provide detail for the duration of Dr Murray’s employment at Waikato DHB. It is possible that there may be minor changes to these spreadsheets before they are submitted formally to the SSC (please see point 2 below).

Receipts and travel requests for Dr Murray will also be loaded on our website today. You will note that some names have been redacted. This mostly relates to Air New Zealand statements that contain the names of other staff members who travelled during the time period for unrelated matters. These names have been withheld as they are out of the scope of the request. Some receipts also contain the names of individuals (such as hotel and wait staff) and these have been redacted pursuant to s9(2)(a) to protect their privacy. We see no public interest in these names being disclosed.

There is some commentary on the travel requests that relates to the employment relationship between Dr Murray and the Board, these notes have been redacted pursuant to s9(2)(a) and 9(2)(ba) of the Act to protect the Dr Murray’s privacy and the confidential nature of the employment relationship.

One of the questions this letter will raise, is what expenditure was authorised and what was not, and how and when this occurred. We are not able to provide a comprehensive answer to that question due to the confidential nature of the employee / employer relationship. However in general it can be assumed that if a claim form has not been signed off the expenses to which it relates were not authorised. Some claim forms were completed after the event to ensure accurate records of expenditure and some claim forms were authorised retrospectively.



We have set out below amounts for CEO expenses for the relevant financial years (these amounts have not been discounted for the sums subsequently paid back or invoiced):

Year ending June 2015 (includes \$50k relocation)	\$80,896.55
Year ending June 2016	\$45,763.56
Year ending June 2017	\$91,506.34

Relocation expenses total approximately \$50K and cover flights, interim accommodation (June-December 2014) and shipping of household effects. Some of those receipts are not able to be provided today due to a delay in verifying their status for which we apologise and we hope to get these uploaded next week.

In October 2017 it was decided that going forward, expenses for the Chief Executive and his direct reports will be reported to the Board every month.

2. Repayment of money by Dr Murray

The DHB intends to recover from Dr Murray all unauthorised amounts charged to the DHB and since 18 May 2017 Dr Murray has repaid approximately \$30,000.00.

We will make the remaining amount public once we are able to. It is less than \$50,000.00.

3. Audit NZ Report

The audit being conducted by Audit New Zealand is ongoing as part of our regular annual audit. We therefore do not as yet hold this information, and the request is refused pursuant to section 18(e). We will reconsider the request once the information is provided to us by Audit New Zealand.

4. Investigation Report and information relating to the process undertaken by the Board

An important part of procedural fairness is the right to be heard. Fairness demands that a person be told the case to be met and given a chance to reply before a decision is made. In this case, the investigation report is in draft form. It was presented to Dr Murray but it does not take into account Dr Murray's views (if any) on that draft. We are therefore concerned that release of the document would encroach on Dr Murray's privacy, the confidential nature of the employment relationship and thereby interfere with procedural fairness.

We do accept that there is a public interest in the release of information to promote transparency, accountability and procedural fairness in government together with robust decision making. We have therefore set out below an indicative timeline and summary of the actions taken by the Board in managing the employment problem. This also includes detail on how the Board reached its decision to accept Dr Murray's resignation together with Minutes from the Board Meeting on 5 October 2017.

Summary

The Board sought, obtained and acted on legal advice at every stage of the described process.

Every decision was underpinned by the need to thoroughly investigate the issues that had been raised, while at the same time protecting Dr Murray's legal rights to

a fair process/natural justice/ privacy and the legal interests of the Board and its statutory obligations as a good employer and a public health organisation.

In making its decision to accept Dr Murray's resignation, the Board received privileged legal advice and carefully explored the risks and benefits of options available to it. Acceptance of the resignation meant the investigation was not completed, and the Board carefully balanced its interest in having a completed investigation into the employment problem against the risk of ongoing legal processes. Any legal action, regardless of the outcome, would likely cost the DHB a considerable sum of money, (and may have prevented the Board from being able to recruit a new Chief Executive while any legal processes were unresolved).

The DHB intends to recover from Dr Murray any unauthorised amounts charged to the DHB.

The Board was advised by legal counsel that nothing in the investigation amounted to criminal conduct that warranted referral to the police. However if evidence emerges that there are issues that should be referred to the police, or which requires some other action, the Board will act accordingly.

Indicative Timeline

June 7 2017 Senior staff alerted the Chair of the Board to concerns they had about Dr Murray's charging of expenses to the DHB.

June 8 Chair visited State Services Commission in Wellington to seek guidance about how to proceed.

June 12 Chair informed Director General of Health and the Office of the Minister of Health about the concerns having been raised.

June 19 Chair engaged external employment lawyer to provide independent legal advice.

June 19-30 Gathering of documents and information. Chair of Board briefed the Chair of the Audit Committee.

July 4 Chair of Board and Chair of Audit Committee met with Dr Murray to outline concerns and seek feedback.

Chair of Board reported to the Remuneration Committee by teleconference. The Committee asked for further checks to be made before deciding next steps.

July 17 Board Chair and Chair of Audit Committee again met with Dr Murray to get his responses to information gathered.

Remuneration committee again met by teleconference and decided that the full Board should be briefed and should recommend a formal independent investigation be undertaken.

July 19 Special Meeting of the DHB Board was held by teleconference with legal counsel in attendance. The Board delegated the Remuneration Committee to commission an independent investigation and oversee the process.

Early August External legal counsel instructed specialist Barrister to carry out the independent investigation.

September 22 As part of the ongoing investigation, the Barrister conducting investigation presented Dr Murray with a draft report which included proposed findings and sought his response.

September 29 Remuneration Committee met with legal counsel in attendance, and was informed that Dr Murray had made an offer of resignation.

Legal counsel briefed the committee on the content of the investigator's draft report.

The Committee recommended that the full Board accept Dr Murray's offer of resignation with immediate effect, on the basis that he agreed to repay all outstanding amounts.

October 5 A Special Meeting of the Board agreed to accept Dr Murray's offer of resignation.

5. Internal Correspondence (emails, memos etc)

Some requests have included in their scope, the correspondence that relates to Dr Murray's expenses and the employment problem. This information is withheld pursuant to sections 9(2)(a), 9(2)(ba), 9(2)(g)(i) to protect the privacy of individuals, the confidential nature of the employment relationship or the ability for public officials to express free and frank opinion. We have considered the public interest in the material and believe that this has been addressed by the disclosure of the documents and information with this letter.

You have the right to request the Ombudsman investigate and review our decisions on this matter. The Ombudsman's postal address is:

The Ombudsman
Office of the Ombudsmen
P O Box 10-152
WELLINGTON

Yours sincerely



Maureen Chrystall
EXECUTIVE DIRECTOR CORPORATE SERVICES