

Approved 17 March 2009

Sensitive Expenditure Policy

Purpose

1. This policy provides a set of principles and rules for managing expenditure which by its nature creates financial and reputational risk for the NZRAB.
2. The aim of the policy is to ensure that:
 - sensitive expenditure is incurred for business purposes only and does not provide private benefit to an individual staff member
 - sensitive expenditure can withstand audit, parliamentary and public scrutiny
 - decisions in approving / incurring such expenditure are made in a sound and defensible manner
 - a culture of probity is encouraged within the NZRAB.

Scope

3. Typically, sensitive expenditure is expenditure that:
 - could be seen as giving some additional private benefit to an individual office holder or staff member; or
 - is unusual or invites controversy.

Policy Principals

4. Sensitive expenditure decisions need to be made with a strict adherence to the principals and procedures set in this policy, reflecting a recognition among all officer holders and staff of the risks inherent in sensitive expenditure.
5. Sensitive expenditure decisions should:
 - be subject to high standards of probity and financial prudence
 - be able to withstand audit, parliamentary and public scrutiny
 - have a justifiable business purpose
 - preserve impartiality
 - be moderate and conservative, having regard to the circumstances
 - be transparent
 - be appropriate in all respects

Credit Cards

6. The use of NZRAB credit cards of itself involves financial and reputational risk. To mitigate these risks the following principles and rules shall apply.
7. Staff shall only be issued a NZRAB credit card if it is required for their duties. Credit Cards can not be issued to a contractor.
8. Card issue authorisation must be in accordance with the Delegated Authority & Responsibility Schedule.
9. Credit cards are not to be used for personal expenditure or for personal credit. Credit cards cannot be used to obtain cash advances unless special prior approval has been obtained from the Chair and it is strictly business related and cannot be addressed in any other way.
10. All credit card expenditure must be supported by original GST-acceptable documentation that details the transaction's date, value and business purpose and the names of the persons who have incurred the expenditure.
11. Credit cards must be destroyed and made unusable and the appropriate providers advised to cancel the credit card when a staff member leaves employment or authority to use a credit card is withdrawn. When credit cards are lost the appropriate authorities must be advised immediately to cancel the credit card. Authority to use a credit card shall be cancelled immediately if a NZRAB credit card is misused.
12. Credit card payments over the internet must be to established reputable suppliers. The card holder must keep a copy of any online order forms as evidence and the transaction must be within the normal expenditure guidelines.

Travel & Accommodation

13. Spending on travel and accommodation must be:
 - for justified business purposes
 - be moderate and conservative
 - be economical and efficient, having regard to purpose, distance, time urgency, personal health, security and safety.

Air Travel

14. Where possible, air travel should be booked well ahead to reduce costs.
15. Economy or discounted economy is to be used for travel up to 4 hours of uninterrupted flight duration. Business class may be used for uninterrupted flights of longer than 4 hours. First class travel is not to be used.
16. Air points earned by individuals while travelling on business are owned by the individual.

Meals and Accommodation while travelling

17. Meals purchased when out of town or working after-hours on NZRAB business must not be lavish and expenditure can be claimed on the basis of what is fair and reasonable, receipts being required.¹ Mini bar expenses will not be reimbursed.
18. Accommodation must be cost-effective, taking into account the geographic location of the accommodation relative to where staff are working. A claim can be made when staff stay with friends or relatives up to the limits set for public servants.

Motor Vehicles

19. Rental cars must be economical and of a size consistent with the requirements of the trip eg the distance and number of people travelling. Drivers are liable for all fines (parking or traffic offences).
20. Private use of a rental car at NZRAB's expense is not permitted.
21. Taxi use must be moderate and cost-effective. Taxis costs between home and office are not claimable, unless the employee has worked past a reasonable hour or there is a safety concern or similar justification and prior approval has been given where practicable.
22. Use of private vehicles must have prior approval before costs can be claimed. Private vehicle costs can be claimed up to the limits set for public servants. All claims for private vehicle mileage must detail the business purpose, kilometres claimed and travel details.

Other Travel associated costs

23. Tipping in New Zealand is not claimable. Tipping overseas is claimable, but must be modest.
24. Staff may undertake private travel before, during, or after business travel provided there is no additional cost to the NZRAB and the private travel is incidental to the business purpose of the travel.
25. No costs can be claimed by an accompanying spouse, partner, or family members except in rare pre-approved circumstances where the involvement of a spouse etc. directly contributes to a clear business purpose.

Hospitality expenditure

26. Catering and other costs incurred in connection with stakeholder liaison or team building within the NZRAB must be appropriate to its business purpose, such as:
 - building relationships that are important to the NZRAB

¹ See Cabinet Office Circular CO (06) 08: *Fees Framework for Members of Statutory and Other Bodies Appointed by the Crown*, <http://www.dPMC.govt.nz/cabinet/circulars/co06/8.html>

- representation of the NZRAB
- reciprocity of hospitality where this has a clear business purpose and is within normal bounds
- recognising significant achievement
- supporting internal organisational or skills development.

27. In addition:

- all hospitality expenditure over \$500 must have the prior approval of the CE
- expenditure on alcohol must be modest.

Communications technology

28. All communications technology – cell phones, telephones, e-mail and the internet - must have a justified business purpose and is not exclusively or predominantly for personal use by staff. Modest personal use of this technology is accepted, so long as any costs incurred are recovered, where practicable.

29. Downloading or e-mailing of unacceptable or offensive material is not permitted.

Loyalty reward schemes benefits

30. All supplier loyalty rewards schemes except air points (ref to air travel guidelines) are the property of the NZRAB. If supplier loyalty rewards schemes accumulate under a staff name they are to be transferred to the organisation or used for the benefit of the organisation or the staff member shall reimburse the NZRAB for the value received.

31. Prizes won by an individual while representing the NZRAB are to be declined, unless there is benefit to the organisation.

Sale of surplus assets to staff

32. Surplus assets shall not be sold to staff if a greater value can be realised by an alternative method of disposal.

Private use of entity assets

33. As a general principle, the NZRAB's physical assets or resources are not to be used for any personal purpose. Staff shall pay for costs of any personal toll calls or calls by cell phone or photocopying and all such usage must be very modest.

Entity use of Private Assets

34. Staff may be reimbursed for the use of a private asset for a business purpose where purchasing a similar asset would not be warranted. The value of reimbursement must not inappropriately benefit the provider of the asset.

Private use of an entity's suppliers

35. Staff may not seek an advantage or a discount from a supplier because that supplier provides a service or materials to the NZRAB.

Sponsorships and donation

36. The NZRAB does not undertake sponsorships unless the outcome of the sponsorship is required for policy reasons and the sponsorship is the most economical way to achieve the outcome. Sponsorships to promote the NZRAB's reputation are not appropriate.
37. The NZRAB does not make charitable or other donations.

Koha

38. Koha is a gift, a token, or a contribution given to provide a symbolic recognition of a relationship.
39. Koha shall only be given when it has:
 - a justified business purpose
 - is approved in advance
 - is modest and appropriate to the circumstances

Gifts

40. A gift is usually given as a token of recognition of something provided by the recipient – such as long or outstanding service by a board member or employee. A gift can also be received from another organisation
41. Gifts may be tangible objects or intangibles such as free access at a sporting event or privileged access to goods or services.
42. All gifts from the NZRAB must have a justified business purpose and be modest. Gifts must not imply any obligation or expectation of favour in return or be intended alter an organisation's or individual's decision-making.
43. Gifts of significant value from an outside party received by the organisation or by a staff member are the property of the organisation.