



# SENSITIVE EXPENDITURE POLICY

*Part of the Human Rights Commission's policy framework*



*Mana tangata – human dignity*

*Māia, tika, pono – courage and integrity*

*Whanaungatanga – relationships*

<b>Created:</b>	31 March 2021	<b>Last modified:</b>	14 June 2021
<b>Effective date:</b>	17 June 2021	<b>Next review date:</b>	17 June 2023
<b>Approval authority:</b>	Acting Chief Executive   Acting Manahautū	<b>Policy Owner:</b>	Manager – Finance and Business Services

I confirm that I approved this policy on 17 June 2021.



Tricia Keelan  
Acting Chief Executive | *Acting Manahautū*

## Policy purpose

1. The purpose of this Policy is to provide our people with a clear framework for reviewing, approving and managing sensitive expenditure<sup>1</sup>, and addressing any potential conflicts of interest or impropriety that may arise. The Policy provides a principles-based framework for sensitive expenditure practices. It clearly identifies the parameters within which the Human Rights Commission (HRC) and the Office of the Human Rights Proceedings (OHRP) shall authorise and incur expenditure of a potentially sensitive nature.

## Policy principles

2. Our guiding principles are:
  - a. The Commission/OHRP will take a Human Rights and Te Tiriti based approach. This includes allowing for a tangata whenua perspective and tikanga approaches to sensitive expenditure and travel issues. The application of tikanga (for example koha) in this document will be guided by our Tikanga Policy (under development by Ahi Kaa).
  - b. Our people will consider how expenditure may be perceived by a taxpayer and/or 'reasonable person'.
  - c. Our people will act with probity – i.e. to be honest, upstanding, impartial, responsible, and trustworthy, and to act in a way that maintains public confidence in the organisation.
  - d. As the organisation is dealing with 'public money', all expenditure will be subject to the standards of probity and financial prudence expected of a public entity and be capable of withstanding public scrutiny as justified and cost-effective business expenditure.
  - e. All spending will be transparent.
  - f. All sensitive expenditure will be subject to appropriate and robust authorisation and control processes.
  - g. The organisation will provide clear and specific guidance to managers and staff regarding appropriate sensitive expenditure practices, through an appropriate policy framework and Sensitive Expenditure Guidelines.
  - h. The organisation promotes an environment where people are encouraged to take a sensible approach - a lower cost option may take more time and not be sensible or appropriate in terms of work/life balance. Our people will use good judgement.

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<sup>1</sup> Any HRC/OHRP expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an employee or any third parties associated with the employee, that is additional to the operational benefit for the organisation.

- i. The organisation will think of the environment and sustainable options when purchasing or making decisions.

## Policy statements

- 3. The organisation is obliged to safeguard and use its resources in a responsible manner.
- 4. Our people must guard against actual or perceived conflicts of interest regarding the use of those resources. Due to risk of perceived or actual personal benefit to the employee arising from certain expenditure categories, such as travel, accommodation, gifts and hospitality, the Auditor-General defines them as 'sensitive' expenditure.
- 5. We expect our employees who are involved in arranging, making, or approving sensitive expenditure to:
  - a. do so only for HRC/OHRP purposes
  - b. exercise prudence and professionalism
  - c. not gain personally or financially from the expenditure
  - d. act impartially
  - e. ensure the expenditure is moderate and conservative in the context of the given situation.

## Policy application

- 6. All employees of the HRC/OHRP (see definitions on page 14), including temporary employees and contractors.

## Approval

- 7. The principle of approval by a more senior person, the 'one-up' principle, should be applied wherever possible.
- 8. Approval for all sensitive expenditure is subject to the following criteria:
  - a) has a justified and appropriate business purpose; and
  - b) is approved prior to the expenditure being incurred, whenever practical; and
  - c) is moderate, conservative and cost effective; and
  - d) complies with all applicable organisation obligations, principles, and policies; and
  - e) exhibits appropriate due diligence and probity; and
  - f) is subject to budget provision or a variation is approved; and

- g) does not pose any potential, perceived or real conflict of interest to the employee(s) involved, including direct or indirect benefits for any third parties associated with the employee(s).
- 9. Approval should only be given when the approving manager is satisfied that all the criteria in section 8 are met and the expenditure is within pre-approved budgets and within delegated and statutory limits. If an approving manager is in doubt as to whether the proposed sensitive expenditure is appropriate, they should consult the Manager - Finance and Business Services for advice.
- 10. The approver must be a person who will not benefit personally from the expenditure.

## Documentation

- 11. Documentation for sensitive expenditure should be accompanied by adequate original supporting documentation from third parties:
  - a) Expenditure of \$50 or more must be supported by an original tax invoice that details: the name and address of the supplier, the words 'tax invoice', the supplier's tax number, the date, a description of the goods and services supplied and the total cost.
  - b) Expenditure of less than \$50 must be supported by a tax invoice, or a receipt, or where these are not available, for example tips or vending machine purchases, provide documentation of the: date, amount, description and purpose of the expenditure, have a justified business purpose for the expenditure recorded, include identification of the recipient(s).

## Sensitive Expenditure Guidelines

- 12. These guidelines are to help make decisions related to sensitive expenditure. Where there is an amount specified, it should be seen as a maximum rather than a target. All dollar amounts include GST.
- 13. As part of our responsibilities as a Crown entity, all expenditure must be seen to be cost effective, and justifiable.
- 14. All expenses must be approved by the relevant manager and meet the 'one-up' principle.

Activity	Guidelines
Accepting gifts	<ul style="list-style-type: none"> <li>• As a general rule, gifts, hospitality or entertainment should not be accepted. To do so may be seen as placing employees under an obligation or the influence of a third party.</li> <li>• However, gifts may be accepted in certain circumstances:               <ul style="list-style-type: none"> <li>○ where different cultural traditions require the acceptance or exchange of gifts, hospitality or entertainment</li> <li>○ following a presentation or speech as a token of thanks</li> </ul> </li> </ul>

<b>Giving gifts</b>	<ul style="list-style-type: none"> <li>• The organisation may only provide gifts where there is a cultural expectation or official obligation to do so which aligns with a justifiable business purpose.</li> <li>• The purchase of gifts may be appropriate to acknowledge a community member's time commitment and effort in assisting with HRC/OHRP work, e.g. behavioural surveys or speaking at an event.</li> <li>• Before purchasing an acknowledgement, take into account the time commitment required, the level of involvement and whether any expenses have been incurred.</li> <li>• Advice should be sought from someone with the appropriate expertise in order to set the value of the gift.</li> <li>• In all cases, gifts should be modest and appropriate to the circumstances having regard to what is reasonable.</li> </ul>
<b>Hospitality and entertainment</b>	<ul style="list-style-type: none"> <li>• Hospitality and entertainment may be provided to external individuals or organisations for the following business purposes: <ul style="list-style-type: none"> <li>○ external stakeholder engagement</li> <li>○ building relationships</li> <li>○ representing the organisation</li> <li>○ reciprocating hospitality where this has a clear business purpose and is within normal bounds</li> <li>○ where there is a cultural expectation or official obligation to do so.</li> </ul> </li> <li>• When hosting guests or having meetings off-site with people who are official representatives of their organisations, there may be times when it is appropriate for the Commission/OHRP to pay for food or drink.</li> <li>• Costs should be reasonable - generally no more than \$15 per head.</li> <li>• For avoidance of doubt, 'coffee meetings' will only be reimbursed for a legitimate business reason for hosting an external guest off-site.</li> </ul>
<b>Koha</b>	<ul style="list-style-type: none"> <li>• The application of koha in this document will be guided by our Tikanga Policy (under development by Ahi Kaa).</li> <li>• Koha: He mea hoatu noa e te tangata ki tētahi atu, i runga i tana aroha, i tana whakaaro nui ki a ia.</li> <li>• Koha is defined as sensitive expenditure by the Auditor General.</li> <li>• Claims for koha should be consistent with traditional practices of tangata whenua.</li> <li>• Any decisions around koha should first be discussed with the Ahi Kaa Team to ensure any koha offered is appropriate for the occasion and/or event.</li> <li>• Koha should be requested from Finance and Business Services at least five working days in advance. Where this is not possible then koha payments will be reimbursed by the organisation.</li> <li>• For clarity koha should: <ul style="list-style-type: none"> <li>○ be approved by the Pou Arahi and discussed with the Ahi Kaa Team</li> <li>○ be pre-approved by a one up manager</li> <li>○ not exceed \$500, exceptions need pre-approval by the Chief Executive/Director of Human Rights Proceedings</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ be consistent with the organisation's purpose and character.</li> <li>• In most cases of koha it will not be possible to arrange an advance payment or receipt.</li> <li>• In these cases, koha claims must instead be clearly documented with the date, amount, description, approver/s and purpose.</li> </ul> <p><b>NOTE:</b> Where a similar cultural practice is being provided with a culture other than tangata whenua, the gift policy applies.</p> <p><b><u>Taonga as Koha</u></b></p> <ul style="list-style-type: none"> <li>• Taonga: He mea kei te tangata e mau ana, nōna ake, nāna ake rānei.</li> <li>• Tāonga are considered very special gifts of significant appreciation and acknowledgement.</li> <li>• Tāonga to be given as koha should undergo a tikanga process to be actioned by Ahi Kaa.</li> <li>• The Commission/OHRP does not and should never consider that one tāonga will fit all situations or circumstance. What might be considered a tāonga for one occasion or person may be totally inappropriate for another.</li> <li>• Ahi Kaa and the Chief Executive must be consulted in the selection and gifting of tāonga. The Chief Executive approves the cost of all tāonga.</li> </ul>
<b>Personal use of communication technology</b>	<ul style="list-style-type: none"> <li>• Communication technology usage, cell phones, telephones, email and internet must have a justified business purpose.</li> <li>• Minor and incidental private use of this technology is acceptable provided that it is in a manner consistent with IT policy and our code of conduct.</li> </ul>
<b>Private use of Commission/OHRP suppliers</b>	<ul style="list-style-type: none"> <li>• In general, staff may not seek an advantage or a discount from a supplier because that supplier provides a service or materials to the Commission/OHRP. However, in some cases a Commission/OHRP wide scheme may be provided to all staff if approved by the Chief Executive/ Director of Human Rights Proceedings. Private use must not be taken into account when choosing suppliers.</li> </ul>
<b>Professional memberships, registration fees and subscriptions</b>	<ul style="list-style-type: none"> <li>• Individual professional memberships, registrations and subscriptions may be paid for where it is required by or clearly relevant to the employee's duties.</li> <li>• Only one professional membership per person will be covered by the organisation. Any exceptions require Chief Executive/ Director of Human Rights Proceedings approval.</li> </ul>
<b>Rewards and recognition</b>	<ul style="list-style-type: none"> <li>• On some occasions it may be appropriate for managers to give their staff some kind of tangible recognition for good work done or long service recognition.</li> </ul>