

POLICY

SENSITIVE EXPENDITURE

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Review date : This policy will be reviewed no later than two years from the date of approval

Approval authority : Board | Contact person : Cynthia Brophy, Chief Executive

Approved by the Board on 22 February 2017

Human Rights Commission

Sensitive Expenditure Policy

Purpose

The purpose of this policy is to describe how the Commission (the Commission) and the Office of Human Rights Proceedings (OHRP) manages sensitive expenditure.

Scope

This policy applies to:

- all staff, temporary or permanent, employed by the Commission and OHRP on any basis in any country

It excludes:

- remuneration, bonus, severance or any other payments made through payroll

Where sensitive expenditure is covered by an individual's employment agreement that agreement will override this policy.

Definition of terms

Sensitive expenditure is Commission/OHRP spending that could be:

- perceived as giving a private benefit to an individual staff member, or
- considered unusual or controversial upon audit, parliamentary or public scrutiny or it falls outside the range of normal Commission activity.

Credit card has the normal meaning, but also applies to Commission taxi cards and equivalent cards used to obtain goods and services before payment is made.

Policy statements

The spending of public money requires a greater standard of care and clarity than other spending and sensitive expenditure needs to take into account public perceptions of appropriateness, efficiency and thrift.

Principles

Sensitive expenditure decisions must:

- 1 be subject to high standards of probity and prudence
- 2 be able to withstand audit, parliamentary and public scrutiny

- 3 have a justifiable business purpose and any private benefit must be incidental to this business purpose
- 4 be consistent with the Commission's purpose, operating model and character
- 5 be impartial
- 6 be transparent
- 7 be reasonable, having regard to the circumstances
- 8 be appropriate in all respects.

Approval and documentation

Sensitive expenditure will only be approved if:

- 1 it aligns with this policy and is appropriately authorised
- 2 the approver is a person who will not benefit personally from the expenditure
- 3 it is within budget or a variation is approved
- 4 it is appropriately documented (see next section below)

The principle of approval by a more senior person, the 'one-up' principle, should be applied wherever possible.

Documentation for sensitive expenditure should:

- 1 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 \$50 or less 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
- 2 have a justified business purpose for the expenditure recorded, if it has not been provided as part of third party documentation
- 3 include identification of the recipient(s), if it has not been provided as part of the third-party documentation.

Credit and purchase cards

Credit cards and purchase cards are common methods of payment for sensitive expenditure. The use of these cards has financial and reputational risk for the Commission/OHRP. Purchase card and credit card use must meet all the requirements for sensitive expenditure.

Entertainment and hospitality expenditure

This section sets out the expectations and responsibilities for Commission/OHRP staff:

- a when they are offered gifts, hospitality and entertainment
- b when they provide hospitality and entertainment
- c when they give gifts on behalf of the Commission/OHRP
- d when they give koha
- e for the purchase and consumption of alcohol.

Accepting gifts, hospitality and entertainment

As a general rule gifts, hospitality or entertainment should not be accepted. To do so may be seen as placing staff under an obligation or the influence of a third party. This means:

- a gifts, hospitality or entertainment should not be accepted from a supplier who is bidding for the Commission/OHRP's business or who could be expected to bid in any tender process being contemplated
- b staff must not ask for gifts, hospitality or entertainment
- c under no circumstances should a gift in the form of money be accepted. However, gifts may be accepted in certain circumstances:
 - i. where different cultural traditions require the acceptance or exchange of gifts, hospitality or entertainment. If they are offered in these circumstances, they may be accepted. If accepted they should be declared in the gifts register
 - ii. following a presentation or speech as a token of thanks, they may be accepted and if accepted should be declared in the gifts register if the value is greater than \$50
 - iii. in the case of infrequent and inexpensive gifts that are openly distributed by suppliers and clients, for example pens and calendars, which may be accepted and need not be declared
 - iv. inexpensive is defined as under \$50. Infrequent is not strictly defined here, since it depends on the circumstances, but an indication would be less than once a month
 - v. refer to the staff gifts, rewards and prizes section for further policy guidance
 - vi. staff leaving gifts need not be declared.

Hospitality and entertainment may be accepted in the following situations or for the following business purposes:

- a external stakeholder engagement, building relationships or representing the organisation
- b reciprocating hospitality where this has a clear business purpose and is within normal bounds
- c where there is a cultural expectation or official obligation to do so
- d infrequent and inexpensive hospitality or entertainment may be accepted and need not be declared. For example, a cup of coffee, paid for by an external party or a glass of wine at a function is part of normal business or custom.

All gifts, hospitality or entertainment over \$50, accepted by staff, must be declared in the gifts register.

Gifts accepted over \$50 belong to the Commission/OHRP, not the staff member. A manager may approve the retention of the gift by a staff member where appropriate.

Donations

Donations are voluntary payments made without expectation of receiving goods or services in return.

If a donation is appropriate it must be for the purposes consistent with the business of the Commission and the size of the donation is appropriate to the circumstance. Making a donation should not result in any counterpart obligation on individuals or the Commission other than to apply the donation to the purposes of the recipient.

Giving gifts

As a general rule, gifts should not be given to external individuals or organisations. Gifts must not imply any obligation or expectation of favour in return or be intended to alter an organisations or individual's decision making. However, the Commission/OHRP may provide gifts where there is a cultural expectation or official obligation to do so which aligns with a justifiable business purpose.

In all cases gifts should be modest and appropriate to the circumstances having regard to what wider society might think reasonable.

Giving Koha

Koha is an example of the reciprocity which is a common feature of much Māori tradition, and often involves the giving of gifts by visitors (manuhiri) to a host marae. Traditionally this has often taken the form of food although tāonga (treasured possessions) are also sometimes offered as koha. In contemporary society, koha often takes the form of cash or gifts.

The koha should reflect the mana of both the giver and the recipient, reflecting what the giver is able to give, and the esteem they hold of the person or group they are making the gift to - and hence plays an important part in cementing good relationships. Koha is a normal business expense with the associated rules for sensitive expenditure.

When presenting koha to marae or other Māori organisations it is appropriate to request a receipt. Koha, as a general rule, should be requested from Finance at least five working days in advance. Where this is not possible then koha payments will be reimbursed by the Commission.

Any decisions around koha should first be discussed with the Kaiwhakarite Matua or a member of the Kaiwhakarite team. The Kaiwhakarite team have the cultural expertise and experience to ensure any koha offered is appropriate for the occasion and/or event.

For clarity koha should:

- 1 be discussed with the Kaiwhakarite Matua or a member of the Kaiwhakarite team
 - 2 be pre-approved by a one up manager
 - 2 not exceed \$500. Any exception to this will need pre-approval by the Chief Executive
 - 3 support the Commission's business
 - 4 be consistent with the Commission's purpose, operating model and character.
- The Commission will reimburse koha paid in cash. In some instances, such as tangi (funerals), it may not be possible to arrange an advance payment or receipt.

Claims for koha should:

- 1 be consistent with custom, given the size and mana of the Commission's attendance
- 2 align with the principles for sensitive expenditure above
- 3 meet the requirements for sensitive expenditure approval above
- 4 be accompanied by adequate original supporting documentation, such as a tax invoice.

Giving or Gifting of Tāonga

Tāonga are to be considered very special gifts of significant appreciation and acknowledgement. Tāonga can take many shapes or forms and can range in cost from no dollar value to the upper financial threshold. It is important to remember that tāonga (in general) are not considered tāonga until they have gone through a process that applies extrinsic value which elevates an object from being something common to being something special, a treasure.

The gifting of tāonga is on a case by case basis. The Commission 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.

The Chief Executive must be consulted in the selection and gifting of tāonga and must be involved from the outset when thinking about gifting a tāonga. The Chief Executive approves the cost of all Taonga.

Providing hospitality and entertainment

Hospitality and entertainment may be provided to external individuals or organisations for the following business purposes:

- 1 external stakeholder engagement
- 2 building relationships
- 3 representing the organisation