

# **Waitomo District Council**

## **SENSITIVE EXPENDITURE POLICY (including Elected Members Allowances and Recovery of Expenses)**

<b>Adopted by:</b>	Council - 24 September 2024
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## INTRODUCTION | KUPU ARATAKI

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to a staff member, their family, or friends in addition to the benefit to the organisation. This spending, if not well managed, risks harming the reputation of an organisation. Waitomo District Council's Sensitive Expenditure Policy helps the organisation to responsibly manage public money by introducing strong controls and guidance, promoting integrity, impartiality, and transparency within the organisation.

A policy cannot cover every conceivable example of sensitive expenditure; good judgement and an adherence to principles is important to guide staff in their decision making.

The Policy is based on the Office for the Auditor General's recommendations for public organisations on sensitive expenditure.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of the Sensitive Expenditure Policy (the Policy) is to provide employees of Waitomo District Council (WDC) with a framework for entering into and approving sensitive expenditure.
2. The Policy applies to all Waitomo District Council employees, contractors when operating on WDC's behalf, and elected members. The term "employee" will be used to refer to employees, contractors of WDC, and elected members throughout.
3. The Policy also sets out rules for elected members claiming expenses and resources available to them during their term.
4. The provisions of the Sensitive Expenditure Policy apply to all sensitive expenditure as defined below.

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>Cost-Effective</b>	This means that spending is good value, taking into account both affordability and the value to the organisation.
<b>Employee</b>	Refers to paid staff of WDC, contractors when operating on WDC's behalf, and elected members.
<b>General Manager</b>	Refers either to a WDC general manager or the Chief Financial Officer, the Chief Information Officer, or the Chief Executive.
<b>Integrity</b>	Exercising power in a way that is true to the values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles.
<b>Impartiality</b>	Decisions based on objective criteria, rather than based on any sort of bias, preference, or improper reason.
<b>Immediate family</b>	A person's spouse or partner, parent, child, or sibling.
<b>Justifiable business purpose</b>	A reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered.
<b>Moderate and conservative</b>	Shall mean considering the circumstances of the spending and whether justifiable business purpose could be achieved at a lower cost.

<b>Proper authority</b>	The person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.
<b>Sensitive expenditure</b>	Any spending by an organisation that could be seen to be giving private benefit to staff in addition to the business benefit to the organisation.
<b>Transparency</b>	In this context, transparency is being open about spending and willing to explain any spending decisions or have them reviewed.
<b>Waitomo District Council (WDC)</b>	Shall mean the organisation established to administer Council affairs, conduct operations, and bring effect to Council policies and strategies.

## **POLICY | KAUPAPA HERE**

### **1. Sensitive Expenditure**

#### **1.1 PRINCIPLES OF SENSITIVE EXPEDITURE**

- 1.2 WDC is committed to responsible financial management and will act at all times in the best interest of ratepayers and residents. All sensitive expenditure decisions will:
- a) have a justifiable business purpose that is consistent with WDC objectives;
  - b) preserve impartiality;
  - c) be made with integrity;
  - d) be moderate and conservative;
  - e) be made transparently; and
  - f) be made with proper authority.

#### **1.3 APPROVAL OF SENSITIVE EXPENDITURE**

- 1.4 Sensitive expenditure incurred by employees is reviewed and approved by the employee's General Manager (GM).
- 1.5 Sensitive expenditure incurred by a GM, or those who report directly to the Chief Executive, is reviewed and approved by the Chief Executive.
- 1.6 Sensitive expenditure incurred by the Chief Executive is reviewed and approved by the Mayor and the Manager - Governance Support.
- 1.7 Sensitive expenditure incurred by the Mayor is reviewed and approved by the Manager – Governance Support and the Chief Executive.
- 1.8 Sensitive expenditure incurred by other Elected Members is reviewed by the Mayor and approved by the Chief Executive.
- 1.9 Approval of all types of sensitive expenditure is given:
- a) Only when the approver is satisfied that each of the principles of sensitive expenditure as defined above have been satisfied;
  - b) Wherever possible, before the expenditure is incurred;
  - c) Only within WDC's statutory limits; and
  - d) Subject to budget provision.

1.10 JUDGEMENT

1.11 In the absence of a specific rule for a given situation, approvers of expenditure will exercise good judgement by taking into account the principles of sensitive expenditure and the context of the situation.

**2. Travel**

2.1 All decisions regarding travel expenditure will be made in accordance with the Principles of Sensitive Expenditure.

2.2 Employees require written approval using the Application for Personal Development Form from their GM prior to booking or undertaking any travel for external training, courses, or conferences. Approval for Elected Members is covered by section 9 of this Policy.

2.3 Employees should consider technology-enabled solutions as opposed to travel in person where this is an option (e.g. joining a meeting on Zoom rather than in person).

2.4 Employees, but excluding Elected Members, will not be paid for travel time or time spent in attendance at meetings or training outside of their normal hours of work unless otherwise agreed.

2.5 DOMESTIC AIRFARES

2.6 Flights shall be arranged and booked by WDC's Executive Assistants, or other delegated staff, and paid for by the relevant GM's WDC credit card.

2.7 Domestic flights must be economy class and employees are, to the extent practical, expected to:

- a) Book flights as early as possible to ensure the most cost-effective fare is secured; and
- b) Select the most cost-effective flight available at the time of booking, taking into account the time of travel and time of event attendance.

2.8 Employees may amend or cancel a booking if there is a genuine business reason for doing so. If a booking is changed for personal convenience, all additional costs incurred will be paid by the employee.

2.9 If there is uncertainty regarding travel plans at the time of booking, employees should book the flexible fare.

2.10 INTERNATIONAL TRAVEL

2.11 The above provisions for domestic airfares apply to international travel, with the below additional requirements.

2.12 International travel must have prior written approval from the Chief Executive. Elected Members, including the Mayor's, overseas travel must have prior approval of the full Council.

*Class*

2.13 Flights will be booked as economy class, unless in exceptional circumstances where the Chief Executive may consider a higher class of travel. Consideration will be given to:

- a) Work schedule on arrival; and
- b) Personal health, safety, and security.

2.14 WDC will not pay for first class travel.

*Upgrades*

2.15 Upgrades offered by the airline may be accepted if there is no additional cost to WDC.

2.16 Employees may upgrade their airfare at their own expense. The cost of the upgrade must be paid for by the employee at the time of the upgrade.

*Passport, visas, and insurance*

- 2.17 Employees are responsible for organising and paying for their own passport.
- 2.18 WDC will pay for, and assist with obtaining, a visa required by an employee travelling for a genuine business purpose.
- 2.19 WDC may provide insurance for international travel.

*Stopovers*

- 2.20 WDC will not fund stopovers unless there is clear and genuine business purpose for doing so and with the prior written approval of the Chief Executive.

*Tipping*

- 2.21 WDC will reimburse employees for moderate and conservative tips when travelling internationally in countries where tipping is customary. A daily allowance will be determined by the Manager prior to departure, based on the country visited.

*Use of WDC telecommunications when travelling*

- 2.22 Please refer to the Acceptable Use Policy for guidance on use of telecommunications equipment while travelling for work.
- 2.23 It is the responsibility of the employee to arrange roaming for their mobile devices when travelling overseas via the WDC IT department. Failure to do so may result in any exceptional charges being reimbursed by the employee upon their return.

2.24 ACCOMMODATION

- 2.25 Bookings shall be made by WDC's Executive Assistants or other delegated staff.
- 2.26 Accommodation must be booked as early as possible in order to secure the best rate. To the extent practical, employees must select the most cost-effective accommodation, which should be mid-range in value, taking into consideration the proximity of the accommodation to the venue or destination and the associated time, safety, and cost of travel between both.
- 2.27 If the event that the employee is travelling for is being held at a particular hotel or motel, the employee may stay at that hotel or motel if this is cost-effective.
- 2.28 Room upgrades may be accepted if offered by the provider where there is no additional cost to WDC.
- 2.29 Accommodation should be charged directly to WDC via purchase order and invoice or payment by a WDC credit card. The employee must personally pay, or reimburse WDC, for any expenditure that is:
  - a) For alcohol, mini bar purchases, or pay-per-view movies; and
  - b) Above the maximum reimbursement limit for allowable items (see section 8).

*Amending or cancelling accommodation*

- 2.30 If an accommodation booking needs to be amended or cancelled, the employee is responsible for advising the provider at least 24 hours before check-in, wherever possible.

*Private stay*

- 2.31 Employees may choose to stay overnight with a friend or relative, rather than a hotel. Employees may claim reimbursement to cover the cost of reciprocal hospitality or koha to their hosts up to \$60 per night.

2.32 SPOUSE OR COMPANION TRAVEL

- 2.33 WDC will not pay for the travel expenses of a spouse, partner, or any other person accompanying an employee on business travel.

2.34 A spouse, partner, or companion may accompany an employee on a business trip at their own expense.

2.35 COMBINING LEISURE WITH BUSINESS TRAVEL

2.36 Employees may take annual leave and personal travel in conjunction with business travel, as long as the personal travel is incidental to the business travel. That is, there must be a clear business purpose, and this must be the primary reason for the travel. There must be no additional cost or loss of time to WDC.

2.37 GROUND TRANSPORT

2.38 Employees are expected to use the most cost-effective means of travel available, taking into consideration cost, time, value, and safety. WDC will reimburse employees for reasonable transportation costs they incur on genuine WDC business, including travel via taxi, bus, shuttle, rideshare, and other public transport.

*Fleet and private vehicle use*

2.39 Where employees require a car for travel, they shall use a WDC fleet vehicle. If a fleet vehicle is unavailable, the use of a private vehicle will be permitted with prior approval from the Chief Executive. Reimbursement for the use of a private vehicle will be made in accordance with the Inland Revenue Department's mileage rate or another rate if agreed to prior to travel.

*Rental vehicle use*

2.40 Employees may hire a rental vehicle when travelling on WDC business if it will be more cost-efficient than alternative transport options. The most economical type and size of vehicle, consistent with the requirements of the travel, will be hired.

2.41 All rental car charges will be charged directly to WDC.

2.42 Private use of a rental car hired for WDC business is allowed only under exceptional circumstances, with prior approval from the employee's manager and only if there is no additional cost to WDC.

*Parking and Traffic Offences*

2.43 WDC will reimburse employees for reasonable parking costs they incur while on genuine WDC business.

2.44 Employees are personally responsible for any parking, traffic, or vehicle related offences incurred while driving a rental or fleet vehicle.

2.45 TRAVEL MEMBERSHIP PROGRAMMES

2.46 WDC does not pay for airline club memberships costs (such as Koru membership) or any other loyalty programmes for air travel, accommodation, or rental cars.

2.47 Employees may collect frequent flyer programme benefits (such as Airpoints) when travelling on WDC business and may use these points for personal travel.

2.48 MEALS WHEN TRAVELLING

2.49 Where employees are required to stay away overnight for business purposes, meals will be reimbursed. Refer to the Sensitive Expenditure Guidance document.

2.50 If meals are a part of a conference registration or otherwise provided, the daily allowance will be appropriately adjusted to take account of this.

2.51 WDC will not reimburse any costs for alcohol purchases.

2.52 WDC recognises that this reimbursement amount may not be sufficient for international travel. The maximum reimbursement for international meal expense will be determined by the Chief Executive prior to departure, based on the country visited.

### **3. Entertainment and Hospitality**

3.1 WDC may provide food and hospitality where there is genuine business purpose, it is appropriate for the occasion, and cost-effective. All decisions regarding food and hospitality expenditure will be made in accordance with the Principles of Sensitive Expenditure.

#### **3.2 EXPENDITURE GUIDANCE**

3.3 Consideration should always be made in the first instance whether providing tea, coffee, and biscuits is appropriate and satisfies a requirement to provide hospitality for any event before any further catering is considered.

3.4 The Sensitive Expenditure Guidance document (575128) provides guidance on the meetings and events which WDC may fund catering for. When incurring expenses employees are expected to choose the most cost-effective option.

3.4 The organiser of any event or meeting where catering is provided should request attendees to RSVP to ensure the appropriate level of catering is provided.

3.5 Any expenditure outside of these guidelines is considered an exception and must have prior written approval from the Chief Executive.

#### *Meetings and meals*

3.6 Café meetings between staff will not be funded by WDC. Café meetings with external guests will be paid for by WDC only where it is appropriate to do so.

#### *Alcohol*

3.8 Except where the Chief Executive provides approval in advance, WDC will not pay for alcohol at any WDC meeting, event, or functions.

#### *Spouses and partners*

3.9 WDC will include provision for accompanying spouses or partners for catering of appropriate functions at the discretion of the Chief Executive.

#### *Documentation*

3.10 All food and hospitality expenditure must be supported by appropriate documentation including receipts, names of parties in attendance, and the reasons for the entertainment or hospitality.

### **4. Goods and Services Expenditure**

4.1 Any employee wishing to make a purchase on behalf of WDC needs to be aware of who within the organisation they must get approval from, prior to making the commitment. Purchases shall be made in accordance with this Policy and the Principles of Sensitive Expenditure and the Procurement Policy.

4.2 Wherever possible, goods and services that are purchased for WDC should be invoiced directly to WDC or paid using a WDC credit card. It is acknowledged that this is not always possible so employees will be reimbursed for genuine business expenses they incur that adhere to this Policy.

4.3 Employees may set up accounts with providers as required by their role, to purchase legitimate and approved goods and services. The employee is responsible for closing any of these accounts prior to leaving their employment with WDC.

### **5. Disposal of Surplus Assets**

5.1 WDC will follow a fair and transparent process when disposing of surplus assets.

5.2 The sale of assets to employees valued at over \$1000 must be reported to the Audit and Risk Committee.

### 5.3 INFORMATION TECHNOLOGY ASSETS (MOBILE DEVICES, LAPTOPS)

- 5.4 When an information technology asset is no longer of use to WDC, officers get approval from the Chief Executive to write off or dispose of these assets. In the case of disposal, the market value of the asset must be determined.
- 5.5 Where there is market value, these are able to be offered (at market value) to WDC employees in the first instance. Any remaining surplus assets, or those of no value, are then to be handed over to an electric recycling company for proper disposal and recycling. Any equipment with no data storage (e.g. printers and scanners) can be taken to the Te Kūiti Transfer Station.
- 5.6 Prior to selling or disposing of any written-off equipment it must be scraped for data.
- 5.7 All sale proceeds from the sale of surplus assets will be passed on to WDC.
- 5.8 The list of assets disposed of with Chief Executive approval is provided to the Finance Team who will dispose of the assets from the asset register.

### 5.9 FURNITURE AND OTHER ASSETS

- 5.10 When a furniture item or other similar asset is no longer of use to WDC, officers get approval from the Chief Executive to write off or dispose of these assets. In the case of disposal, the market value of the asset must be determined.
- 5.11 Where there is market value, these can be sold (at market value) to WDC employees or the community. Any remaining assets can be taken to the shop at Te Kūiti Transfer Station.
- 5.12 Where there is no, or very little, market value these unwanted items will be taken to the shop at the Te Kūiti Transfer Station. This ensures a fair and transparent sale of the item at minimal administrative cost to WDC.
- 5.13 Surplus furniture or similar assets may be donated to Waitomo District schools or community groups at the discretion of the Chief Executive.
- 5.14 All sale proceeds from the sale of surplus assets will be passed on to Waitomo District Council.
- 5.15 The list of assets disposed of with Chief Executive approval is provided to the Finance Team who will dispose of the assets from the asset register.

## **6. Gifts, Koha, and Donations**

- 6.1. All decisions regarding expenditure on gifts, koha, and donations will be made in accordance with the Principles of Sensitive Expenditure.

### 6.2. RECEIVING GIFTS, KOHA, AND DONATIONS

- 6.3. Gifts, koha, or donations will not be accepted if acceptance could be perceived as influencing any WDC decisions, now or in the future.
- 6.4. If a gift, koha, or donation is offered or received, the employee must advise their GM as soon as possible.
- 6.5. Gifts with an assessed value of \$100 or less may be kept by the employee, with the approval of the employee's GM. Gifts valued over \$100 must be reported to the Chief Executive who will determine how the gift will be used. This may include:
  - a) Using the gift, koha, or donation for WDC activities, such as at social events;
  - b) Keeping the gift, koha, or donation for display in a WDC office; or
  - c) Returning the gift, koha, or donation (where this will not cause offence).
- 6.6. Gifts of any value should be declared to Human Resources.

#### *Gift register*

- 6.7. WDC maintains a Gift Register that records all gift, koha, or donation offered valued over \$100, regardless of whether it was accepted.

*Culturally significant gift*

- 6.8. Under exceptional circumstances and where a gift is of cultural significance, an employee may be able to personally keep a gift valued over \$100, at the discretion of the Chief Executive.

*Infrequent and inexpensive gifts*

- 6.9. Employees may personally acquire infrequent and inexpensive gifts that are openly distributed by suppliers and customers (e.g. pens, badges, calendars, etc.). These gifts do not need to be logged on the Gift Register if their value is under \$100.

6.10. GIFTS, KOHA, AND DONATIONS TO EXTERNAL PARTIES

- 6.11. Gifts, koha, and donations are given voluntarily on behalf of WDC, and without expectation of anything in return

*Donation*

- 6.12. There are circumstances where it is appropriate for WDC to fund a gift or donation to an external person or organisation where there is a clearly identified relationship between WDC and the recipient. This must be justified in terms of the ordinary business of WDC. Appropriate circumstances include, but are not limited to:

- a) An individual or organisation who host a WDC employee or elected member; and
- b) An individual who is asked to speak at a WDC event (that is not paid to do so) to cover travel costs.

*Koha*

- 6.13. Gifts of koha by WDC must reflect the occasion and be appropriate in cultural terms. Appropriate circumstances include, but are not limited to:

- a) Tangihanga;
- b) Attendance at an event/meeting;
- c) For use on or for a marae; and
- d) Support for pōwhiri, mihi whakatau meetings, or other events.

- 6.14. In some situations it is appropriate for koha to be given in the form of gifts appropriate to the giver or department being represented (e.g. books or plants). In other circumstances it may be more appropriate to give koha in the form of money.

- 6.15. Where a group of people are attending an event on behalf of WDC, only one koha should be given on behalf of the group.

- 6.16. When koha is given in the form of money, if it is not possible to pay this into a bank account, an employee may pay this using petty cash kept by the Finance Team.

*Approval*

- 6.17. All koha and donations must conform to the guidance issued by the Inland Revenue Department. This acknowledges that koha is a gift or contribution that is usually a discretionary and unreceipted expenditure.

- 6.18. The amount given on behalf of WDC should be reflective of the occasion and should not exceed \$500. All gifts, koha, or donations must be given prior written approval by a GM, or in the case of cash, the Chief Executive, via a Koha and Gift Request Form. The Chief Executive may approve amounts greater than \$500 in exceptional circumstances.

- 6.19. WDC requires gifts, koha, and donations to be:

- a) Lawful in all respects;
- b) Disclosed in the aggregate in the annual report;
- c) Made to recognised organisations (not individuals) by normal commercial means;

- d) Not in cash (unless as a koha and with the express approval of the Chief Executive or a GM); and
  - e) Non-political.
- 6.20. PAYMENTS WHICH ARE NOT KOHA
- 6.21. Payments are not koha if they have a taxation implication and must be charged to the appropriate expenditure account and should not be given in the place of legitimate payment or remuneration. Non-koha payments include, but are not limited to:
- a) A payment for personal services – this creates an employee relationship and as a result PAYE must be deducted.
  - b) A payment for the provision of services or a fee for services – this is a business transaction, and the payment is treated by the IRD as taxable income to the beneficiary.
  - c) A payment for the use of marae premises involving accommodation, food, drink and/or other services that is strictly a business arrangement (where a marae is GST registered, such tax is payable by WDC in addition to the charge levied by the marae and is subsequently accounted for by the marae as GST input tax).
  - d) Any other payment that is not an unconditional gift – all such payments are assessable for tax in one form or another.
- 6.22. GIFTS TO WDC EMPLOYEES
- Farewell gifts*
- 6.23. WDC may contribute to a farewell gift for employees. The value of the gift will be based on the length of service. Guidance on the value of gifts is provided in the Sensitive Expenditure Guidance document (575128), the Chief Executive may, at their discretion, approve a gift of a greater value.
- 6.24. Where an employee has worked for WDC for less than one year, a gift will be at the discretion of the Chief Executive.
- Farewell celebration*
- 6.25. Where an employee has worked for WDC for more than a year, a farewell celebration can be arranged by each group. Catering should be arranged in accordance with Section 3: Entertainment and Hospitality with reference to the Sensitive Expenditure Guidance document.
- 6.26. Where an employee has worked for WDC for less than a year, a farewell celebration will not be organised by WDC. Employees are able to arrange their own celebration for departing team members at their own expense.
- Employee organised gift*
- 6.27. WDC employees may wish to arrange a private collection for a departing employee. This will be separate from the processes outlined above and treated as a separate gift.
- Other gifts and acknowledgements*
- 6.28. GM/ Manager Governance Support can authorise the purchase of a medium-sized bouquet of flowers or equivalent gift if an employee or Elected Member:
- a) has or adopts a child.
  - b) is hospitalised.
  - c) suffers a bereavement in their immediate family.
  - d) gets married.
- 6.29. Employees may choose to arrange a morning tea, lunch, or afternoon tea, bring a plate, and/or contribute to a gift, at their own expense for functions outside of this Policy (e.g. baby shower, birthdays).



### *Rewards and recognition*

- 6.30. WDC's Employee of the Month (EOM) initiative recognises positive and special contributions that are displayed on a regular basis by employees.
- 6.31. At WDC's End of Year Awards, held in December of each year, three awards are given to employees for Employee of the Year, Customer Service Champion, and Health and Safety Champion.
- 6.32. Criteria and gifts awarded are outlined in the Reward and Recognition Guidelines (179524).

### *Long-term service*

- 6.33. Employees achieving ten years of continuous service to WDC will have that significant length of service recognised. The value of a gift shall be moderate and appropriate and approved by the Chief Executive.

### *Monitoring and reporting*

- 6.34. Due to Fringe Benefit Tax (FBT) requirements, if gift expenditure on any one employee will exceed \$300 in a quarter, managers should notify the Finance Team before proceeding with the purchase.

## **7. Credit Card Use**

- 7.1. The following positions are authorised for the issue of a WDC credit card:
  - a) Members of the Senior Management Team
  - b) The Manager – Governance Support
  - c) The Mayor
- 7.2. The Chief Executive may authorise the issue of additional credit cards, or alter card limits, where it is considered necessary and appropriate to do so. The credit limit is to be set at the minimum amount necessary to enable the cardholder to undertake their duties.
- 7.3. The Manager – Governance Support shall maintain a register (774139) of all cardholders.
- 7.4. Upon approval from the Chief Executive, the Chief Financial Officer will arrange for the issue of a credit card.
- 7.5. VALID EXPENDITURE
- 7.6. WDC credit cards are to be used solely for the payment of business-related expenditure where credit card is the most efficient form of payment available including, but not limited to:
  - a) Travel;
  - b) Accommodation;
  - c) Training Courses;
  - d) One-off product or licence purchases; and
  - e) Vehicle Road User Charges.
- 7.7. All credit card spending should be done in accordance with the principles of Sensitive Expenditure.
- 7.8. ONLINE AND PHONE PAYMENTS
- 7.9. Online and phone payments should only be made to established and reputable organisations. A copy of the online order form and invoice must be retained to support the payment. Any online purchases must comply with WDC's normal purchasing procedures and the Procurement Policy.

7.10. INAPPROPRIATE EXPENDITURE

7.11. WDC credit cards must not be used for the following types of inappropriate expenditure:

- a) Personal purchases;
- b) Cash advances or cash reimbursement;
- c) Payment for any work attracting PAYE tax; or
- d) Court costs or fines, tax payments, personal services or any other inappropriate spending.

7.12. There may be exceptional circumstances where payments related to the above are required (e.g. overseas travel where cash advances are necessary). In these cases, an explanation is to be provided to the Chief Executive (or in the case of expenditure by the Chief Executive, to the Mayor), within two days of the expenditure being incurred.

7.13. WDC will not be liable for any unauthorised transactions incurred by the cardholder. In all cases the cardholder will be liable for the reimbursement to WDC of any inappropriate or unauthorised expenditure charged to a credit card. Inappropriate expenditure is deemed to be that specified in Paragraph 7.10 of this Policy.

7.14. MONITORING AND APPROVALS

7.15. An approval hierarchy for monthly credit card statement monitoring and authorisation, based on a one-up procedure, is as follows:

Position	Authoriser
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support
Senior Management Team Members	Chief Executive
Manager – Governance Support	Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive
Mayor	Chief Executive and Manager – Governance Support

*Note: Guidance from the Office of the Auditor General on sensitive expenditure states that it is essential there be no reciprocal arrangements for approving sensitive expenditure – therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.*

7.16. Where more than one cardholder is present (e.g. at a WDC function or travelling together), it is expected that the most senior employee will use their card for any expenses incurred.

7.17. A Mastercard Statement Authorisation Form (774151) shall be completed by all cardholders for every month where expenditure has been charged to their credit card. If no expenditure has been charged to their credit card for the month, no Authorisation Form is required.

7.18. Copies of all Mastercard Statement Authorisation Forms shall (at the Committee's discretion) be presented to the Audit and Risk Committee for monitoring and public transparency purposes.

7.19. ELIGIBILITY AND LIMITS

7.20. WDC credit cards may only be used for expenditure with a genuine WDC business purpose and may be issued to the following positions with the following card limits:

Position	Card Limit
Chief Executive	\$10,000
Members of the Senior Management Team	\$5,000
Manager – Governance Support	\$10,000
Mayor	\$5,000

7.21. EXPENDITURE DOCUMENTATION

- 7.22. All credit card transactions must be correctly coded by the cardholder for posting in WDC's accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.
- 7.23. All credit card transactions of more than \$20.00 in value must be supported by original documentation (tax invoices and/or receipts) to corroborate transactions.
- 7.24. Where supporting documentation is not available or has been lost by the cardholder, or the credit card transaction is less than \$20.00 and no supporting documentation is available (e.g. a carpark did not provide a receipt), a full description of the expenditure including dates, amounts and purpose must be included on the monthly Mastercard Statement Authorisation Form.
- 7.25. For all entertainment and travel transactions, all involved parties (if any) must be recorded along with the business purpose of the meeting. This is to ensure that all transactions can be appropriately reviewed by the authoriser, and to allow WDC to claim back the GST content of qualifying purchases. GST invoices (where relevant) shall be attached to the card statement prior to review by the authoriser.

7.26. PROCEDURE FOR SURRENDER OF CARDS

- 7.27. Credit cards will be cancelled when a cardholder's employment with WDC ends, their position changes to one without card holder authority, or at the Chief Executive's request.
- 7.28. An employee must hand in their credit card by the 20<sup>th</sup> of the month that is one month prior to their final day, or if not possible, on the same day that they hand in their notice.
- 7.29. The Chief Financial Officer will arrange for the card to be cancelled and will ensure that the card is physically destroyed. All final wage/salary payments will be approved upon return of the credit card.

7.30. PROCEDURE FOR LOST OR STOLEN CARDS

- 7.31. Cardholders are responsible for immediately reporting a lost or stolen card to Westpac Bank and WDC, Manager – Governance Support. If a card is lost or stolen overseas it must be reported to the nearest bank displaying Mastercard® and Cirrus acceptance marks or making a collect call to Westpac Bank in New Zealand.
- 7.32. Written confirmation of what happened when the card was lost or stolen must be provided to Westpac Bank within a reasonable timeframe. Full details (where, when, how) must be included, as the bank may need to relay these details to the Police.
- 7.33. A replacement card is to be arranged through the Chief Financial Officer.

## **8. Employee Expense Reimbursement**

- 8.1. Many expenses employees commonly claim reimbursement for are forms of sensitive expenditure. WDC will reimburse employees for expenses that directly relate to authorised WDC business and meet the requirements of the Principles of Sensitive Expenditure.
- 8.2. Authorised expenses must be approved by the appropriate delegated manager. No employee is permitted to approve reimbursement of their own expenses.

### *Meal Allowances*

- 8.3. See Section 2.48 'meals when travelling'.

### *Alcohol*

- 8.4. WDC will not reimburse employees (or allow charge back) for alcohol.

### *Accommodation*

- 8.5. In the event an employee requires accommodation, and it was not possible to book beforehand, the employee will be reimbursed for costs incurred that are in accordance with principles of this Policy.

*Hotel Mini Bars and Entertainment*

- 8.6. WDC will not reimburse employees (or allow credit card charge back) for items from hotel mini bars or pay-per-view movies.

*Private Stay*

- 8.7. If an employee chooses to stay overnight with a friend or relative, rather than a hotel, they may claim reimbursement of up to \$60 per night to cover the costs of reciprocal hospitality or koha to their hosts. Receipts are not required. The employee may still claim the meal allowance.

*Transport*

- 8.8. WDC will reimburse employees for reasonable transportation costs they incur while travelling on genuine WDC business, including travel via taxi, bus, shuttle, and other public transport. Employees are expected to use the most cost-effective means of travel available. Refer to Section 2 'Travel'.
- 8.9. There will be no compensation payable for travel time required over and above normal working hours.

*Personal Vehicle Use*

- 8.10. Refer to section 2.39
- 8.11. Reimbursement will be at a rate set by reference to the Inland Revenue Department's casual mileage rate.
- 8.12. Employees will not be reimbursed for any traffic or vehicle offences incurred while driving any work or personal vehicle for WDC business.
- 8.13. Mileage cannot be claimed by employees for use of private vehicles to and from work. This does not apply to elected members.,

*Parking*

- 8.14. WDC will reimburse employees for reasonable parking costs they incur while on genuine WDC business. Employees will not be reimbursed for parking fines or traffic offenses.

*Goods and Services*

- 8.15. Wherever possible, goods and services that are purchased for WDC should be invoiced directly to WDC or paid using a WDC credit card. WDC acknowledges that this is not always possible and will reimburse employees for all genuine business expenses they incur that adhere to the Principles of Sensitive Expenditure defined in this Policy.
- 8.16. Employees must have the prior approval from their manager before incurring any expenses for goods and services that are not explicitly defined within this Policy.

*Use of Personal Assets*

- 8.17. WDC may reimburse employees for their use of personal assets for WDC business, at the discretion of their General Manager. Circumstances where this may be approved include cost, convenience and availability where WDC would not fully use such an asset if it were acquired directly e.g. personal mobile phones, home telephones and computers.

*Clothing*

- 8.18. In exceptional circumstances, and with approval from their General Manager, employees may claim reimbursement for cleaning or repair of clothing required as a result of undertaking WDC business.

*Professional Memberships*

- 8.19. WDC shall pay for or reimburse employees for professional memberships or associations where there is a requirement for membership or a direct benefit to WDC. This is at the discretion of the Chief Executive and will be by written agreement.

### *Expense Claims*

- 8.20. Expense claim forms with all supporting receipts must be completed and submitted to Finance for payment within one month of incurring the expense where practicable.
- 8.21. GST receipts are required for all expenses, except where it is explicitly stated that this is not required within this Policy. EFTPOS receipts alone are not sufficient.
- 8.22. Expense claims for entertainment and hospitality must also include names of all people who attended and the reason for providing the entertainment/hospitality.
- 8.23. Mileage rates and expense amounts will be reviewed annually, or as new information comes to hand (e.g. changes to IRD mileage rates).

## **9. Elected Members Reimbursement**

- 9.1. From time to time, Elected Members incur expenses on the Council's behalf which need to be reimbursed. This reimbursement, and the use of Council supplied resources, applies only to elected members personally, and only while they are acting in their official capacity as Elected Members.
- 9.2. Expense claims for Elected Members are approved by the Mayor and the Manager – Governance Support, full original receipts are required.
- 9.3. Expense claims for the Mayor are approved by the Deputy Mayor and the Chief Executive, full original receipts are required.
- 9.4. Reimbursements will be made via the Council's payroll system. Tax free allowances are paid without deducting withholding tax, for example – communications allowance, mileage allowance. Taxable allowances are paid with withholding tax deducted.
- 9.5. In the case of vehicle mileage, travel time, communications and childcare, all limits set in this Policy shall not exceed the Remuneration Authority's Determination.
- 9.6. All expenditure that complies with this Policy will be approved on the condition that it can be met within relevant budget provisions.
- 9.7. SPECIFIC ELECTED MEMBER ALLOWANCES
- 9.8. In addition to the expense allowances that apply to all employees, elected members are entitled to reimbursement for the expenses below.

### *Exceptional Circumstances for Council Related Meetings*

- 9.10. WDC staff may arrange overnight accommodation for elected members when travel or business requirements do not allow for their return on the same day (e.g. if it is unreasonable for an Elected Member to travel to their home after a late meeting).

### *Communications Allowance*

- 9.11. Elected Members will be provided with a tablet or laptop for the purpose of receiving electronic information from WDC, including Council Agendas, for specific use at Council meetings.
- 9.12. Elected Members will be paid an annual Communications Allowance at the maximum amount allowable in the current Remuneration Authority Determination (paid fortnightly via the Payroll System). This allowance includes provision for the use of personal computer, printer, mobile phone, Council related toll and mobile phone charges, and internet connectivity/use.
- 9.13. This allowance does not provide for the use of a tablet or laptop where this has been provided.

### *Stationery and Consumables*

- 9.14. Elected Members will be supplied with reasonable amounts of stationery and printer consumables for Council business.

#### *Travel Time Allowance*

- 9.15. A travel time allowance will be paid to eligible Elected Members at the maximum amount as provided in the current Remuneration Authority Determination upon presentation of a signed Claim Form.

#### *Childcare Allowance*

- 9.16. A childcare allowance will be paid to eligible Elected Members in accordance with the current Remuneration Authority Determination upon presentation of a signed Claim Form and actual receipts.

#### 9.17. SPECIFIC MAYORAL ALLOWANCES

- 9.18. In addition to the expense allowances that apply to Elected Members, Mayors are entitled to reimbursement for the expenses below.

#### *Car*

- 9.19. In the event that the Mayor is provided with a WDC vehicle:
- a) That vehicle will also be available for his/her private use;
  - b) A deduction will be made from his/her salary as determined by the Remuneration Authority; and
  - c) Mileage will not be claimable.

#### *Travel and Conferences, Courses and Seminars*

- 9.20. The prior approval of the Chief Executive is required for travel within New Zealand for Council business, attendance at conferences/courses/training/events/seminars, and other purposes associated with the position of Mayor.

#### *Entertainment and Hospitality*

- 9.24. The Mayor may hold a WDC Credit Card to pay directly for any entertainment or hospitality expenses incurred while carrying out Council business.

#### 9.25. EXPENSES INCURRED BY ELECTED MEMBERS

#### *Conferences, Courses, Seminars and Training*

- 9.26. Attendance at a conference, course, seminar or training must contribute to the Elected Members ability to carry out Council business.
- 9.27. Attendance at these events when held in New Zealand must be approved by both the Mayor (or Deputy Mayor) and the Chief Executive,

#### *Entertainment and Hospitality*

- 9.29. Elected Members may be reimbursed for costs incurred when hosting official visitors to the Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to, tea and coffee and catering with meals. No elected member shall be reimbursed for alcohol purchases.
- 9.30. Such costs will be reimbursed upon presentation of a signed Claim Form and actual receipts.

## **10. Breach of this Policy**

- 10.1. A breach of this Policy may be considered to be serious misconduct. When there is reason to believe that violation of the Policy or any law has occurred, disciplinary action may be taken.