

## SENSITIVE EXPENDITURE POLICY

Taratahi Agricultural Training Centre QMS Component			
Category:	STAFF AND STUDENTS	Policy Number:	QMS 30
Title:	Sensitive Expenditure Policy	Date Approved:	18 Feb 2009
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### 1. PURPOSE

Taratahi spends public money, and all such spending must meet standards of probity that will enable it to withstand Parliamentary and public scrutiny.

Taratahi incurs expenditure, including sensitive expenditure to help achieve its objectives. The public expects that decisions to commit to, and make payments for goods and services should be subject to proper authorisation and controls.

It is therefore prudent that any expenditure that may appear to have some private benefit has clear policies and procedures surrounding it.

### 2. ORGANISATIONAL SCOPE

This is an organisational wide procedure and applies to discretionary expenditure where Taratahi staff, including the CEO, are the sole beneficiaries or are among the principal beneficiaries and where the nature or apparent purpose of the expenditure is not immediately, directly, or obviously work-related.

### 3. DEFINITIONS

“Sensitive expenditure” is expenditure that could be seen as giving some private benefit to an individual staff member that is additional to the business benefit of the expenditure. Travel, accommodation, and hospitality spending are examples of areas where problems often arise. It also includes expenditure that may be considered unusual for Taratahi’s purpose and/or functions.

### 4. RESPONSIBILITIES

Sign off and approval of all sensitive expenditure must be by the direct line manager of the staff member who initiates the expenditure and be consistent with the manager’s delegated financial authority.

Independent and senior approval of all discretionary expenditure is required and cannot be from any staff member who benefited from the expenditure.

The Chair of the Board, the CEO, and the Corporate Services Manager has the delegated authority to review all expenditure on discretionary items.

## **5. THE PROCEDURE**

### **5.1. Air Travel**

- 5.1.1. To the extent of being practical, air travel should be booked so the expenditure is the most cost-effective possible.
- 5.1.2. Discounted economy or economy class should be used for all journeys except where the distance or hours travelled, work schedule on arrival, or personal health, safety, or security reasons make business class preferable.
- 5.1.3. Airpoint membership should not influence the booking of flights.
- 5.1.4. Where airpoints are accumulated through a card/club membership, the individual member's is entitled to use these points for their own personal benefit.

### **5.2. Motor vehicles (Also refer to Policy 27)**

- 5.2.1. When a rental car is required for work purposes the most economical and fit for purpose type and size of rental car should be used. The driver, will be liable for any fines (parking or traffic offences) incurred while using a rental vehicle
- 5.2.2. Rented vehicles should be used when other means of transport are unavailable, impractical, or more costly.
- 5.2.3. The private use of a rental car is not permitted except in approved circumstances.
- 5.2.4. Taratahi will meet the cost of taxi fares and other local transport costs when used for business purposes. The use of taxis is to be moderate, conservative, and cost-effective relative to other forms of transport available. Taxi charges should be paid by the employee and claimed back.

### **5.3. Fleet vehicles (Also refer to Policy 27)**

- 5.3.1. Any private use of fleet vehicles must be pre approved by the Corporate Services Manger or delegate using the correct request form prior to its use.
- 5.3.2. The Corporate Services Manager sets down the charges and regulations for the use of Taratahi vehicles. These must be adhered to as part of the terms of use.
- 5.3.3. Speeding, parking tickets and other traffic offences are the driver's responsibility to pay; unless the fine relates to an aspect of the condition of the vehicle outside the driver's control.

### **5.4. Private Motor Vehicle Use (Also refer to Policy 27)**

- 5.4.1. Taratahi will not pay for travel by private motor vehicle where travel by other means is more practical and cost-effective.
- 5.4.2. Use of a private motor vehicle for business must be pre approved by management.
- 5.4.3. The driver and not Taratahi is to pay any fines (parking or traffic offences) incurred while using a private vehicle on Taratahi business.
- 5.4.4. A claim form must be signed and submitted when reimbursing staff for use of a private vehicle. The rates of reimbursement for private motor vehicle use are to be in line with public sector rates or be an agreed rate set by Taratahi.

## **5.5. Other travel issues**

### **5.5.1. Private travel linked with official travel**

Staff may be allowed to undertake private travel before, during, or at the end of travel paid for by Taratahi, if there is no additional cost and the private travel is only incidental to the business purpose of the travel.

### **5.5.2. Travelling spouses, partners, or other family members**

As a general principle, Taratahi will not pay travel costs of accompanying spouses, partners, or other family members. In the rare circumstances that involvement of a spouse directly contributes to a clear business purpose, spouses' travel will be paid but requires pre-approved.

## **5.6. Meals and alcohol**

5.6.1. Where staff are required to be away from Taratahi and home for business purposes Taratahi will pay for relevant meals and drinks which need to be purchased. All costs must be fair and reasonable.

5.6.2. Management must approve reimbursement of mini bar expenses.

5.6.3. Staff will not be entitled to make claims for meals that are paid for by another entity.

## **5.7. Accommodation**

5.7.1. Staff is to ensure that accommodation is appropriate, cost-effective, and safe and secure.

5.7.2. The selection and booking of accommodation shall not be influenced by any personal club membership.

5.7.3. When staff stays with a friend or relative rather than in commercial accommodation, a pre-agreed sum/gift (between the staff member and their manager) maybe paid and must be less than that of commercial alternative accommodation.

## **5.8. Catered Functions and Business Related Entertainment**

5.8.1. Individuals should be mindful of public and stakeholder perception when judging the appropriateness of the expenditure in this area.

5.8.2. On all occasions when expenditure related to functions attended primarily by Taratahi staff (e.g. functions for the purpose of recognition of staff achievements or teambuilding) must be pre-approved.

5.8.3. The standard and nature of the event must be appropriate for the occasion.

5.8.4. For business related entertainment attended primarily by external people, the most senior staff member present should pay the account on behalf of Taratahi from pre-arranged funds. If the staff member is using their own funds, they must then seek reimbursement with appropriate documentation including receipts.

## **5.9. Non-Monetary Recognition**

5.9.1. Non-monetary recognition can take many forms. Common examples at Taratahi may include cards and flowers, vouchers for restaurants, a bottle of wine or box of chocolates.

- 5.9.2. The budget manager to which the expenditure is to be coded, or in their absence, the Corporate Services Manager or CEO, must give prior approval for this type of expenditure.
- 5.9.3. On all occasions when expenditure of this nature occurs, staff must ensure that expenditure is made against the pre-approved budget and extravagance in cost or frequency and any actual or perceivable favouritism is avoided.

#### **5.10. Staff Welfare**

- 5.10.1. This includes marking occasions such as a welcome or farewell, expressing congratulations or sympathy, often in the form of cards, flowers, tokens, or small presents. The CEO, or delegate, attends to such expressions on behalf of Taratahi when that is appropriate.
- 5.10.2. On all occasions when expenditure of this nature occurs, staff must ensure that:
- expenditure is made against the pre-approved budget
  - cost is sometimes subsidised by contributions from colleagues
  - details are recorded – date, recipient, type, cost, occasion or event
  - the expenditure is demonstrably reasonable and appropriate to the event
  - inconsistency is avoided; that is, if for example the death of one staff member's parent is marked with a card and flowers, that practice should be observed consistently.

#### **5.11. Gifts**

- 5.11.1. Gifts cover a wide range of activities or items from seats at major sporting or cultural events to minor items of personal stationery. This policy covers not only gifts paid for by Taratahi, but also gifts given to staff members in their capacity as agents of Taratahi by third parties (that is, by suppliers, contractors, consultants).
- 5.11.2. On all occasions when expenditure of this nature occurs, staff must ensure that:
- expenditure is made against the pre-approved budget
  - cost is sometimes subsidised by contributions from colleagues
  - details are recorded – date, recipient, type, cost, occasion or event
  - the expenditure is reasonable, appropriate to the event and of a sound commercial decision making basis
  - extravagance and inconsistency are avoided; the reason for the gift should be clearly identified, reasonable, and justifiable.
- 5.11.3. Any gifts received by a staff member that could be seen as an attempt to influence a decision, or as a reward for making a particular decision are to be avoided.
- 5.11.4. Any gift with a value in excess of \$150 given by a third party to a member of the Taratahi staff shall be reported to the Corporate Services Manager for noting. Any such gift over this value may therefore be required to be redistributed by the Corporate Services Manager.

#### **5.12. Use of Taratahi Cell Phones for Private Calls**

- 5.12.1. Taratahi staff that are provided with a cell phone for work-related communications are expected to reimburse all significant private calls and text messages.
- 5.12.2. Taratahi will meet the cost of personal short calls of staff travelling out of town and overnight on Taratahi business.

### **5.13. Monitoring**

- 5.13.1. The Chair of the Board, the CEO, and the Corporate Services Manager has the delegated authority to review all expenditure on sensitive expenditure items. Reviewing sensitive expenditure is also part of the internal audit process. Any breach of this policy, if not satisfactorily explained, will be presented to the CEO for further action.
- 5.13.2. Any staff member who believes there has been sensitive expenditure of an inappropriate or extravagant nature should report this expenditure to the Corporate Services Manager for further investigation. The provisions of the Protected Disclosures Act apply. (refer Taratahi policy)