



## Group standard for money and assets/sensitive expenditure – what you need to know

As a publicly funded organisation, we need to be careful about how we spend money. The group foundation principles and standards in this document address the spending and receiving of money and include sensitive expenditure principles and non-negotiable rules.

These principles and standards are critical controls to support probity and financial prudence. They enable good judgement and make it clear to all staff across the council group what is and is not acceptable, and the non-negotiable behaviours expected to look after money and assets.

The group foundation principles and standards have been developed in accordance with the Controller and Auditor General, *Controlling sensitive expenditure: Guidelines for public entities 2007*.

Auckland Council and council-controlled organisations (CCOs) will develop their own guidelines and procedures to provide more detailed information that is tailored to meet the individual needs of each business. CCOs may also have detailed documents called “policies” addressing some of these areas and which are consistent with the group principles and standards.

### **Who this standard applies to**

This standard sets minimum requirements that apply to everyone who is working for the council group.

This standard does not apply to third parties or people engaged by the council group through a procurement contract where the terms of the contract negotiated differ from this standard for justifiable reasons.

This standard should be read together with the Council Group Procurement Policy.

### **Non-compliance**

We actively monitor compliance with this standard. It is expected that all people who work for the council group will comply with this standard, and disciplinary action may be taken against any person if the standard is breached.





### **Conflicts of Interest**

1. All decisions and actions made on behalf of the Auckland Council group must follow fair and consistent procedures and should deliver the best outcome for Auckland. Decisions must be free from bias or a predetermined outcome.
2. Conflicts of interest (actual, potential or perceived) must be informed to your manager immediately. If you are unsure, declare it.
3. All declared conflicts of interest will be held on a central register.

### **Gifts, entertainment and hospitality**

4. Gifts, entertainment or hospitality may be accepted on occasion but only where there is a justifiable business purpose to do so, and you have the approval of your people leader. They must be declared.
5. Gifts, entertainment or hospitality that are low value business courtesy items (e.g. coffee, muffins) may be accepted without the approval of your people leader, and do not need to be declared.
6. Tickets offered by a third party external to the council group must be treated as gifts.
7. No gifts or hospitality of any kind are to be accepted from the procurement or applicant during regulatory, procurement or tendering processes.
8. Complimentary passes/ tickets to events hosted by the council group are permissible, but the distribution process must be open and transparent and the details recorded.

### **Travel and accommodation**

9. Travel may only be undertaken when necessary, and when all other options (eg video conference) have been considered and ruled out.
10. The most cost effective option must be selected.
11. All international travel must be supported by the [ELT/SLT] member and submitted for approval by the Chief Executive before any travel arrangements are booked.
12. All domestic travel must be approved by a [tier 2] people leader or above.
13. Everyone must travel economy for travel of less than eight hours' duration.
14. For international travel of more than eight hours, people have two options:
  - Fly an economy class fare (e.g. Premium Economy) and travel a day earlier and stay overnight; or
  - Apply to the Chief Executive to travel business class if the person must work immediately.





15. No person may travel first class.

#### **Purchase cards (P-cards)**

16. Purchase cards are only for small business purchases where alternative payment methods are not appropriate. They should not be used where a preferred purchasing arrangement is in place (for example for catering or stationery).

#### **Purchase orders**

17. Stand-alone purchase orders should only be used for purchases where the purchases do not require a contract and the standard purchase order terms and conditions can be used – preferably with an existing supplier. The value of the purchase order requiring a contract will be determined by each organisation (Auckland Council or CCO) taking into account the relevant process controls in place.
18. The use of multiple purchase orders to cover higher expenses is not acceptable.

#### **Spending money**

19. Any expense or cost related to travel, employee reimbursement or P-Card spend that is considered excessive, or not for a genuine business purpose, and is made without the appropriate approvals, must be reimbursed to the council group by the employee responsible.
20. All suppliers are to be paid electronically by the most appropriate and cost effective method to maintain security and audit integrity.
21. No new engagements are to compromise existing contracts with existing suppliers where they are preferred to deliver the goods and services in question, unless the tender process is favoured by the advice of Procurement and other relevant stakeholders.