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| Purpose | To ensure that all sensitive expenditure is linked to the business of name of service. |
| Scope | This policy applies to all staff, including contractors, management and the Board members or Directors. All staff will be advised of the requirements of this policy on orientation to the service and ongoing as appropriate.  |
| References |
| Guidance | [Guidance from the Office of the Auditor General](http://www.oag.govt.nz/2007/sensitive-expenditure)  [IRD guide](http://www.ird.govt.nz/non-profit/np-donations/) |
| Service Documents | Travel PolicyKoha, Gifts and Donations PolicyCredit Card Use PolicyAsset Management PolicyFinancial delegationsIdentifying and managing conflicts of interest |
| Definition: Sensitive Expenditure | (Extract from Guidance by the Office of the Auditor General) “Sensitive expenditure” is expenditure by an entity that could be seen as giving some private benefit to an individual staff member that is additional to the business benefit to the entity of the expenditure. Travel, accommodation, andhospitality spending are examples of areas where problems often arise. It also includes expenditure by an entity that could be considered unusual for the entity’s purpose and/or functions. |

Sensitive expenditure decision making principles

Before the expense occurs

Board/Director(s)/management/authorised person

Is it in the budget?

Has a justifiable business purpose.

Could this expenditure be justified to a service user, funder or other interested party?

Preserve impartiality.

Maintain integrity and transparency.

Does the expenditure represent the best value for money?

Keep moderate, conservative.

How would the public react if this expenditure was reported by the media?

Consider the circumstances.

Consider that improper expenditure could harm the reputation of ……………

Would there be perceived to be any personal gain from this expenditure?

Does the expenditure benefit service users’ outcomes?

Does this expenditure occur frequently?

Expenditure processes

Each instance

Person responsible for accounts

* All items of sensitive expenditure will be approved prior to being incurred considering the principles outlined above.
* The Manager (or Board/Director) will have discretion to grant an exception to these principles only in exceptional circumstances.

Entertainment and Hospitality

Including functions for farewells

Private use of Loyalty Scheme Rewards

Koha, Gifts, Donations –

Including sponsorships

Types of sensitive expenditure

Reporting and monitoring

* Items of sensitive expenditure will separately reported to the manager (or Board/Director) where amounts exceed $ …….. or where the expenditure may be perceived as contentious.
* The total amount spend on sensitive expenditure will be monitored quarterly by the Board/Directors.

Accounting for expenditure

* A statement noting the business purpose of the expenditure.
* Attached supporting evidence, e.g. receipts or supporting documentation including the date, amount and purpose.

Approval

Private Use of Company/ Trust Assets

Including vehicles, computer/ laptops, photocopiers, etc.

Expenditures related to

Travel and accommodation

Sale of Surplus Assets





# Consultation

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| --- | --- |
| Group/Role | Date |
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