

Sensitive Expenditure (Elected Members) Policy

A policy to ensure that sensitive expenditure by elected members of the Wellington Regional Council is appropriate and justifiable.

Policy owner	The Council
Date policy comes into effect	The first working day following the date of adoption by the Council.
Related policies, legislation, and documents	The Council's <i>Code of Conduct for Councillors</i> The Council's <i>Policy on Elected Members' Allowances and Expenses</i> Annual Local Government Members Determinations issued by the Remuneration Authority Greater Wellington's <i>P-Card Policy</i> and <i>Vehicle Policy</i> (as specified).
Policy review date	By 31 March 2026.
Policy history	This policy was established in 2007 and was revised at the start of each subsequent council triennium.

Date of the Council's adoption: 18 May 2023

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Introduction

- 1 While it is necessary for the Council to commit to the expenditure of public money in order to achieve its objectives, there is heightened public interest when sensitive expenditure is involved. In particular, the public expects that:
 - a Any decisions the Council commits to, and any goods and services Greater Wellington makes payment for in relation to elected members, should be subject to proper authorisation and controls
 - b Any such expenditure must meet standards of probity that can withstand Parliamentary and public scrutiny.
- 2 This policy has been developed with reference to the Office of the Auditor-General's *Controlling Sensitive Expenditure: Guidelines for Public Entities* (October 2020).

Definitions

- 3 The following definitions are used throughout this policy:
 - a "Chair" refers to the Council Chair
 - b "Council" refers to the governing body of the Wellington Regional Council
 - c "Council business" includes the matters covered by the same definition in the Council's *Policy on Elected Members' Allowances and Expenses*. It does not include an event where the primary focus is on social activity or attendance is not in an official Council capacity (including electioneering)
 - d "Determination" refers to the Remuneration Authority's current Annual Local Government Members Determination
 - e "Elected member" or "Councillor" refers to a member of the Council elected under the Local Electoral Act 2001, and includes the Chair
 - f "Event" includes a conference, course, seminar, event, function or meeting that an elected member is attending on Council business
 - g "Greater Wellington" refers to the organisation, the Chief Executive appointed by the Council, and staff members appointed under the authority of the Chief Executive
 - h "Official travel" refers to travel by an elected member on Council business
 - i "Overseas travel" refers to travel from, outside of, and to New Zealand (and includes local travel at any overseas destinations)
 - j "Sensitive expenditure" is expenditure by Greater Wellington where:
 - i An elected member either directly benefits, or is perceived to benefit personally, from the expenditure that elected member has incurred whilst on Council business; and
 - ii That benefit is additional to the business benefit to Greater Wellington.

Scope

- 4 This policy covers the following areas where sensitive expenditure may occur during the course of Council business:
 - a Entertainment and hospitality
 - b Travel, accommodation, and meals and refreshments
 - c Goods and services
 - d Sponsorship, gifts, and koha
 - e ICT, travel time, mileage and childcare allowances¹.

Legislative requirements

- 5 This policy is designed to be consistent with the Determination. To the extent that this policy and the Determination may differ, the Determination take precedence.

Guiding principles

- 6 The Council takes a principles-based approach to controlling sensitive expenditure in relation to elected members. The principles are that these expenditure decisions must:
 - a Relate to an elected member's expenditure whilst on Council business
 - b Have Council business as the dominant purpose for the expenditure
 - c Preserve impartiality
 - d Be properly authorised
 - e Be made with integrity
 - f Be for expenditure that is moderate and conservative in the circumstances
 - g Be transparent
 - h Be for expenditure that is both actually, and perceived to be, appropriate (taking into account both the individual transaction and the total amount of sensitive expenditure in that area).

Payment for sensitive expenditure

Chair's P-Card

- 7 The Chief Executive may approve issuing the Chair with a purchase card (P-Card). The Chief Executive will determine the limit, which shall be the minimum amount necessary for the Chair to undertake the Chair's duties.

¹ The details and application of these allowances, including the eligibility criteria, are stated in the Council's *Policy on Elected Members' Allowances and Expenses*.

- 8 The Chair's P-Card may be used only by the Chair for expenditure relating to Council business that:
 - a Is moderate and appropriate in the circumstances
 - b Has acceptable original documentation to explain and corroborate the transaction (credit card statements are not acceptable)
 - c Is within the limit determined for the P-Card.
- 9 Use of the Chair's P-Card for personal expenditure, credit, cash advances, or for booking travel and/or accommodation is not permitted. Unintended use of the Chair's P-Card for personal expenditure must be immediately reimbursed by the Chair to Greater Wellington.
- 10 The Chair must keep all original documentation that records expenditure using the Chair's P-Card (including all itemised credit card receipts, GST invoices, or online order forms) to explain and corroborate each transaction. Within one week of receiving the P-Card statement, the Chair must process each item of expenditure in Greater Wellington's system. All P-Card expenses must be supported by itemised P-Card receipts, GST invoices, or online order forms.
- 11 P-Card purchases made by the Chair are approved by the Chair of the Finance, Risk and Audit Committee on the recommendation of the Chief Financial Officer. These approvers must validate that all expenses are in line with the Council's or Greater Wellington's policies relating to the appropriateness of the scope of expenditure and relevant dollar limits. The Chair's use of their P-Card is also subject to any applicable requirements of Greater Wellington's *P-Card Policy*.

Entertainment and hospitality

- 12 All sensitive expenditure decisions relating to entertainment and hospitality must, where relevant, be consistent with the guiding principles set out in clause 6.

Events, travel, accommodation, and meals and refreshments

- 13 Elected members may need to incur expenditure on events, travel, accommodation, and meals and refreshments while on Council business elsewhere in New Zealand or overseas. Such expenditure must:
 - a Be economical and efficient, having regard to the purpose, distance, time, and urgency for the travel;
 - b Support the Council's target to be carbon neutral by 2030 by reducing travel or choosing options that minimise carbon emissions;
 - c Consider the accommodation's location relative to the event; and
 - d Consider any personal health, security and safety considerations arising from the circumstances of the particular case.
- 14 Decisions on expenditure for events, travel, accommodation, and meals and refreshments shall be consistent with the guiding principles set out in clause 6 above, the Council's *Policy on Elected Members' Allowances and Expenses*, and this policy.

- 15 Before travelling, an elected member should consider what option is appropriate in the circumstances, including:
 - a Attending the event through an online format
 - b Using a mode of transport that minimises carbon emissions.

Overseas events

- 16 Participation by an elected member at an overseas event involves expenditure on overseas travel and related expenditure on accommodation, meals and refreshments.
- 17 Any elected member's participation at the overseas event and any related expenditure must have prior authorisation by a Council resolution in a public session. The report seeking approval for this participation and expenditure must outline:
 - a The overseas event, any stopovers, the purpose of this event and how this purpose relates to Council business
 - b When and where the overseas event is being held
 - c Any elected members proposed to attend
 - d The estimated expenditure involved (appropriately itemised)
 - e The benefits to the Council of any elected members' participation in the overseas event.

New Zealand events

- 18 Except for the situation in clause 21, the Chair's prior written approval is required for an elected member's:
 - a Participation at an event in New Zealand on Council business that requires expenditure by Greater Wellington
 - b Related expenditure on event fees, travel (including the use of a rental vehicle), accommodation, and meals and refreshments.
- 19 The prior written approval of the Chair of the Finance, Risk and Audit Committee on the recommendation of the Chief Financial Officer is required for the Chair's:
 - a Participation at an event in New Zealand on Council business that requires expenditure by Greater Wellington
 - b Related expenditure on event fees, travel (including the use of a rental vehicle), accommodation, and meals and refreshments.

Bookings

- 20 All event, travel, accommodation, and rental vehicle bookings by elected members on Council business should:
 - a Occur as far in advance as possible to ensure the related expenditure is cost-effective
 - b Be arranged by Greater Wellington.

Overnight commercial accommodation in Wellington

21 The Chief Executive may approve expenditure for an elected member's overnight commercial accommodation in Wellington only when the following criteria have been met:

- a The elected member is attending an event in Wellington; and

Either

- b The event finishes at an unsociable hour; and
- c The elected member is required to represent the Council early (before 9.00am) the next morning in a geographic location near to where the commercial accommodation is located;

Or

- d It is unsafe for the elected member to travel home in the circumstances.

22 All commercial accommodation must be of a standard that is moderate and conservative, having regard to:

- a The geographic location of the accommodation relative to where the elected member will be representing the Council the next morning
- b The standard of accommodation reasonably available
- c Any safety and security issues.

23 The Chief Executive will not approve or reimburse any accommodation expenditure where:

- a Any of the above criteria was not met
- b The elected member chooses to stay privately (e.g. with friends, relatives or colleagues).

Air travel

Class of air travel

24 Economy class travel must be booked for all air travel on Council business with the following exceptions:

- a The elected member agrees to meet the additional expenditure for a higher class of travel
- b The flight is of more than six hours duration and business class air travel for the elected member was authorised by the Council when considering the related report under clause 17.

Airline club membership

25 Greater Wellington may arrange an airline club membership for the Chair.

26 The Chair's airline club membership may accrue rewards for air travel on Council business. All such accrued rewards are the property of Greater Wellington and shall be used only for further travel by the Chair on Council business.

- 27 When the Chair leaves the Council, Greater Wellington will cancel the Chair's airline club membership and any unused rewards must be left to lapse.
- 28 The Chair must disclose any gifts derived through the airline club membership in accordance with the Council's *Code of Conduct for Councillors*.

Vehicle travel

Use of public transport

- 29 The related policy is stated in the Council's *Policy on Elected Members' Allowances and Expenses*.

Rental vehicles

- 30 Rental vehicles used by elected members on Council business shall be of the most economical type and size available given the terrain, weather, distance to be travelled and the number of people travelling.
- 31 Any rental vehicle shall only be used for the intended Council business. Private use of the rental vehicle is not permitted unless the elected member is away from home and on Council business before and after a weekend. In these circumstances, the elected member is permitted reasonable weekend use of the rental vehicle provided the elected member reimburses Greater Wellington for any additional expenditure incurred.
- 32 The elected member is liable for any parking fines or traffic offences incurred whilst the elected member is responsible for the rental vehicle.

Private vehicle use

- 33 The elected member is liable for any parking fines or traffic offences incurred by an elected member whilst using a private vehicle on Council business.
- 34 Any travel costs that Greater Wellington will reimburse for an elected member's use of their private vehicle on Council business:
 - a Shall be in accordance with the mileage allowance determined by Council (consistent with the Determination and the Council's *Policy on Elected Members' Allowances and Expenses*); and
 - b Dependent upon the elected member providing a signed claim form detailing the distance travelled and the Council business requiring the use of the private vehicle.

Chair's vehicle

- 35 The Chair will be eligible to be provided with a vehicle (which shall be a Petrol Hybrid Electric Vehicle or an Electric Vehicle) for the Chair's business and private use as part of the Chair's remuneration provided in the Determination and adopted by the Council.
- 36 If the Chair elects to have this vehicle available for private use, a deduction (as set in the Determination) will be made from their remuneration.

- 37 Other requirements for the use of the Chair’s vehicle are stated in the Council’s *Policy on Elected Members’ Allowances and Expenses* and applicable elements of Greater Wellington’s *Vehicle Policy*.

Taxis

- 38 Greater Wellington may provide taxi chits to elected members for travel on Council business when other transport options, such as public transport or an elected member’s use of their private vehicle, are unavailable or impractical.
- 39 Elected members may not use Greater Wellington taxi chits for personal travel.
- 40 Greater Wellington may provide the Chair with a taxi card issued in the Chair’s name, to be used for travel on Council business when use of the Chair’s vehicle or public transport is unavailable or impractical. Use of this taxi card for personal travel is not permitted. Unintended use of this taxi card for personal travel must be immediately reimbursed by the Chair to Greater Wellington.
- 41 All use of taxi chits by elected members, and of a taxi card by the Chair, must be moderate and cost-effective relative to the other forms of transport available.

Ride sharing

- 42 Ride sharing includes expenditure on the use of ride share transport operators like Uber, Ola and Zoomy.
- 43 Elected members may use ride sharing for travel on Council business when other options, such as public transport or an elected member’s use of their private vehicle, are unavailable or impractical. All use of ride sharing by elected members must be moderate and cost-effective, relative to the other forms of transport available.
- 44 Greater Wellington will reimburse expenditure on an elected member’s ride sharing where the following criteria have been met:
- a The expenditure is for travel on Council business
 - b A receipt recording the payment is provided to support the reimbursement claim.

Personal travel linked with official travel

- 45 “Personal travel” includes the elected member travelling with a partner or spouse, and/or:
- a Extending a stopover; or
 - b Extending a stay out of town
- for an additional period of time before, during or after the official travel, including for a weekend.
- 46 An elected member may combine personal travel and accommodation with official travel and accommodation where the following criteria have been met:
- a The primary reason for the travel is official travel on Council business
 - b Greater Wellington incurs no additional expenditure from the personal travel, accommodation, and any other travel-related matters

- c Arrangements for the personal travel and accommodation are made by the elected member in their private capacity (i.e. Greater Wellington's resources may not be used)
- d The elected member provides a written proposal to the Chair (or the Chair provides a written proposal to the Chair of the Finance, Risk and Audit Committee on the recommendation of the Chief Financial Officer if the Chair is the traveller) of the elected member's (or the Chair's) intention to add personal travel and accommodation to their official travel
- e The Chair (or the Chair of the Finance, Risk and Audit Committee on the recommendation of the Chief Financial Officer if the Chair is the traveller) provides written approval of this proposal prior to the personal travel.

Meals and refreshments during official travel

- 47 Greater Wellington will reimburse an elected member's expenditure on meals and refreshments (excluding alcohol) whilst on official travel where the following criteria are met:
- a The value of the meals and refreshments is reasonable
 - b No refreshment is sourced from the accommodation's mini bar
 - c The meal is not in addition to, or as an alternative to, a meal that was provided as part of a package paid for by Greater Wellington
 - d Meals and refreshments are not bought for others
 - e Original documentation and GST invoices are provided to support the reimbursement claim.
- 48 Greater Wellington will not approve or reimburse expenditure on alcohol purchased by an elected member whilst on official travel.

Miscellaneous expenses

Tipping

- 49 Greater Wellington will not reimburse an elected member for any tipping in New Zealand.
- 50 Greater Wellington will reimburse an elected member for tipping during overseas travel where the following criteria are met:
- a The tip is in accordance with local practice
 - b The tip is not extravagant (e.g., does not exceed 10 to 15 percent of the total bill)
 - c The tip occurred whilst the elected member was on Council business
 - d Where possible, a receipt or tax invoice recording the tip is provided to support the reimbursement claim.

Other services relating to official travel

- 51 Greater Wellington may reimburse an elected member's expenditure during official travel for the following services:
- a Dry cleaning and laundry (if the accommodation is for three nights or more)
 - b Wi-Fi
 - c Valet parking
- where the elected member:
- d Demonstrates that the expenditure was reasonable and for Council business
 - e Provides all relevant original documentation detailing the expenditure to support the reimbursement claim.
- 52 In no circumstances will Greater Wellington reimburse an elected member for use of personal services such as:
- a Mini bar
 - b In-room pay movies
 - c Spa treatments.

Goods and services

Use of Greater Wellington purchase orders

- 53 Elected members are not permitted to purchase goods or services for personal use through a Greater Wellington purchase order. All purchase orders for Council business shall be made in the name of Greater Wellington and not in the name of an individual elected member.

Loyalty reward scheme benefits and prizes

- 54 Any loyalty rewards or prizes received by an elected member whilst on Council business shall, to the greatest extent practicable, be the property of Greater Wellington and/or be applied for the benefit of Greater Wellington only.
- 55 Where receiving a prize or loyalty reward could be perceived as inappropriate, even if Greater Wellington rather than the elected member would benefit from it, the prize or reward should be declined in accordance with the policies on accepting gifts below.

Sponsorship of elected members

- 56 Greater Wellington is not permitted to provide sponsorship of an elected member's personal activities.

Gifts

- 57 To accept or give gifts, certain entertainment or any material benefits could be seen by the community as a means of seeking to influence the decision of the recipient (whether or not the recipient is a member or an organisation with which the Council or Greater Wellington has a relationship).

Giving gifts

- 58 Elected members may give gifts to promote international relations when gift-giving is customary, or when the Chair has assessed the specific purpose or occasion warrants gift-giving.
- 59 The expenditure on the proposed gift must not be inappropriate or excessive to the occasion or reason for the gift-giving.
- 60 The nature of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given. The gift must be a tangible object.
- 61 Greater Wellington, following the Chief Executive's approval of the expenditure, will purchase the gift.

Accepting gifts

- 62 An elected member may accept a gift, except when acceptance could be perceived as a means of influencing a Council or Greater Wellington decision-making process.
- 63 All accepted gifts are the property of Greater Wellington. The elected member accepting the gift must advise the Chief Executive of the gift (except where the elected member is given infrequent, inexpensive gifts such as pens, badges, or calendars).
- 64 An accepted gift with an estimated value over \$150 (GST inclusive) must be recorded in the Council's Gifts and Invitations Register held by the Chief Executive and forwarded to the Chief Executive, who will determine how the gift should be used or distributed.
- 65 Where it is necessary, in the circumstances, to decline a gift, the elected member must preserve the relevant working relationships of the Council and the person or organisation giving the gift by:
- a Thanking the person or organisation for the gesture of the gift and acknowledge the Council's appreciation
 - b Explaining that, due to the Council's policy, the gift cannot be accepted
 - c Advising that the elected member is not the only person who has to respectfully decline a gift as a result of this policy. Other elected members are in the same situation.
- 66 Elected members are prohibited from accepting cash, or from soliciting, demanding or requesting a gift by virtue of their position.
- 67 Note that these requirements are also reflected in the 'Gifts' section of Council's *Code of Conduct for Councillors*.

Invitations to a social function or event

- 68 Elected members will be invited by external parties to social functions or events so the elected member can “network” and build appropriate business relationships.
- 69 Elected members make their own decisions on whether to accept such invitations. In making these decisions, elected members:
- a Must be aware of the line between appropriate relationship building and external parties seeking to influence a Council or Greater Wellington decision-making process; and
 - b Should consult the Chief Executive in cases of doubt about whether to accept an invitation to a social function or event.
- 70 The elected member’s decision to accept an invitation requires consideration of whether attendance would *either*:
- a Benefit a business relationship of Greater Wellington, *or*
 - b Maintain impartiality and integrity (i.e. not be perceived as a means of influencing a Council or Greater Wellington decision-making process).
- 71 Elected members should record the invitation, and its acceptance or otherwise, in the Council’s Gifts and Invitations Register held by the Chief Executive.

Koha

- 72 The giving of koha at an event attended by an elected member will be arranged by the Chief Executive or an appropriately delegated officer.

Other sensitive expenditure

- 73 Any other sensitive expenditure not otherwise specified in this policy is subject to the following approval processes:
- a For an elected member, approval by the Chair
 - b For the Chair, approval by the Chair of the Finance, Risk and Assurance Committee on the recommendation of the Chief Financial Officer.