

# Expenditure

## Policy statement | Te ito o te kaupapa-here

This policy sets out the principles for incurring and managing expenditure on behalf of RBNZ/Te Pūtea Matua.

## Objectives | Ngā whāinga

This policy ensures that we manage our expenditure in a financially responsible manner by exercising due care, diligence and good judgement in our spending decisions.

## Application | Te whakamahinga

This policy applies to all expenditure incurred on behalf of RBNZ.

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## 1. Principles | Mātāpono

1. Expenditure has a justifiable business purpose and provides value for money.
2. Expenditure is, and is perceived to be, appropriate, proportionate and fit for purpose.
3. Expenditure decisions are made with integrity and in compliance with delegated Corporate Authorities.
4. Expenditure decisions comply with all relevant RBNZ enterprise policies and guidelines, delegated Corporate Authorities, and have regard to the guidelines for sensitive expenditure issued by the Office of the Controller and Auditor General.
5. As a good employer the RBNZ recognises the importance of maintaining employee wellbeing, health and safety and will reimburse reasonable expenses to support employees.

## 2. Expenditure

Our risk culture is shaped by our values and informs the behaviour of our people.

To support our expenditure principles and positive risk culture, RBNZ operates an internal control framework that supports appropriate segregation of duties and oversight of expenditure decisions.

It is not permitted for one person to plan, procure, receive and pay for a good or service. In particular, a person who has ordered a service must not approve the payment for that service.

Expenditure guidelines to support decision-making and judgement when incurring expenditure on behalf of RBNZ may be issued and amended from time to time. Compliance with this policy includes compliance with these expenditure guidelines.

### Sensitive Expenditure

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to an employee, their family, or friends. It risks harming an organisation's reputation and the public sector more generally – for example, if the expenditure could lead to concerns that the spending is inappropriate or lacks a legitimate business reason.

Issues concerning sensitive expenditure arise regardless of how much money is spent. Even a small amount can raise concerns if it appears to be improper. Employees may be declined reimbursement or asked to repay the RBNZ for inappropriate or excessive expenditure incurred.

For RBNZ, sensitive expenditure may include:

- business travel, upgrades, and related expenses (e.g. meals and transport)
- presenting gifts and koha, as governed by our Gifts and hospitality and Koha policies
- providing entertainment and hospitality
- employee recognition and support, including team events

Sensitive expenditure decisions are expected to consider the guidelines for sensitive expenditure issued by the Office of the Controller and Auditor General.

### Reimbursement and Petty Cash

When intending to seek reimbursement for work-related expenditure (when this cannot practically be paid by supplier invoice via our Accounts department), employees are expected to obtain appropriate pre-approval before purchasing the goods or service. Where pre-approval is not obtained and/or expenditure incurred does not comply with RBNZ policies and guidelines, claims for reimbursement may be declined.

Work-related and personal expenditure should not be combined. We expect employees to separate personal and work-related expenditure where practically possible. In the rare circumstance whereby personal and work expenses need to be combined in one transaction, employees must clearly identify personal-related expenditure and promptly repay this to RBNZ as soon as possible after the transaction is incurred.

The Governor's Office may hold a small amount of petty cash for the purpose of making small business-related payments whereby payment by credit card or expense reimbursement may not

be practical. Receipts of transactions are required to be kept and balances held reconciled regularly.

### **Taxation**

Employees are expected to comply with RBNZ's tax obligations. Refer to RBNZ's Taxation Management policy.

## **3. Purchases and payments**

Purchases of goods and services are expected to be made in accordance with specific delegated authorities to incur expenditure and deliver value for money in accordance with our procurement policy.

### Invoices/receipts:

Expenditure incurred on behalf of RBNZ is expected to be supported by a GST invoice (or receipt for credit cards and expense claims) with a clear description / additional supporting information to evidence the nature of the good or service being procured.

### Coding:

Employees are expected to code expenditure using the correct account and expenditure codes and to submit and approve invoices for payment in a timely manner.

### Timing of payment:

Once an invoice is approved for payment in our financial system, it shall be paid in the next most practicable payment run.

## **4. Credit cards**

Employees who are issued RBNZ credit cards are required to comply with RBNZ's Credit Card policy.