

# Travel & Sensitive Expenditure Policy

## Te Kaupapa Here mō ngā Haerenga, Utunga Rauangi hoki

### Document Owner:

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| 1.0   | 1 July 2011 |  | Board       | Final  |
| Note this version supersedes all earlier draft versions (#212776) |             |  |             |        |
| 1e  | 14 Sep 2011 | Change of reporting line for Fringe Benefit Tax purposes   | CEO         | Final  |
| 1f  | 26 Sep 2011 | Changing the wording relating to credit card limits in order to clarify current procedures.                                  | CEO         | Final  |
| 1g  | 3 May 2012  | Update to Schedule 3 - Travel Expenditure to simplify the reimbursement process for the meals and incidental travel costs    | CEO         | Final  |
| 1h  | 10 Sep 2012 | Addition to Schedule 3 - Reimbursement of the personal travel component of trip  | CEO         | Final  |
| 2   | 10 Dec 2012 | Annual Review  | CEO & Board | Final  |
| 2A  | 28 May 2013 | Change to Schedule 3- GMs to approve international travel and travel reconciliation limited to where materially over budget. | CEO         | Final  |
| 2B  | 13 Feb 2014 | Changes to Responsibilities section  | CEO         | Final  |
| 3   | 5 Dec 2014  | Annual Review  | CEO & Board | Final  |
| 3A  | 10 Feb 2015 | Updates to Schedule 3 (International Air Travel Approval; APEC Cards; Accommodation)   | CEO         | Final  |
| 4   | 21 Apr 2015 | Updates to Schedule 1 (Responsibilities) and Schedule 4 (Reporting Framework) to include Koha/Donations                      | Board       | Final  |
| 4A  | 25 Oct 2016 | Updates to Schedule 1 (Responsibilities), Schedule 2 (Sensitive Expenditure), and Schedule 3 (Travel Expenditure)            | CEO         | Final  |
| 4B  | 8 Dec 2016  | Update to Schedule 5 (Legislative Compliance)  | CEO         | Final  |

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| 5  | 21 Feb 2017    | Update to Schedule 1 (Responsibilities) and Schedule 4 (Reporting Framework)                             | Board     | Final |
| 5A | 28 Nov 2017    | Update to Schedule 1 (Responsibilities)  | CEO       | Final |
| 5B | 20 Aug 2018    | Updates to Schedules 1, 2 and 3 relating to cash advances.   | CEO       | Final |
| 5C | 31 Jan 2019    | Updates to Schedules 2 (Sensitive Expenditure) and 3 (Travel Expenditure)                                | CEO       | Final |
| 5D | 13 Mar 2019    | Update to Schedule 3 (Travel Expenditure)  | CEO       | Final |
| 5E | 13 Mar 2020    | Update to Schedule 1 (Responsibilities)  | CEO       | Final |
| 6  | 24 Jun 2021    | Update to Background, Schedule 1 (Responsibilities), and Schedule 2 (Sensitive Expenditure).             | Board     | Final |
| 7  | 5 Aug 2021     | Five year review   | Board/CEO | Final |
| 8  | 3 Aug 2022     | Updates to reflect GM Finance & Investment Operations role title change to GM Strategy & Shared Services | Board/CEO | Final |
| 8A | 21 Sep 2022    | Update to Schedule 3 (Sensitive Expenditure)   | CEO       | Final |
| 9  | 6 October 2023 | Updates to Schedule 2 (Travel Expenditure)   | CEO       | Final |

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## 1 Background

- 1.1. Incurring cost is a necessary part of our business, but we need to always be mindful that we are a public sector institution. This means we spend prudently while seeking to improve efficiency.
- 1.2. Expenditure that relates to spending on individual staff members is often particularly sensitive. Such expenditure covers items such as travel and entertainment.
- 1.3. In saying this, we are not seeking to necessarily have the lowest costs. We aim to ensure cost is well managed and that it generates the benefits we expect. This stems from our institutional focus on expected risk adjusted returns net of costs, rather than costs in isolation.

## 2 Objective

- 2.1 To implement effective controls and frameworks to ensure that travel and sensitive expenditure are managed effectively and in compliance with our governance and legislative requirements.

## 3 Definitions

- 3.1 To aid with interpretation of this policy we have a Glossary of Terms, which defines all investment and technical terms used in our policy documents. In this policy the first instance of any such defined term is highlighted in bold. References to other documents are italicised.

## 4 Scope

- 4.1 This policy covers:
  - Travel expenditure including air travel, insurance, accommodation, meals, car usage and taxis.
  - Sensitive expenditure including use of company credit cards, expense claims, entertainment, staff functions and team motivation, sale of surplus assets, loyalty reward schemes, giving gifts, koha and donations.
- 4.2 This policy does not cover:
  - Sponsorship, which is governed by the *Communications Policy*.
- 4.3 This policy should be read in conjunction with the *Human Resources Policy including the Code of Conduct* and *Board Charter including Code of Conduct*, as appropriate.

**5 Delegations and Authorities**

- 5.1 The *Delegations Policy* governs the delegations and authorities that apply in all policy documents. In the event of any discrepancy between this policy and the *Delegations Policy* the *Delegations Policy* will prevail.
- 5.2 The Board has reserved certain matters either to itself, a committee of the Board or the Chief Executive. All other matters are delegated to the Chief Executive who may sub-delegate them to Guardians’ staff. All delegates and sub-delegates must exercise their authorities in compliance with the general conditions of delegation and sub-delegation set out in Schedule 2 of the *Delegations Policy*.
- 5.3 There are certain responsibilities inherent under this policy. Those responsibilities, and the person responsible for them, are outlined in Schedule 1.

**6 Travel and Sensitive Expenditure**

Travel Expenditure, Safety and the Environment  
 We operate globally. To achieve business objectives, we form and maintain relationships with a wide range of domestic and international stakeholders, investment managers, peers and service providers.

We need to ensure we spend appropriately when travelling nationally and internationally on business.

Our travel choices will:

- take in to account the health and safety of our people
- reflect our commitment to understanding and managing the environmental impact of the Guardians’ activities.

This section covers air travel, insurance, accommodation, meals, car usage and taxis/rideshare.

Sensitive Expenditure  
 Sensitive expenditure is where Board members or employees incur expenditure during the conduct of our normal business that they either personally benefit from or could be perceived to personally benefit from.

Sensitive expenditure includes use of company credit cards, entertainment, staff functions and team motivation, sale of surplus assets, loyalty reward schemes, giving gifts, koha and donations.

Our policy has been developed with reference to the Office of the Auditor-General’s “Controlling Sensitive Expenditure: Guidelines for public entities” (October 2020).

- 6.1 We will maintain and adhere to a travel and sensitive expenditure framework that focuses on ensuring that our expenditure decisions:
  - have a justifiable business purpose;
  - preserve impartiality;
  - are made with integrity;
  - are moderate and conservative;

- be made transparently;
- are made with proper authority;
- take in to account the health and safety of our people; and
- reflect our commitment to understanding and managing the environmental impact of the Guardians' activities.

6.2 An outline of the framework for travel expenditure must be maintained in Schedule 2.

6.3 An outline of the framework for sensitive expenditure must be maintained in Schedule 3.

## 7 Reporting

7.1 We must report to the Board on the following matters:

- Travel expenditure;
- Disposal of assets to staff where the original cost of the asset is more than \$10,000; and any assets disposed of to the CEO and Board members.

7.2 An outline of the current reporting framework, including any reporting to management committees, must be maintained in Schedule 4.

7.3 We will report proposed material changes to the following schedules to the Board for its approval:

- Schedule 4: Reporting Framework

7.4 We will report to the Board, for its information, material changes to the following schedules of this policy:

- Schedule 1: Responsibilities
- Schedule 2: Travel Expenditure
- Schedule 3: Sensitive Expenditure
- Schedule 5: Legislative Compliance

## 8 Legislative Compliance

We have a legislative compliance framework to ensure that we comply with our legislative obligations. In each of our policies we list specific legislation that might impact on the activities covered by that policy. The list is not always exhaustive as often the law is specific to a particular aspect of the activity or jurisdiction in which the activity occurs.

8.1 We will ensure that all our activities under this policy comply with our legislative obligations and give effect to our legislative compliance framework.

8.2 A list of the legislation that potentially impacts on the activities under this policy must be maintained in Schedule 5.

**9 Control Section**

Approved this 13<sup>th</sup> day of June 2011 amended 5<sup>th</sup> December 2014, 24 June 2021, and 5 August 2021

GM Strategy and Shared Services \_\_\_\_\_

Chief Executive Officer \_\_\_\_\_

Board Chair \_\_\_\_\_

## Schedule 1: Responsibilities

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| <b>GM Strategy and Shared Services will:</b> | <ul style="list-style-type: none"> <li>• ensure this policy is kept current and relevant to the activities being undertaken (including schedules 1 and 4); and</li> <li>• ensure this policy is reviewed at least every five years by the Board</li> <li>• report travel expenditure monthly to the Leadership Team and quarterly to the Board</li> <li>• report disposal of assets to staff (where the original cost of the asset was greater than NZD \$10,000) to the subsequent Board meeting</li> <li>• report disposal of assets to the CEO or a Board member to the subsequent Board meeting.</li> <li>• report donations monthly to the Leadership Team and annually to the Board (unless over NZD \$3,000, in which case reported to the subsequent Board meeting under the no surprises protocol).</li> </ul> |
| <b>Head of Finance will:</b>                 | <ul style="list-style-type: none"> <li>• approve the issue of all credit cards and any temporary increases in credit card limits.</li> <li>• cancel credit cards if the cardholder resigns.</li> </ul>  |
| <b>Head of Risk will:</b>                    | <ul style="list-style-type: none"> <li>• report material policy breaches notified through the Learning Opportunities process immediately to the Risk Committee and Board</li> <li>• report all policy breaches notified through the Learning Opportunities reporting process to the subsequent Audit &amp; Risk Committee meeting.</li> </ul>   |
| <b>All company credit cardholders will:</b>  | <ul style="list-style-type: none"> <li>• use the card in a proper and authorised way.</li> <li>• immediately report to the issuing bank and the Finance Team that a credit card has been lost, stolen or damaged.</li> <li>• advise the Head of Tax of any gift expenditure (for Fringe Benefit Tax purposes).</li> <li>• submit credit card expenses for authorisation within 30 days, along with supporting documentation (receipts) and an explanation of the purpose for the expense.</li> </ul>  |
| <b>General Counsel will:</b>                 | <ul style="list-style-type: none"> <li>• ensure schedule 5 (legislative compliance) is kept current.</li> <li>• report material changes to the schedules of this policy as part of the annual SIPSP review to the Risk Committee and Board meetings, as well as under the 'no surprises' protocol.</li> </ul>   |

**Responsibilities approved by Chief Executive Officer on 10 December 2012, 5 December 2014, 21 April 2015, 25 October 2016, and amended on 28 November 2017, 30 July 2018, 13 March 2020, 24 June 2021 12 August 2021, and 3 August 2022.**



**Schedule 2: Travel Expenditure**

**Principles**

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| <b>All travel must:</b> | <ul style="list-style-type: none"> <li>• have a justifiable business purpose;</li> <li>• preserve impartiality;</li> <li>• be made with integrity;</li> <li>• be moderate and conservative;</li> <li>• be made transparently;</li> <li>• be made with proper authority;</li> <li>• take in to account the health and safety of our people; and</li> <li>• reflect our commitment to understanding and managing the environmental impact of the Guardians’ activities.</li> </ul> |
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We need to balance the impact of travel on people’s wellbeing with the very real risk that travel brings with it a high risk of personal interests being seen to influence travel decisions. This arises particularly in the areas of:

- Class of travel and accommodation
- Loyalty memberships
- Combined private and business activities during travel e.g. seeing friends, families or tourist attractions or adding holidays

The principles above are repeated to help guide and inform your judgement including on the matters below.

There is a Travel Process available on Supercharged. Please consult the Travel Process when seeking to travel. This will be maintained by the Travel Manager.

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| <b>Air travel booking</b> | <ul style="list-style-type: none"> <li>• Domestic (NZ) and Trans-Tasman (Australia) travel can be processed by the traveller under self-service protocols. Please refer to the Travel Process for further information around self-service.</li> <li>• All International travel is to be processed by the Travel Manager unless circumstances make this impractical.</li> <li>• Where an organisation has offered to pay for the travel of a Guardians’ staff or board member e.g., for speaking at a conference), the travel approval process and the Code of Conduct, including as it relates to Gifts and Hospitality will apply.</li> </ul> |
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|  | <ul style="list-style-type: none"> <li>• Travelling over NZ public holidays ought to be avoided wherever possible. Travel taken over public holidays will be treated in line with the Holidays Act 2003. Where an international public holiday occurs in a country while a traveller is visiting, the traveller is expected either to work a normal day, or to take annual leave.</li> <li>• In order to maximise value of time away, travellers may need to work or be away over weekends. How this is treated is decided by the traveller’s manager in light of the principles.</li> <li>• Once travelling, any flight changes required must still comply with this policy: <ul style="list-style-type: none"> <li>○ Flight changes required in an emergency, out of NZ business hours should be made by the traveller dealing directly with our external travel agency.</li> <li>○ Non urgent changes should be co-ordinated by the Travel Manager.</li> <li>○ Changes outside of approved budget require additional approval from the approving manager.</li> </ul> </li> </ul> |
| <p><b>Domestic and Trans-Tasman travel approval</b></p>              | <ul style="list-style-type: none"> <li>• Managers with financial delegation and cost centre owners may approve domestic and Trans-Tasman travel for themselves and their team members.</li> <li>• Approval is required prior to travelling via an online “Travel Approval form.”</li> <li>• Domestic same day travel is expected if flight schedules allow.</li> <li>• Refer to the Travel Process for detailed guidance around signoff on domestic &amp; trans-Tasman travel.</li> </ul>   |
| <p><b>International travel approval (excluding Trans-Tasman)</b></p> | <ul style="list-style-type: none"> <li>• Managers with financial delegation and cost centre owners can approve international travel for their team members but require one up approval for themselves.</li> <li>• Refer to the Travel Process for guidelines on submitting a travel approval for international travel.</li> <li>• Where travel includes destinations that have a Very High Medical Risk or Extreme Travel Risk (as classified by International SOS), the “Travel Approval Form” must be signed off by the traveller’s GM and GMHR, prior to bookings being made.</li> </ul>   |
| <p><b>Air travel class</b></p>                                       | <ul style="list-style-type: none"> <li>• All flights under 5 hours are booked in economy class, unless these are part of a longer journey undertaken as part of the same uninterrupted trip. The Chief Executive Officer has</li> </ul>   |

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|  | <p>discretion to allow an employee to travel in a higher class where the work schedule and time involved make this appropriate. The Chair has the same discretion for Board members and the Chief Executive Officer.</p> <ul style="list-style-type: none"> <li>• Where the flight time is longer than 5 hours, business class travel may be booked.</li> <li>• Candidates requiring travel or new starters requiring relocation will be booked in Economy class. A higher class of travel may be booked, provided any additional cost is covered by the traveller.</li> </ul>   |
| <p><b>Air travel, stopovers, and rest periods</b></p>  | <ul style="list-style-type: none"> <li>• Travel will be booked for the latest reasonable arrival time in order to meet the traveller’s business needs.</li> <li>• A stopover of up to 24 hours may be taken en-route or at the destination where total ‘in-air’ flying time exceeds 15 hours. This is at the discretion of the traveller’s manager.</li> </ul>   |
| <p><b>Private travel combined with work travel</b></p> | <ul style="list-style-type: none"> <li>• Employees can privately travel or exercise personal choice; before, during or at the end of a business trip provided there is full transparency, travel is incidental to the business purpose and there is no increased monetary cost for the Guardians, noting that these requests will result in additional administration time. Please refer to the Travel Process.</li> <li>• Where private travel is already booked and used to incorporate a business trip, we will reimburse for any expenses associated with asking a traveller to attend the business event.</li> </ul>  |
| <p><b>Accommodation</b></p>                            | <ul style="list-style-type: none"> <li>• All accommodation is booked by the Travel Manager unless the traveller is using the self-service booking process or circumstances make this impractical.</li> <li>• Domestic (NZ) and Trans-Tasman (Australia) accommodation is to be self-served via approved online booking providers, under self-service protocols (see Travel Process).</li> <li>• Where an organisation has offered to pay for the accommodation of staff or a board member, e.g., for speaking at a conference, the Travel Approval form, and the Code of Conduct, including as relates to Gifts and Hospitality will apply</li> <li>• Accommodation “up to and including 4.5-star grade” can be booked. Accommodation above 4.5-star grade may only be used if a traveller is attending a conference at the 5-star hotel and there is a competitive conference rate, or at high-risk locations for safety reasons (as per International SOS</li> </ul> |

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|  | <p>guidance), or where the Travel Manager has selected the property for cost and availability reasons.</p> <ul style="list-style-type: none"> <li>• Exceptions will not be allowed for traveller preference, or because managers we are meeting are staying at 5-star properties.</li> <li>• Accommodation is booked as room only (flexible rates) and where business credit cards are held, paid for directly. Room rates including breakfast are only booked if room only rates are not available. Where breakfast is included in the room charge, it is excluded from per diem claims.</li> <li>• If staying privately, in lieu of the cost of accommodation we would otherwise provide, meal costs (or food gift vouchers) up to the value of one night's accommodation that would otherwise be incurred are covered for the purpose of providing a meal for the host. Please contact the Travel Manager who will provide guidance on suitable accommodation rates. The Travel Approval Form and the Code of Conduct, including as it relates to Gifts and Hospitality will apply.</li> </ul>  |
| <p><b>Room service, hotel mini-bar and movies</b></p>      | <ul style="list-style-type: none"> <li>• Any hotel incidentals including purchases from the mini-bar, movies or room service are the travellers' personal responsibility. Reasonable costs of meals are covered by the per diem.</li> </ul>  |
| <p><b>Meals and incidental travel costs (per diem)</b></p> | <ul style="list-style-type: none"> <li>• Employees will claim a per diem of NZD 150 per day to cover meal expenses while travelling overseas. For domestic New Zealand travel, the per diem is NZD 100 per day.</li> <li>• Where meals are provided by a third party (e.g., during air travel, as part of a hotel or conference package, or by an investment manager) the overseas per diem claimed should be reduced by NZD 30 for breakfast, NZD 40 for lunch and NZD 80 for dinner. For domestic New Zealand travel the rate is NZD 20 each for breakfast, lunch, and NZD 60 for dinner. It is not considered acceptable to claim a per diem for a single meal e.g., lunch, in NZ on a day trip.</li> <li>• Per diems will not be paid when on external placement or secondment where booked accommodation includes kitchen facilities appropriate for meal preparation.</li> <li>• Board members may elect to claim the per diem or may claim actual reasonable meal expenses. Expense claims for actual meal expenses must include original receipts.</li> <li>• Tipping in New Zealand is not appropriate. Tipping during international travel is only done where it is local practice, the tip</li> </ul> |

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|  | <p>is not extravagant, is part of the expense (e.g. US taxis), and where possible, a receipt or tax invoice recording the tip is provided. Tipping that is discretionary such as the porter for carrying bags must be paid personally unless there are good reasons (eg injury, disability) to use a porter.</p>  |
| <b>Private motor vehicle</b>                   | <ul style="list-style-type: none"> <li>• Insurance cover when you are using your own car for business purposes differs from company to company. Travellers using private vehicles for business travel must ensure that appropriate insurance is in place.</li> </ul>  |
| <b>Rental cars</b>                             | <ul style="list-style-type: none"> <li>• Rental cars are used where this is the most cost effective and/or timely option. We take up all comprehensive motor insurance or waivers offered by the rental organisation, whether discretionary or mandatory.</li> <li>• The driver is personally liable for any parking or traffic fines incurred.</li> <li>• Private use of rental cars is permitted as part of a business trip, only if supported by a valid business reason.</li> </ul>   |
| <b>Use of taxis and ride sharing providers</b> | <ul style="list-style-type: none"> <li>• The use of taxis or ride sharing providers should be moderate and cost-effective relative to other forms of transport available.</li> <li>• Non-registered taxis are not to be used.</li> <li>• The highest standard of ride share should be used when travelling outside New Zealand.</li> <li>• Taxis should always be taken if it is not safe to do otherwise.</li> </ul>   |
| <b>Carbon Reduction Programme</b>              | <ul style="list-style-type: none"> <li>• Before requesting to undertake travel, an employee must consider and document, in their travel approval form, all alternative means to meet their business objectives, such as video or conference calls.</li> <li>• Consider using rental Electric Vehicles (EVs) when travelling to destinations within 250km from Auckland.</li> <li>• “Green Star” rated hotels should be used where available.</li> </ul>   |
| <b>Traveller safety and risk management</b>    | <ul style="list-style-type: none"> <li>• We want you to be safe while travelling. Therefore, we have specific actions we want you to take and some we take. These include registering travellers with International SOS, using only scheduled air services, asking you to proactively inform yourself of and manage the risk environment and additional steps for high-risk destinations. More information about this is in the Travel Process.</li> <li>• Other safety factors are reflected in our approach to choices about accommodation, air services and ground transport etc.</li> </ul> |

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| <b>Memberships:<br/>Airline, Hotel and<br/>Rental Cars</b> | <ul style="list-style-type: none"> <li>• Frequent flyer, hotel or rental car loyalty benefits earned through travel undertaken on business are, to the extent that it is practically possible, the property of the Guardians. Due to the current practical difficulties of utilising air points for future business travel, these can currently be retained by the traveller and used for personal travel</li> <li>• Loyalty memberships must not influence the choice of airline, hotel, or rental car to be booked.</li> <li>• We may hold corporate airline memberships to enable employees to access discounted rates at the employee's cost. Access to discounted rates will cease when a person is no longer an employee. This is an exception to the point noted in schedule 2 that employees must not personally benefit from discounts or rewards offered by suppliers to the Guardians.</li> </ul> |
| <b>Travel in a<br/>Pandemic</b>                            | <ul style="list-style-type: none"> <li>• Refer to the Travel Process for detailed guidelines and criteria for travel in a pandemic.</li> </ul>   |
| <b>Travel<br/>Documentation</b>                            | <ul style="list-style-type: none"> <li>• APEC cards may be obtained by the Travel Manager and the cost borne by the Guardians, for any traveller where it is cost effective to do so. Otherwise, GM approval is required for any APEC cards to be obtained.</li> <li>• It is the employee's responsibility to ensure they have a current passport and correct documentation in advance of travel, as well as to ensure that they have all necessary vaccinations for all countries to be visited.</li> <li>• Fees relating to obtaining or renewing a passport must be borne by the traveller and will not be reimbursed.</li> <li>• Fees relating to obtaining visas and vaccinations in order to travel for business will be met or reimbursed by the Guardians.</li> </ul>  |
| <b>Travel insurance</b>                                    | <ul style="list-style-type: none"> <li>• We arrange travel insurance when travelling overseas on official business. The schedule of coverage is available on the Staff intranet.</li> <li>• The Guardians' insurance only covers travellers who are deemed 'fit for travel.' Therefore, travellers with a medical condition that may result in complications whilst travelling, should seek a doctor's certificate in advance to remove any ambiguity around whether they are fit to travel.</li> <li>• Treat any Guardians' property as you would your own and be aware that the Guardians' insurance will not cover loss or damage if you do not take keep track of and care for items like</li> </ul>   |

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|  | <p>phones and laptops. More information about keeping equipment safe and insured is in the Travel Process.</p> <ul style="list-style-type: none"><li>• If an employee includes personal travel in a business trip and the personal travel component exceeds 5 days, then the employee must reimburse the Guardians for the cost of the travel insurance cover for the total number of days of personal travel.</li><li>• Family members may also be covered by the Guardians' insurance policy, if travelling with an employee and they reimburse the Guardians an agreed per day rate from day one. The Travel Manager has current insurance rates.</li></ul> |
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**Approved by Chief Executive Officer on 10 December 2012, 28 May 2013, 5 December 2014, 10 February 2015 and amended on 25 October 2016, 30 July 2018, and 11 December 2018, 12 August 2021, and 6 October 2023**

**Schedule 3: Sensitive Expenditure**

**Principles**

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| <b>All sensitive expenditure must:</b> | <ul style="list-style-type: none"> <li>• have a justifiable business purpose;</li> <li>• preserve impartiality;</li> <li>• be made with integrity;</li> <li>• be moderate and conservative;</li> <li>• be made transparently; and</li> <li>• be made with proper authority.</li> </ul> |
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The policy principles are repeated here to help guide and inform your judgement including on the matters below.

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| <b>Credit cards</b>                              | <ul style="list-style-type: none"> <li>• Credit cards are provided to Board members and employees who regularly incur business related expenditure.</li> <li>• The Head of Finance approves the issue of all credit cards.</li> </ul> <p><u>Credit card limits</u></p> <ul style="list-style-type: none"> <li>• All company credit cards have a credit limit of NZD 10,000.</li> <li>• Applications for temporary increases to this limit are submitted for approval to the Head of Finance.</li> <li>• Inadvertent private use of the credit card must be reimbursed immediately by the card holder.</li> <li>• The card holder must immediately report to the issuing bank and the Finance team that a credit card has been lost, damaged or stolen. The bank’s phone number for lost and stolen cards will be maintained in the Master Contact list under ‘BNZ – Lost Credit Card’.</li> <li>• At cessation of employment cardholder’s credit card is returned to the Head of finance for cancellation.</li> <li>• Cash advances on the credit card are prohibited unless cash is required for an emergency or if travelling in a country where credit cards are not generally accepted. In these situations the cardholder may make a withdrawal via their card or they can use their own personal supply &amp; claim reimbursement on their return.</li> </ul> <p>Any surplus cash must be returned to the Guardians.</p> |
| <b>Entertainment and hospitality expenditure</b> | <ul style="list-style-type: none"> <li>• Expense claims must include related documentation showing the date, venue, detail of costs, people in attendance and the benefits derived and reasons for the event.</li> <li>• Expenditure of nominal amounts (NZD 11 or less) e.g. the cost of a coffee, is not considered an appropriate expense.</li> <li>• Any alcohol purchased when hosting guests should be minimal and inexpensively priced.</li> </ul>  |



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|   | <ul style="list-style-type: none"> <li>• Tipping in New Zealand is not appropriate. Tipping while overseas is only done where it is local practice, part of the expense (e.g. US taxis), the tip is not extravagant, and where possible, a receipt or tax invoice recording the tip is provided. Tipping that is discretionary such as to the porter for carrying bags must be paid personally unless there are good reasons (eg injury, disability) to use a porter.</li> </ul>   |
| <b>Staff functions and team motivation (inc. offsites)</b><br><small>Note: staff functions are events for the entire team, team motivation are events for individual Business Units</small> | <ul style="list-style-type: none"> <li>• Expense claims must include related documentation showing the date, venue, detail of costs and people in attendance.</li> <li>• Alcohol may be provided for at a staff function but should be kept at a minimum. In the case of team motivation events, alcohol must be paid for personally.</li> </ul>   |
| <b>Sale of surplus assets</b>   | <ul style="list-style-type: none"> <li>• The disposal of surplus assets is normally conducted on the open market or by way of trade-in on a replacement asset. This ensures we are transparent, fair and obtain the best price.</li> <li>• Disposals of assets to employees (ex the CEO) are approved by the General Manager Strategy and Shared Services if NZD 10,000 or less (being the original cost of the asset). Above this the Chief Executive Officer must approve.</li> </ul>  |
| <b>Loyalty reward schemes</b>   | <ul style="list-style-type: none"> <li>• Where loyalty rewards accrue to employees in carrying out their normal role (other than frequent flyer, hotel or rental car rewards, which are covered by Schedule 2), the rewards are treated as the property of the Guardians and will be applied, as far as practicable, for the benefit of the Guardians.</li> <li>• Employees must not personally benefit from discounts or rewards offered by suppliers to the Guardians.</li> </ul>  |
| <b>Giving gifts</b>   | <ul style="list-style-type: none"> <li>• Where a donation is made in lieu of a gift, this should still be reported as a gift and not as koha/donations (see below).</li> <li>• All such expenditure is advised to the Head of Tax for Fringe Benefit Tax purposes, identifying the date, cost, recipient and reason.</li> </ul>  |
| <b>Koha and donations</b>   | <ul style="list-style-type: none"> <li>• When assessing koha or donations we ensure that: <ul style="list-style-type: none"> <li>○ Payment of koha is made on appropriate occasions ;</li> <li>○ Payment of donation is made to a recognised organisation; and</li> <li>○ The expenditure is non-political.</li> </ul> </li> <li>• All koha and donations must be approved by the Chief Executive Officer in consultation with the General Manager Strategy and Shared Services and sufficient records maintained, including time, date, payment method and reason.</li> </ul> |
| <b>Reimbursement of sensitive expenses</b>  | <ul style="list-style-type: none"> <li>• Applications for reimbursement of expenses or authorisation of credit card expenses must be submitted for approval within 30 days of expenditure: <ul style="list-style-type: none"> <li>○ Employees to their Manager;</li> <li>○ Chief Executive Officer to the Chair.</li> </ul> </li> </ul>  |

|  |   |
|--|---|
|  | Reimbursement of expenses or authorisation of credit card expenses for Board members must follow the process outlined in the Board Charter. |
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**Approved by Chief Executive Officer on 10 December 2012, 5 December 2014 and amended on 25 October 2016, 30 July 2018, 11 December 2018, 24 June 2021, 12 August 2021 and 21 September 2022.**

#### Schedule 4: Reporting Framework

| Report                                       | Reporting frequency required and to whom  | Minimum information required  |
|--|---|---|
| Travel expenditure                           | Reported monthly to the Leadership Team and quarterly to the Board  | <ul style="list-style-type: none"> <li>• YTD actual cost, full year forecasts, full year budget, variance.</li> </ul>           |
| Koha/Donations                               | Reported monthly to the Leadership Team and to the Board annually (unless over NZD3,000, in which case report to the subsequent Board meeting under the 'no surprises' protocol). | <ul style="list-style-type: none"> <li>• Recipient, Time, date, payment method and reason.</li> </ul>                           |
| Disposal of assets to Board members or staff | Reported to the Board at the next meeting where the original cost of the asset is more than NZD10,000 for staff; and disposal of any assets to CEO or Board members               | <ul style="list-style-type: none"> <li>• Relevant details</li> <li>• Process undertaken to determine the sale price.</li> </ul> |
| Breach of this policy                        | If material: immediately to RC and Board.<br>Otherwise: to subsequent RC and AC meetings  | <ul style="list-style-type: none"> <li>• Relevant details;</li> <li>• Remedial actions taken.</li> </ul>                        |
| Material changes to Schedules of this policy | Reported as part of the annual SIPSP review to the Risk Committee and Board meetings as well as under the no surprises protocol.  | <ul style="list-style-type: none"> <li>• Details of change and reasons for change.</li> </ul>                                   |

Approved by Board on 21 April 2015 and 5 August 2021

## Schedule 5: Legislative Compliance

The list of New Zealand legislation set out below does not purport to be comprehensive or to provide legal advice. If you require any advice on these matters, please contact the Legal team.

### Our governing legislation

- Crown Entities Act 2004
- New Zealand Superannuation and Retirement Income Act 2001

### Other Legislation

- Copyright Act 1994
- Crimes Act 1961 (Bribery laws)
- Ombudsman Act 1975
- Public Audit Act 2001
- Public Finance Act 1989
- Secret Commissions Act 1910
- Public Service Act 2020

### Other

- Official Information Act 1982.
- Public Records Act 2005.
- Direction regarding procurement issued under s 107 of the Crown Entities Act 2004. Crown entities have been directed to comply with the Government Rules of Sourcing when procuring certain goods and services (including travel services), with effect from 1 February 2015.

### Policies etc. we must be aware of

- Office of the Auditor-General's "*Controlling Sensitive Expenditure: Guidelines for public entities*" (October 2020). *Standards of Integrity and Conduct for Crown Entities* issued by the Public Service Commissioner published under the Public Service Act 2020.

### Further information

Further information about the relevant sections of the legislation listed above can be obtained from the General Counsel.

**Approved by Chief Executive Officer on 10 December 2012, and amended on 5 December 2014, 8 December 2016, and 12 August 2021**