



WE LOOK AFTER OUR MONEY & ASSETS

Council group

Money and assets / sensitive expenditure

Foundation principles

We look after our money and assets

We're stewards of Auckland's assets and we use all money and resources in a way that delivers the best value for money and builds trust with the public.

We're open and transparent in the way we operate and make decisions, and we act with integrity and in accordance with the law at all times.

1. We take care of council group property and assets.
2. We are prudent and choose the best value for money when making spending choices.
3. We only give or accept gifts and hospitality when there is a justifiable business purpose.
4. We only undertake travel and purchase accommodation when it is necessary and there is a justifiable business purpose.
5. We declare and manage all actual and perceived conflicts of interest.

Behavioural expectations and bottom lines

Bottom line: We have zero tolerance for fraud, dishonesty or illegal behaviour.

All instances will be investigated, acted on and may be referred to the police.

All council group spending must have a justifiable business purpose, be prudent, provide value for money, and be in line with all delegations and processes.

We each have responsibility to check guidelines and processes, and gain the relevant approvals before committing to any spend.

The council group's money, resources and assets belong to Aucklanders, so the ways we use them are open to scrutiny. The council group has zero tolerance for dishonesty, fraud or corruption and we have shared responsibility to prevent and report any incident of fraud, dishonesty or illegal behaviour. We take care of the public's money, and everything we do is transparent and can be disclosed to the public.





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What does this mean?

1. We take care of council group property and assets

- We take care of council group devices issued or made available to us, and we take responsibility for protecting them from damage or theft at all times.
- We don't allow others to access and/or use council group property, such as cash desks or computing devices, unless authorised approval has been provided.

2. We're prudent and choose best value for money when making spending choices

- We consider the financial impact of all decisions and we make conservative spending choices.
- We follow all procurement and purchasing guidelines and procedures and we know that trying to bypass these processes is not allowed.
- We don't spend council group money (including catering and other discretionary spending) unless there is clear business benefit, the costs are reasonable and we have the approval of the budget holder first.
- We act within our delegated financial authority at all times.
- We don't use a council group P-card for personal use.

3. We only give or receive gifts and hospitality when there's a justifiable business purpose

- We declare all gifts or hospitality offered (whether accepted or not) to our people leader and on the appropriate register.
- We don't accept gifts or hospitality where acceptance will create either a real or perceived conflict of interest.
- We don't give or accept cash gifts, or cash equivalents such as gift vouchers or gift cards.

4. We only undertake travel and purchase accommodation when it's necessary and there's a justifiable business purpose

- We consider the cost and environmental impact when we make travel choices, and we use the lowest cost option or alternatives such as Skype, video or teleconferencing, and walking or public transport where possible.
- We only seek reimbursement for travel-related costs or purchases where there is a genuine business purpose for the expense and our people leader approves it.

5. We declare and manage all actual and perceived conflicts of interest

- We disclose all conflicts of interests we have, and avoid situations where our personal relationships could influence a council group decision or make others question whether we're acting fairly.
- We think about how situations could be perceived by others, even if there is no actual conflict of interest.





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Group standard for money and assets/sensitive expenditure

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.





WE LOOK AFTER OUR MONEY & ASSETS

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 to destinations outside of the Auckland Region must be approved by a [tier 2] people leader or above.
13. Everyone must travel economy for travel of less than eight hours' duration.





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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.





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Definitions

Principle	A principle is a high level expectation that supports and guides an employee to use their judgement to make decisions and act in accordance with the expected behaviours.
Bottom lines	The non-negotiable rules that set the boundary for acceptable conduct.
Standard	The minimum expected behaviours, including required outcomes or rules for a particular topic or area.
Guide	<p>A guide (or guidelines) provides staff with information and advice about how to implement or apply the principle to specific situations and may include criteria to apply, things to consider, information, examples.</p> <p>Employees are recommended to follow guides to achieve appropriate outcomes.</p>
Process	The process or procedure for undertaking the action, such as how to apply for approval to travel. Procedures will be set by the council and CCOs to meet the needs of their own individual business.
Sensitive expenditure	Has the same meaning as in the Controller and Auditor General, Controlling Sensitive Expenditure Guidelines for Public Entities 2007 being: <i>expenditure by a public 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. Travel, accommodation and hospitality spending are examples. It also includes expenditure by a public entity that could be considered unusual for the entity's purpose and/or functions.</i>
Justifiable business purpose	Council and each CCO will develop their own guidelines concerning the application of this term in their business. A "justifiable business purpose" anticipates that the activity or expenditure is required for a business objective or outcomes to be achieved and will result in a benefit to the council group.
Conflict of Interest	<p>A conflict of interest can occur when your personal situation or relationships interfere or influence with your role at the council group. For example, when you are making hiring decisions about family members or friends, or you have a relationship with a company that is a supplier to the council group, or you are a member of a community group that is seeking council group funding.</p> <p>A perceived conflict of interest is when others may see your situation as being in conflict, even when there is not an actual conflict of interest.</p>

