

ENVIRONMENT CANTERBURY CORPORATE POLICY

HOSPITALITY, BUSINESS AND TRAVEL EXPENSES

EFFECTIVE DATE: 13 June 2017
POLICY OWNER Director Finance and Corporate Services

PURPOSE

This Policy sets out the expectations for expenditure by staff on hospitality, business expenses and travel expenses.

POLICY STATEMENT

Environment Canterbury expenditure on hospitality, business expense and travel expenses is funded by public money. Consequently, the expenditure is subject to the standards of probity and financial prudence that are to be expected of a public entity; and able to withstand public scrutiny.

Those standards apply the principles that expenditure decisions have a justifiable business purpose, preserve impartiality, are made with integrity, are moderate and conservative, having regard to the circumstances, are made transparently and are appropriate in all respects.

The **safety and wellbeing** of staff and guests is paramount at all times and any decision to spend public money reflects our commitment to people's safety and wellbeing.

Generally, staff at Environment Canterbury do **not engage in providing hospitality or accepting hospitality**. Any exceptions to this Policy may be approved by the Chief Executive or Director as specified in the attached "Procedures and Guidelines".

There is no hospitality exchanged with suppliers during a procurement process.

Business travel which is deemed necessary is subject to a range of guidelines to ensure prudent expenditure and the safety of our staff.

Environment Canterbury's Gifts and Favours Policy details requirements for the giving and receipt of any Gifts. Environment Canterbury, at the sole discretion of the Chief Executive, will only supply a gift if this is a cultural requirement and it would be deemed offensive not to do so.

Environment Canterbury is an **alcohol free organisation**. It does not fund the purchase of alcohol and alcohol is not to be consumed on Council premises even if it is purchased by individuals outside the Council.

The Chief Executive alone has the authority to approve exceptions to the alcohol free policy where the Chief Executive believes it will benefit the organisation and not put at risk the wellbeing of staff and guests.

This may include an annual offsite staff event at Christmas time (with the pre-approval of the Council Chair).

The guiding principles that Environment Canterbury applies throughout this policy and the supporting guidelines are from the *Controlling sensitive expenditure Guidelines for public entities - Office of the Auditor General*.

APPLIES TO

All employees of Environment Canterbury.

RESPONSIBILITIES

Council Chair

- Approval for any Chief Executive expenditure in relation to this policy
- Approval for Christmas events that provide alcohol

Chief Executive

- Approval of any out of policy requests for the use of alcohol
- Approval to provide or receive hospitality
- Approval of any Director expenditure

Directors

- Approval to provide catering or refreshments or to receive such hospitality from external parties
- Ensuring direct reports and other staff are aware of this policy and the accompany guidelines
- Approval of expenditure within the budget

Managers:

- Ensuring staff are aware of the policy and accompanying guidelines
- Approval of expenditure within budget.

Staff:

- Understanding and abiding by the policy.

Finance Operations Manager:

- Managing the 1 Environment Canterbury credit card that is required for ad hoc business procurement and expenditure

Finance Section:

- Providing guidance to managers and staff on processes and guidelines for processing hospitality, business travel and purchase card related expense claims and ensure credit and purchase card use is in line with Environment Canterbury policy and sensitive expenditure guidelines provided by the Office of the Auditor General and other audits that may occur. Also to ensure that all purchases are reconciled.
- To process expenditure that complies with this policy.

RELATED INFORMATION

Code of Conduct

Delegations Manual

Fraud Policy

Disciplinary Policy

Staff Recognition Policy

Gifts and Favours Policy

Sensitive Expenditure Guidelines from the Office of the Auditor General


Councillors Expenses, Allowances, Reimbursements Policy

Learning and Development Policy

MONITORING AND REVIEW

Monitoring of this policy is the responsibility of the Human Resources Manager, in conjunction with the Chief Financial Officer, and will occur every 3 years or earlier in response to legislation or good practice. Any suggested amendments will be referred to the policy owner.

POLICY AUTHORISATION

Version	Chief Executive and Council Chair Approval	Date	Key Changes
1		13 June 2017	Replaces previous Council policies – Travelling on Council Business Policy, Credit Card Policy, Purchase Card Policy, Hospitality Policy

HOSPITALITY, BUSINESS AND TRAVEL EXPENSES GUIDELINES AND PROCESSES

These guidelines aim to provide clarity on the organisation's expectations and approach to hospitality, reimbursement of expenses occurring whilst on Environment Canterbury business, the provision and consumption of food and beverages within a work and staff-social context and the use of credit and purchase cards. It also outlines how reporting and monitoring will occur and the process for claiming business and travel expenses

The guidelines have been categorised into three components: Hospitality, Business Expenses and Travel Expenses.

HOSPITALITY

These guidelines cover how Environment Canterbury will offer and accept hospitality. In general, this organisation does not offer or participate in hospitality unless it has a direct business benefit given the nature of the work it undertakes, the need to retain neutrality and the requirement to be prudent with public funded money.

Refreshments The organisation will provide staff with access to a variety of hot and cold beverages for consumption throughout the work day.

Catering Lunch may be provided eg where staff and guests work through lunch and are not able to leave the meeting to get lunch. Guests will be provided with access to hot and cold beverages for morning and afternoon teas.

Any other catering is on an exception basis and requires Director approval. See 'Hosting' for examples of such expenditure.

Café expenditure Staff should not purchase refreshments at the organisation's expense at an external café for staff or guest purposes. Any exception to this is limited to one-off business meetings involving a group of attendees and would require Director approval, see 'Hosting' for further details.

Alcohol Environment Canterbury is an alcohol free organisation and will not pay for the purchase of alcohol or allow alcohol on its premises.

Any exceptions to this Alcohol Free principle must be approved by the Chief Executive.

End of Year functions The Chief Executive, with Council Chair approval, will determine a budget annually to be spent on 'team' end-of-year functions.

The Section Manager will be responsible for approving the format of the function and expenditure within the allowed budget. No other financial contribution will be made by the organisation.

This budget may be used for food, beverages (non alcoholic), entertainment or transportation related to the function.

Functions may be held within standard work hours to a maximum of 4 hours per staff member.

These functions will be held between late-November to end-December unless otherwise agreed by the Chief Executive.

In addition to 'team' functions, the Chief Executive may host site based organisational end-of-year functions; the format, timing and nature of these functions will be determined by the Chief Executive. If alcohol is to be provided by Environment Canterbury, the Chief Executive and the Council Chair must pre-approve this and the event must not be held on any Council sites.

Social Club Functions

Functions organised by the official Staff Social Clubs will be in accordance with their charter and must comply with all relevant legislative requirements.

The staff Social Clubs may be allowed to conduct activities on work premises.

If alcohol is to be served as part of this function, this must be pre-approved by the Chief Executive and events are not to be held on any Environment Canterbury sites.

No organisational funds are to be used in the purchase of alcohol. However the organisation may contribute to other event costs (like venue hire).

Hosting

In general Environment Canterbury does not provide hospitality for staff or guests.

In the rare situations that this hospitality may be appropriate linked to a specific event (e.g. for a visiting foreign delegation), the Chief Executive must pre-approve this.

In addition there are a small number of day to day business activities where Director approval may be provided on occasion for the provision of refreshments or food catering for guests and / or staff. This will be related to formal business meetings on an Environment Canterbury office site. These include but are not limited to:

- Youth engagement activities;
- Zone Committee meetings;
- External stakeholder meetings;
- Meetings with catchment groups, local / rural leaders & consultants, industry members associated with community engagement;
- Recognition of major achievements by a team.

If Director approval is given for such expenditure, it should be funded through the expense claim process or a Purchase Card.

Maximum spending levels when hosting business vents Refer to Environment Canterbury's preferred catering provider pricing schedule

Maximum spending levels when attending external business events

Breakfast: actual cost up to \$30 per person, includes food and beverage

Morning/afternoon tea: actual cost up to \$10 per person for external venues

Lunch: actual cost up to \$30 per person, includes food and beverage

Dinner: actual cost up to \$50 per person, includes food and beverage.

All amounts listed include GST.

All receipts, invoices or other relevant documentation must be retained and provided with the expense claim when attending external business events.

Entertainment of a spouse or partner Where participation in official functions and community events that require the attendance of a spouse or partner are required, the Chief Executive may pre-approve any expenditure to be incurred.

Receiving hospitality from external parties Employees should not accept hospitality from external parties unless approval is given by their Director. Approved hospitality in excess of \$50 should be noted on the Gift Register.

BUSINESS EXPENSES

These guidelines cover the management and utilisation of Credit or Purchase cards for business related procurement needs where there is a direct business need.

Credit Card There is only one credit card within Environment Canterbury which is assigned to the Finance Operations Manager for the purposes of meeting business procurement needs when the use of a credit card is the most appropriate means of doing business.

- All purchases must be authorised by the Finance Operations Manager prior to the commitment.
- Authorisation of the transactions will be undertaken by the Director Finance & Corporate Services

- The card will principally be used in situations such as internet and postal procurement
- No cash withdrawals will be made with the credit card
- No personal expenditure may be incurred.
- If the Finance Operations Manager leaves the organisation or changes role, the card must be returned and destroyed. A new card will be issued for the new Finance Operations Manager
- The credit card limit is set at \$20,000 but may be reviewed from time to time to ensure the limit continues to meet the organisation's needs. Any change to the limit must be approved in accordance with the delegations manual.

Information and receipts relating to the expenditure needs to accompany the payment documents to provide the required transparency, as credit card purchases are considered sensitive expenditure. Details should be evident for:

- nature of the expenditure
- reason for the expenditure
- names of other parties involved

Purchase Cards

- Purchase Cards may be issued to employees that make a significant number of low value purchases.
- Requests for cards are to be made to the Finance Operations Manager and approval will be based on identified need.
- Purchase Cards can only be issued to Permanent or Fixed Term employees.
- Purchase Cards will have a standard Transaction and Monthly Credit Limit (currently \$500 and \$5,000).
- If appropriate, limit levels for individual cardholders may be altered (permanently or temporarily) on approval by the Finance Operations Manager.
- All limits must be within a cardholder's approver's delegated authority.

Misuse of Purchase and Credit Cards

Breaches of policy and procedures for Cards will result in the organisation undertaking an investigation which may result in suspension of the card and disciplinary action.

Any intentional misuse will result in disciplinary procedures being undertaken as appropriate.

Suspected fraudulent use of a card is a criminal offence and shall be handled as per Environment Canterbury's Fraud Policy. This may result in the matter being referred to the Police.

In all cases of proven misuse, the company will recover the amount involved from the Cardholder by the appropriate legal means.

The Chief Financial Officer will be responsible for investigating and managing any misuse.

Internet purchasing If a card is to be used for purchasing goods or services over the internet, all due care should be taken to ensure the supplier is an established and reputable entity and known to Environment Canterbury and that any cyber risk is minimal.

If there are any concerns about security, arrange for another means of payment and do not proceed with internet based payment.

**Card
Security
and Use**

Only the staff member the card is issued to may use the card. Use by others will be regarded as misuse and dealt with as per the section *Misuse of Purchase and Credit cards*.

- The card must be retained in a safe place. If the card is lost or stolen a Card System Administrator and the issuing Bank must both be notified immediately.
- All physical cards must have a PIN loaded.
- Cards should only be used for purchasing goods and/or services for genuine business purposes. Cardholders must not use their card to obtain cash advances or cash equivalents such as bank cheques, traveller's cheques and electronic cash transfers.
- Cards are not to be used for personal purchases of any kind. Charging personal transactions is NOT acceptable under any circumstances.

TRAVEL EXPENSES

These guidelines cover the various expenses incurred for business related travel.

**Overnight
Allowance**

An allowance of \$16 can be claimed to cover incidentals for each night of an overnight stay.

Where an overnight stay is required and :

- a. the staff member chooses to stay with friends or relatives, or
- b. there is no hotel or motel accommodation available, and a caravan, tent, Department of Conservation hut, shearers quarters or similar is used;

in addition to accommodation or hire charges, the staff member is entitled to a special allowance of \$30 per overnight stay (\$35 if in the Chatham Islands) in lieu of evening meal, breakfast and other expenses. Where the staff member is camping out, there shall be a special allowance of \$20.00 per night for use of their own equipment.

Booking travel

Flights and accommodation must be booked through the online portal with a purchase order number or arranged through the PA for the group.

For locations where this is not possible, accommodation may be booked using the Environment Canterbury negotiated preferred supplier.

Flights should not be paid for personally or paid for with a Purchase Card.

Flights

To the extent that is practical, air travel is booked well ahead of the actual travel, so the expenditure is the most cost-effective possible.

Discounted economy or economy class are to be used for all journeys and Best Fare of the Day is to be applied.

Reporting will be provided on the effectiveness of booking patterns.

Business Class travel is only available with the pre-approval of the Chief Executive or the Chair of the Council for the Chief Executive. Factors such as distance or hours travelled, work schedule on arrival, or personal health, safety, or security reasons will be considered.

Airpoints

No airpoints will be allocated to personal airpoint accounts. Any airpoints accrued will be the sole property of the organisation and will be used to provide business related travel at a future time.

Airlines Club Membership

No subscriptions to Airlines clubs will be paid for by the organisation.

Use of a Private Motor Vehicle

A private vehicle is only used for business travel where this is the most cost effective option or as a last resort. The reason for the selection of a private vehicle needs to be noted in the claim form.

Environment Canterbury will provide a fair and reasonable reimbursement to staff based on the current approved per km rate as communicated by Finance Section..

The driver is liable for any parking or traffic fines incurred.

A mileage expense claim form must be completed with detailed description of reason for trip and distance; and approved by the manager. This can be found on the intranet.

Use of Taxis and Uber

The use of taxis or Uber should be moderate and cost effective relative to other forms of transport available.

Parking Costs

Parking costs incurred while on Environment Canterbury business can be claimed by providing a receipt or evidence of expense.

Rental Cars

Staff who need to book rental vehicles must do so through the relevant PA or the preferred travel management company.

Use of a rental vehicle must be specifically authorised in advance by the relevant delegated authority and are used where this is the most cost effective option.

Environment Canterbury's motor vehicle insurance policy covers insurance for rental cars hired in New Zealand only. Therefore when renting a car in New Zealand, the staff member is not required to take up any insurances offered by the rental organisation.

Environment Canterbury's insurance policy does not insure any rental vehicle hired overseas. Therefore if renting a car overseas, staff must take up all comprehensive motor insurances or waivers offered by the rental organisation in the relevant country, whether discretionary or mandatory.

Rental cars should be of the most economical type and size available given the distance to be travelled and the number of people travelling.

The driver is liable for any parking or traffic fines incurred.

Use of a rental vehicle must be aligned with the Environment Canterbury Vehicle Use Policy and all applicable legislation.

Private use of rental cars is permitted only if supported by a valid business reason. Otherwise any private portion of the cost of the rental car is reimbursed to Environment Canterbury.

Food and Beverages expenditure while travelling (reimbursed via expense claim process)

Breakfast

Actual cost up to \$30 per person for food and beverages when away overnight.

Lunch

Not claimable on day one of travel within the Canterbury Regional Council boundaries;

Actual cost up to \$30 per person including food and beverages

Dinner

Actual cost up to \$50 per person per night for food and beverages

Morning and Afternoon tea - not claimable

All amounts listed include GST.

Other

Any purchase of bottled water for health and safety reasons whilst working is claimable provided water is not already supplied e.g. in field staff issued backpacks.

A separate meal expense is not claimable if a meal is provided as part of another package paid for by the entity e.g. a conference.

There is no reimbursement for any minibar expenses incurred.

Working after hours

Where a staff member is required by their manager to work after their normal hours of work and after 7 p.m., without a meal break, and if it is not possible or appropriate for the staff member to return home for a meal, reimbursement for an evening meal, in accordance with the above expenditure limits will be accepted.

In rare situations where it is not safe and / or practical for a staff member to commence travel home from outside of the Greater Christchurch Region after 7pm, overnight accommodation may be approved at their manager's discretion.

Personal Travel linked with business travel

Trips paid for by Environment Canterbury that include personal travel need to take into consideration any perceived personal benefit.

The cost of any paid-for stopover should have a clear business purpose and needs to be pre-approved; or it is an unavoidable stop due to travel arrangements.

Personal travel longer than the business travel will require Director approval and potentially a contribution towards travel costs. Staff may be allowed to undertake personal travel before, during, or at the end of, travel paid for by Environment Canterbury, provided:

- there is no additional cost and the personal travel is only incidental to the business purpose of the travel;
- the length of personal travel is no more than the length of the business travel, e.g. a 4 day business trip can attach a maximum 4 days personal travel providing the leave has been approved as per the leave policy.

Travelling spouses, partners or other family members

Travel costs of accompanying spouses, partners or other family members will not be paid by Environment Canterbury. In the rare circumstance that involvement of a spouse directly contributes to a clear business purpose, the spouse's travel should be pre-approved by the Chief Executive.

Attending a conference

Refer to the Learning and Development Policy on how to request approval to attend a conference. Accommodation and travel should be booked as set out in this policy, unless specific accommodation is included as part of the conference package. Meals may be included in the conference fee; otherwise a meal can be claimed back as long as pre-approval from your manager has been given.

Tipping

There is no tipping by staff while they are on business in New Zealand, and only on international travel in places where tipping is local practice at the appropriate level. Any tipping should be moderate and conservative.

Other travel expenses

Travel arrangements and / or expenses outside of those identified above will require specific approval of the Chief Executive.

REPORTING AND MONITORING

Executive Leadership Team (ELT) Reporting

- A Sensitive Expenditure Report will be tabled monthly and will outline all key categories of expenditure and any variances.
- The Travel Report from the approved travel supplier will be tabled quarterly.

PARC Report

- The ELT Sensitive Expenditure Report will be tabled each meeting under the public excluded agenda.

P Cards and Credit Cards

- Expenditure will be published monthly on the public website.

Expense Claim Process

- All receipts, invoices or other relevant documentation must be retained and provided with the claim. Failure to produce relevant documentation will result in a claim being declined.
- Claims can be made through the intranet link *[insert link Kete /Finance / Pay Me / complete forms or online claim]*.
- For items in excess of \$50 (incl GST), a gst/tax invoice is required. For items under \$50 (incl GST) a receipt is required. This may include an eftpos slip with the details of **the items purchased noted on it.**
- Claims must be itemised; eg a hotel receipt must specify accommodation and meal costs separately.
- Meal & accommodation claims for multiple people must list the names of all people.
- Detailed description of business reasons for the expense must be supplied.
- Staff must seek approval before incurring expenses and submit an expense claim in the same month (where possible) as the expense is incurred.
- Managers must review and approve each staff member's expense claim and pre-approve overnight stays, travel, accommodation and conference attendance.