

## SENSITIVE EXPENDITURE AND GIFTS POLICY

<b>Section</b>	Finance
<b>Contact</b>	Chief Financial Officer
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### Purpose:

The purpose of this Policy is to:

- Set out clearly defined parameters for sensitive expenditure and gifts except for Koha which is included in a separate policy.
- Ensure that sensitive expenditure and gifts are assessed, authorised, and reviewed consistently for all Massey University (the “University”) Members.
- Ensure all sensitive expenditure and gifts received meet standards of probity expected of a publicly funded organisation. It must have a clearly identifiable and justifiable business purpose or benefit, be made with integrity and be moderate, conservative, and appropriate in all respects.

### Definitions:

**Sensitive expenditure** is defined as:

- Expenditure by the University that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual member of the University that is additional to the business benefit of the University; or
- Expenditure by the University that could be considered unusual when the University’s purpose and/or function are considered. Travel, accommodation, gifts, and hospitality are examples of sensitive expenditure.

**Benefit** is defined as anything believed to be of value to the recipient, or that might be perceived by a reasonable person to be of benefit to the recipient. A benefit may include preferential treatment in relation to their employment or association with the University, such as access to events, functions and information, club membership or discounts in shops.

**Gift** is defined as articles, items or monies given by one party to another party. A gift can include money, tickets, alcohol, or other products. For the purposes of this policy, a gift does not mean a donation and excludes Koha.

- Gifts of appreciation are generally given to express gratitude or thanks, such as flowers, chocolates, a bottle of wine and the like, in appreciation of performing a specific task or for performing duties in an exemplary manner, or as an acknowledgement and appreciation of the relationship or service.
- Gifts of hospitality are gifts such as invitations to lunches, dinners, or other events (such as a seat in a corporate box at a sporting event) offered to members in relation to work-related functions and similar activities as part of their role in representing the University or managing University business.
- Official gifts are gifts that are presented to the University usually from another organisation in recognition of its services or achievements or gifts presented to, or by, the University at an official or a ceremonial function which might include dedicated plaques, plates, vases, or trophies.

**Member/s** are defined as members of Council, Committee Members, Students, Staff, Board Members of Massey University Controlled Entities and Contractors working for, and on behalf of, the University.

### **Policy:**

Massey University is committed to ensuring the highest standards of ethical conduct in its activities and operations, including ensuring that its resources are used in a responsible, proper manner in line with the expectations of its stakeholders. Due to risk of perceived or actual personal benefit to the staff member arising from certain expenditure categories, such as travel, accommodation, gifts and hospitality, the Controller and Auditor-General defines them as 'sensitive' expenditure.

Members are expected to exercise prudent judgement regarding all business expenditure. Members involved in arranging, accepting, using, or approving sensitive expenditure:

- Must do so only for a justifiable university purpose,
- ensures decisions made in relation to the expenditure are impartial – free from bias, preference, or improper reason,
- expenditure decisions are made with integrity and consistent with the expectations of the Code of Staff Conduct,
- ensure the giving or receiving of such expenditure is moderate and conservative,
- ensure the decisions are made transparently, and
- that the decisions are made with proper authority.

**The manager responsible for the relevant budget centre and the approver of any expenditure will be accountable for decisions that breach this policy.**

All expenditure relating to this Policy must:

- be authorised by a manager with delegated authority as outlined in the Delegations of Authority Policy and in accordance with the Sensitive Expenditure and Gifts Procedures.
- comply with all policies and related documents (listed on page 3).

Under no circumstances should staff of equal or less seniority authorise expenses in relation to this policy.

Areas covered by this Policy include:

- Entertainment and hospitality (including alcohol) for internal and external events
- Hospitality, gifts, or other gratuitous benefits received
- Hospitality and gifts given
- Farewells and retirements
- End of year functions
- Welfare payments
- Papers and periodicals
- Professional memberships

Refer to the Sensitive Expenditure and Gifts Procedures for related spend limits and approvals required. Refer to the Koha Policy and Koha Procedures in relation to Koha received or given.

### **Reporting of Inappropriate Expenditure – Individual Responsibilities**

Staff who consider there are grounds for enquiry into inappropriate expenditure must advise their manager or the DVC University Services or the Director Governance and Assurance, in accordance with the Fraud and Corruption Policy. Alternatively, disclosure may be made under the Protected Disclosures Act 2000, refer to the Protected Disclosure Policy and Reporting Procedures.

### **Monitoring and Review**

Compliance with this policy will be monitored through a programme of management review and internal audit. In addition, compliance with relevant legislation and “good business practice” is reviewed annually as part of the external audit programme and in accordance with good practice guidance detailed in ‘Controlling Sensitive Expenditure: Guidelines for Public Entities’ (Office of the Auditor-General, October 2020).

### **Exceptions**

The Vice-Chancellor must approve exceptions to this policy.

### **Audience:**

This Policy applies to all University Members, and to all gifts and benefits received by University Members in the course of their official duties.

University controlled entities are expected to adopt this Policy or to have their own Sensitive Expenditure and/or Gifts and Benefits Policy in place.

### **Relevant legislation:**

Public Finance Act 1989 and amendments  
Financial Reporting Act 2013 and amendments  
Protected Disclosures Act 2000

### **Legal compliance:**

Public Finance Act 1989 – The purpose of the Public Finance Act is to provide a framework for parliamentary scrutiny of the Government's expenditure proposals and the Government's management of its assets and liabilities. It also clarifies the lines of responsibility for effective and efficient management of public financial resources, spells out minimum reporting obligations of Ministers and Departments and safeguards public assets by providing control over the borrowing of money.

Financial Reporting Act 2013 and amendments – The purpose of the Financial Reporting Act 2013 and amendments is to provide a framework for financial reporting. It also clarifies the lines of responsibility for effective and efficient reporting and outlines the minimum reporting obligations of parties.

### **Related procedures / documents:**

[Sensitive Expenditure and Gifts Procedures](#)  
[Koha Policy](#)  
[Koha Procedures](#)  
[Credit Card Policy](#)  
[Delegations of Authority Policy](#)  
[Protected Disclosure Policy and Reporting Procedure](#)

[Procurement Policy](#)  
[Conflict of Commitment and Interest Policy](#)  
[Fraud and Corruption Policy](#)  
[Reimbursement of Expenses Policy](#) [Travel Policy](#)  
[Travel Procedures \(Domestic and International\)](#)  
[Controlling Sensitive Expenditure: Guidelines for Public Entities](#)

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