MĀWHERA
GREY
DISTRICT COUNCIL

105 Tainui St | Greymouth 7805
PO Box 382 | Greymouth 7840
Tel 03 769 8600
Fax 03 769 8603
info@greydc.govt.nz
www.greydc.govt.nz

A Meeting of the Risk and Assurance Sub-Committee Meeting will be held as follows:

Date: **Thursday 23 April 2026**

Time: **3:00pm**

Venue: **Council Chambers, 105 Tainui Street, Greymouth**

Joanne Soderlund
Chief Executive

AGENDA

Members:

Deputy Chair:	Mayor Tania Gibson
Members:	Councillor Robert Mallinson
	Councillor Rex MacDonald
	Councillor Jack O'Connor

(Quorum 3 members)

Contact Telephone: 03 7698600
Email: trish.jellyman@greydc.govt.nz
Website: https://www.greydc.govt.nz/our-council/agendas-and-minutes/Pages/default.aspx

TERMS OF REFERENCE

Type of Committee	Council Subcommittee
Subordinate to:	Council
Subordinate Committee	None
Legislative Basis	Subcommittee reconstituted by Council as per Schedule 7, Section 30 (1) (A) Local Government Act 2002. Subcommittee delegated by powers by the Council as per Schedule 7 (Section 32) of the Local Government Act)
Membership	Deputy Chair: Mayor Gibson Member: Cr Robert Mallinson Member: Cr Rex MacDonald Member: Cr Jack O'Connor
Quorum	Three members
Meeting frequency	February, April, June, August and October.
Terms of Reference	The purpose of the Risk and Assurance Committee is to assist the Council in discharging its responsibilities in relation to: • The robustness of the internal control framework and financial management practices. • The integrity and appropriateness of external reporting and accountability arrangements. • The robustness of risk management system, processes, and practices. • Compliance with applicable laws and regulations. • Standards and best practice guidelines, and • The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets. Areas that broadly fall under the umbrella of this committee are: • Risk management framework • Financial risk management • Health and safety risk management • Compliance with legislation

	External audit or review of any Council activities, including but not limited to NZTA, Building Controls, Audits.
Power to Act Assurance	For Council's Annual Report, Consultation Document and Long Term Plan Audits, The Risk and Assurance Committee will: - Approve the annual external audit proposal for the Annual Report and the audit of the Long Term Plan. - Agree the appropriateness of the Council's existing accounting policies and principles and any proposed changes. - Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements of service performance, and assess whether appropriate action has been taken by management in response to the above. - Satisfy itself that the financial statements of service and performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation) and recommend to Council the signing of the financial statements by the Chief Executive / Mayor and adoption of the Annual Report. - Identify and recommend to the Council the external auditor's remuneration and the terms of their engagement. - Confirm consulting services and related fees provided by the external auditors. - Consider and review any serious difficulties or disputes which management encountered during the audit. - Consider and review any other matters related to the conduct of the audit. - Consider and review any significant findings during the audit process and managements responses.

	• Consider and review any matters considered appropriate, without the Chief Executive or other Council staff present in the meeting. • Consider and review any difficulties encountered during the audit including any restrictions on the scope of work. • Consider and review any changes required in the planned scope of the audit plan. • Consider and review the audit management letter prior to presentation to the Council. • Meet with the external Auditors at any time with or without management present as deemed appropriate by the Chairman of the committee.
Risk	Council is responsible for setting the tolerance to risk and risk culture at the Grey District Council. The Chief Executive is charged with implementing appropriate risk management systems within Grey District Council. While the responsibility for risk lies with Council, oversight of the processes to manage risk within GDC is delegated to the Risk and Assurance Committee. The Council will receive periodic reporting on those areas of risk identified by the Committee. The Risk and Assurance Committee will: • Review and approve Council's risk management framework. • Review corporate risk assessment and internal work management practices. • Receive and review Health and Safety reports. • Oversight of the processes used to manage project risks. • Review insurance arrangement annually. • Overseeing Council's systems, processes, and practices for risk management: a) Ensure that management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's

	significant risks (including financial and non-financial risks). b) Consider whether appropriate action is being taken by management in its treatment of risk to either accept or mitigate Council's significant risks. • Monitoring insurance claims.
Assurance – other	It is anticipated that the Council will from time to time be required by third parties to undertake an audit process. They may include by not be limited to Waka Kotahi, Building Control, MBIE. The Risk and Assurance Committee will: • Approve (if required) any other external audit proposal. • Liaising with the relevant external auditor: a) At the start of each audit, confirm the terms of engagement with the external auditor including the nature and scope of the audit, timetable and fees. b) Approve the external audit engagement letter and letter of undertaking and any additional services to be provided by the external auditor. c) Receive the external audit report (s) and review action to be taken by management on significant issues and audit recommendations raised within. d) Conduct a member only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the committee's attention and / or any issues of independence.
Conflicts of Interest	Once per year, Committee members will provide written declarations to the Mayor, stating they do not have any conflicts of interest that would preclude them from being members of the Committee.

Delegations	The Committee will in general make recommendations to Council on certain matters. Where the Committee is delegated to approve a matter this is considered a decision by the Committee.
Limits to Delegations	Matters that cannot be delegated by the Council include: • The power to make a rate. • The power to make a bylaw. • The power to borrow money, or purchase or dispose of assets, other than in accordance with the long term plan. • The power to adopt a long term plan, annual plan, annual report or strategic plan. • The power to appoint a Chief Executive. • The power to adopt policies required to be adopted and consulted on under this Act in association with the long term plan or developed for the purpose of the local governance statement. • The power to adopt a remuneration and employment policy.
Reporting Procedures	• After each meeting the Chair will report the committee's recommendations and findings to the Council. • The minutes of all meetings of the Committee will be presented to Council and to such other persons as the Council directs. • The Chair will present an annual report to the Council summarising the Committees activities during the year and any significant results and findings.
Power to Act.	Generally recommending powers only, but certain decisions can be taken by the committee.
Referral to Council	The minutes of the subcommittee serve before Council as a recommendation.
Management responsibility	Chief Executive

SUB-COMMITTEE IN OPEN MEETING

GENERAL BUSINESS AND TABLED ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Sub-Committee members are reminded that if he/she has a direct or indirect interest in any item on the agenda be it pecuniary or on grounds of bias and predetermination, then he/she must declare this interest and refrain from discussing or voting on this item.

Table of Contents

1 APOLOGIES AND DECLARATIONS OF INTEREST

1.1 APOLOGIES

Nil

1.2 UPDATES TO THE INTERESTS REGISTER

Sub-Committee members to please advise if there are any changes to be made to the current Interests Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

Notification from committee members of:

1.3.1 Any interests that may create a conflict with their role as a committee member relating to the items of business for this meeting (prior to taking part in the deliberation of a particular item); and

1.3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968.

1.4 NOTIFICATION OF LATE ITEMS

Where an item if not on the agenda for a meeting, that item may be dealt with at that meeting if:

1.4.1 The Committee by resolution so decides; and

1.4.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 26 FEBRUARY 2026

SUGGESTED RECOMMENDATION

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 26 February 2026 be confirmed as true and correct.

MINUTES OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING OF THE GREY DISTRICT COUNCIL

Held in Council Chambers, 105 Tainui Street, Greymouth

on Thursday 26 February 2026 commencing at 2:00pm

PRESENT: Mr Rob Caldwell (Chair)

Mayor Tania Gibson (Deputy Chair), Councillor Robert Mallinson, Councillor Jack O'Connor

IN ATTENDANCE: Joanne Soderlund (Chief Executive), Kathryn Ruddle (Group Manager Corporate Services), Kurtis Perrin-Smith (Group Manager Operations), Peter O'Sullivan (Group Manager Economic Development & Regulatory Services), Cath Wilson (Health & Safety Manager), Trish Jellyman (Democracy Advisor), Laura Mills (Communications & Engagement Manager), Megan Bourke (Communications Manager)

Mr Miles O'Connor from Bancorp (left meeting at 3.15pm)

1 APOLOGIES AND DECLARATIONS OF INTEREST

APOLOGY

COMMITTEE RESOLUTION RA 26/02/001

Moved: Cr Jack O'Connor
Seconded: Mayor Tania Gibson

That the apology received from Cr Rex MacDonald be accepted and leave of absence granted.

Carried Unanimously

1.2 UPDATES TO THE INTERESTS REGISTER

There were no updates to the Interest Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

There were no declarations of interest.

1.4 NOTIFICATION OF LATE ITEMS

There were no late items.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 6 OCTOBER 2025

COMMITTEE RESOLUTION RA 26/02/002

Moved: Cr Robert Mallinson
Seconded: Cr Jack O'Connor

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 6 October 2025 be confirmed as true and correct.

Carried Unanimously

3 AGENDA ITEMS

3.1 CORPORATE SERVICES REPORT

Refer to page 15 of the agenda.

Discussion took place on the Annual Plan, the Environmental Scan and the unbudgeted costs from the Taylorville Resource Park consent application and the Te Tai o Poutini Plan.

The Chairman requested that more commentary be provided for the next meeting on trade debtors in particular he would like to see aged debtors.

He also requested that commentary be provided on the financial statements for future meetings.

COMMITTEE RESOLUTION RA 26/02/003

Moved: Cr Jack O'Connor
Seconded: Mayor Tania Gibson

That the Risk and Assurance Sub-Committee Meeting:

a) Receives the report and notes the contents.

Carried Unanimously

3.2 HEALTH & SAFETY UPDATE

Refer to page 30 of the agenda.

Discussion took place on the improvements that have been made in the H&S area. There has been a lot of work going into systems and processes but the competence rating had only increased by 1%.

COMMITTEE RESOLUTION RA 26/02/004

Moved: Mr Rob Caldwell
Seconded: Cr Robert Mallinson

1. That the Risk and Assurance Sub-Committee Meeting receives the report.

Carried Unanimously

3.3 RISK AND ASSURANCE SUBCOMMITTEE 2026 WORKPLAN

Refer to page 33 of the agenda.

The committee agreed that they are happy with the workplan.

COMMITTEE RESOLUTION RA 26/02/005

Moved: Mayor Tania Gibson
Seconded: Cr Jack O'Connor

That the Risk and Assurance Sub-Committee Meeting:

1. Receives the report.
2. Adopts the attached 2026 Risk and Assurance Subcommittee Workplan.

Carried Unanimously

4 IN COMMITTEE ITEMS

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1 – 4.4

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

COMMITTEE RESOLUTION RA 26/02/006

Moved: Cr Robert Mallinson
Seconded: Cr Jack O'Connor

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 6 OCTOBER 2025	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
4.2 - TREASURY UPDATE 17 FEBRUARY 2026	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
4.3 - HEALTH AND SAFETY REPORT	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for

	making available of the information would be likely otherwise to damage the public interest	withholding would exist under section 6 or section 7
4.4 - ERNST & YOUNG DRAFT AUDIT MANAGEMENT REPORT	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Carried Unanimously

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING.

The meeting concluded at 3.25pm

Confirmed

__________________________ _______/________/_______

R Caldwell **Date**

Chairperson

3 AGENDA ITEMS

3.1 HEALTH & SAFETY UPDATE

File Number:

Report Author: Health and Safety Manager

Report Authoriser: Group Manager Operations

Appendices: Nil

1. REPORT PURPOSE

1.1. To update the Audit and Risk Committee on Council's health and safety performance.

2. EXECUTIVE SUMMARY

2.1. Reporting period: 01 January to 31 March 2026.

2.2. Safe365, GDC's H&S Management platform competence target rating is set at 88% which is reflective of targets set by other organisations.

2.3. The August 2025 system audit showed a decrease in safety maturity from 77% to 43%. Continuous improvements in Health & Safety competence have resulted in a 6% increase to 49% at the time of writing this report. This increase is reflective of foundational practices such as worker training, incident / injury / illness reporting, tracking and management contributions to overall health and safety maturity.

2.4. A total of 59 worker-related safety reports were recorded during the reporting period.

2.5. Council engages contractors whose pre-qualification status remains undetermined, and improvement is needed.

2.6. Contractor management is an area of continuous improvement.

3. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-Committee Meeting receives the report.

4. BACKGROUND

4.1. This report provides an overview of the current status of Council specific to Occupational Health, Safety and Wellbeing Practices.

Under the Health and Safety at Work Act 2015, Council must exercise a duty of due diligence in relation to health and safety. These reports will provide information to allow informed decision making and appropriate assessment of risk within the Council.

5. ANALYSIS AND ADVICE

5.1. Council's key safety indicators include four key metrics: lost time injury frequency rate (LTIFR), safety reports, safety observations (unsafe conditions), and corrective actions/critical risks.

5.2. Safety Reporting - There were 47 work related incident reports , seven Hazards, three Safety records, and one documented checklist response reports made from 1 January 2026 – 31 March 2026.

6. SIGNIFICANCE AND ENGAGEMENT

6.1. Reporting on the Council’s H&S practices and work streams is considered of low significance in terms of the Council’s Significance and Engagement Policy as this matter is operational in nature. There is no impact on levels of service, rates, or strategic assets.

6.2. H&S is, however, of high importance to the organisation.

Issue	**Level of Significance**	**Explanation of Assessment**
Is there a high level of public interest, or is decision likely to be controversial?	Moderate	Report includes contractor and employee information.
Is there a significant impact arising from duration of the effects from the decision?	N/A	N/A
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	N/A
Does the decision create a substantial change in the level of service provided by Council?	No	N/A
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	N/A
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	N/A
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	N/A
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	N/A

7. NEXT STEPS

7.1. The Sub-committee will receive an updated H&S report at the next meeting.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

 (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

 (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

3.2 POLICY FRAMEWORK AND ROADMAP

File Number:

Report Author: Group Manager Community

Report Authoriser: Chief Executive

Appendices: 1. Draft Policy and Bylaw Framework

1. REPORT PURPOSE

1.1. To seek endorsement from the Risk and Assurance Committee to send to Council for adoption the Draft Policy Framework 2025 as Council's agreed way of working for policies, bylaws, procedures and supporting documents, and to provide the Committee with a structured framework for improving policy governance, currency, and assurance over time.

2. EXECUTIVE SUMMARY

2.1. Council does not currently have a consistently applied, organisation-wide policy and bylaw framework in operation. The absence of a single, agreed way of working has resulted in inconsistent document hierarchy, unclear ownership and review cycles, and reliance on informal practices. This exposes Council to governance, compliance, operational, audit, and organisational knowledge risks, and limits the ability to provide assurance that key controls are current, effective, and aligned with legislative requirements.

2.2. It is proposed that the Risk and Assurance Committee endorse and recommend that Council formally adopts the Draft Policy and Bylaw Framework as the required way of working. The Framework provides a clear document hierarchy, standardised development and review processes, defined ownership, and a foundation for risk-based prioritisation and assurance reporting. Implementation will occur through a staged improvement programme to establish baseline document currency, embed consistent practice, and strengthen governance, audit readiness, and staff confidence over time.

3. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-Committee Meeting:

1. Endorses the Policy and Bylaw Framework and recommend to Council that they formally adopt the Policy and Bylaw Framework as the required way of working.

4. BACKGROUND

4.1. Council currently does not have a consistently applied, organisation-wide policy framework in operation.

There is no single, agreed process that defines: How policies are developed, who owns them, how they are reviewed, retired, or replaced and how compliance and assurance is provided.

4.2. There is internal inconsistency on the hierarchy and understanding of Council's strategic, policy, procedure and regulatory documents.

4.3. Bylaw, policy and regulatory review cycles are unclear, leading to documents being either out of date or requiring urgent review.

4.4. The absence of an adopted and consistently applied policy framework means Council is exposed to:

Risk Area	Description
Governance Risk	Lack of clarity over delegation, authority, and decision-making hierarchy
Compliance Risk	Outdated or lapsed policies and bylaws may not meet legislative requirements
Operational Risk	Inconsistent practices across teams due to unclear procedures
Audit & Assurance Risk	Difficulty demonstrating effective control frameworks and document currency
Organisational Knowledge Risk	Staff reliance on informal practices and institutional knowledge

4.5. A proposed solution to mitigate the risks, is for Council to adopt the Draft Policy and Bylaw Framework as the required way of working, rather than treating it as a guidance document only.

4.6. The Draft Policy and Bylaw Framework has been put together across Council departments, and the framework clearly defines the policy hierarchy, including Governance policies, Management policies, Bylaws, Procedures, Guidelines and forms. It clarifies roles, responsibilities and ownership, Establishes standard development and review processes. Provides a consistent structure that supports legislative compliance and creates a foundation for improved risk management and assurance reporting.

4.7. Adopted as a way of working means: All new and revised policies, bylaws and procedures:

- Must align with the Framework, must use approved templates and processes. Existing documents will be progressively brought into alignment; the Framework becomes the single source of truth for how Council manages its policy environment.

- Staff receive clear guidance on: When a policy is required, When a procedure is appropriate, How the documents connect. This approach supports consistency, transparency, and defensible governance practice.

4.8. To provide assurance to the Risk & Assurance Committee, the Framework will be implemented through a structured, staged improvement plan:

4.9. **Phase 1: Baseline Assessment: Review and categorisation of existing documents (Underway)**

- Current
- Out of date
- Lapsed
- Missing
- Identification of high-risk gaps (e.g. legislative or operational risk areas)

4.10. **Phase 2: Policy Framework Adoption (0-3 months)**

- Formal approval of the Policy Framework
- Communication to staff that it is the required way of working
- Confirmation of roles and responsibilities

- Centralised registers of all policies, bylaws and procedures (underway)

4.11. **Phase 3: Prioritised Development and review programme (0-24 months)**

Risk base improvement, based on:

- Legislative risk
- Health, safety and wellbeing
- Financial and reputational risk
- Introduction of missing foundational policies where procedures currently exist without authority

4.12. **Phase 4: Embedding and Assurance - Ongoing review cycles (ongoing)**

Improved audit readiness and clarity of organisational controls and clear reporting to ELT and Risk & Assurance on:

- Policy currency
- Review compliance
- Emerging gaps or risks

Staff confidence in how policies are applied.

5. OPTIONS

5.1. **Option 1 – Endorsement and recommendation to Council to adopt the Policy and Bylaw Framework**

Benefits of Adopting the Policy Framework
Clear governance and document hierarchy – staff understand the difference
Reduced compliance and legislative risk
Improved Risk & Assurance oversight with
Consistent organisational practice
Stronger audit readiness
Clear ownership and accountability
Risk-based prioritisation of policy
Improved staff confidence and capability in knowing
Single agreed way of working across the
Supports culture of continuous improvement

5.2. **Option 2 – Do not endorse the Policy and Bylaw Framework**

Risks / Limitations if Not Adopted or Poorly Implemented
Continued confusion leads to inconsistent application of rules, informal practices, and reliance on institutional knowledge.
Out-of-date or lapsed policies and bylaws remain in place, increasing exposure risk.
Risk & Assurance Committee lacks confidence that key governance controls are current or effective.

Procedures continue to exist without proper authority, or policies exist without operational guidance, creating control gaps.
Difficulty demonstrating control effectiveness to auditors or regulators due to fragmented documentation.
Unclear responsibility results in policies “belonging to no one” and reviews not occurring on time.
Resources continue to be spent inconsistently, with high-risk gaps remaining unaddressed.
Staff uncertainty leads to workarounds, inconsistent customer outcomes, and operational risk.
Different teams continue to apply their own interpretations, reducing organisational coherence.
Policy activity remains reactive, often triggered only by incidents, audits, or complaints.

6. CONSIDERATIONS

6.1. Legal and Legislative Implications

6.1.1. As listed in the risks, potential for legal and legislative issues is increased with no endorsement of the Policy and Bylaw Framework.

6.2. Financial

6.2.1. There could be negative financial implications if the Policy and Bylaw Framework is not adopted, and the resources to undertake this project is contained within current budgets but is more labour intensive in the early stages.

6.3. Existing Policy and Strategy Implications

6.3.1. Thie clarifies and clarifies policy and strategy implications.

6.4. Fit with Purpose of Local Government Statement

6.4.1. Adoption of the Policy Framework directly supports the purpose of local government under section 10 of the Local Government Act 2002 by strengthening democratic decision-making, improving transparency and accountability, and enabling Council to deliver lawful, effective and sustainable services that promote community well-being now and into the future.

6.5. Effects on Mana whenua

6.5.1. Provides for more thorough processes, which should provide for improved engagement and consultation for Mana Whenua where required.

6.6. Significance and Engagement

6.6.1.

Issue	**Level of Significance**	**Explanation of Assessment**
Is there a high level of public interest, or is decision likely to be controversial?	Med	The framework is not considered controversial, and highly unlikely to attract a high level of public interest. Assessed as medium as strengthens statutory requirements by endorsement.
Is there a significant impact arising from duration of the effects from the decision?	Med	If not endorsed, the potential for significant impact on Council's regulatory obligations is increased
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Med	Development, review and endorsement of Policy and Bylaw is related to many strategic assets.
Does the decision create a substantial change in the level of service provided by Council?	Low	It is not considered there will be a level of service impact.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	N/A
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	N/A
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	N/A	N/A
Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	N/A

6.7. Community Wellbeing Outcomes

6.7.1. Supports Community Wellbeing Outcomes through good quality regulatory services, clear consistent public services and lawful and up to date Bylaws and Policies.

7. NEXT STEPS

7.1. If the Risk and Assurance Committee endorses the Policy and Bylaw Framework, this will go to Council to be adopted, and further work will continue to be undertaken to implement the Polciy and Bylaw Framework.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Framework

Draft Policy & Bylaw Framework

Framework

Version: 1

Approver: Risk and Assurance Committee

Date of Approval: TBC

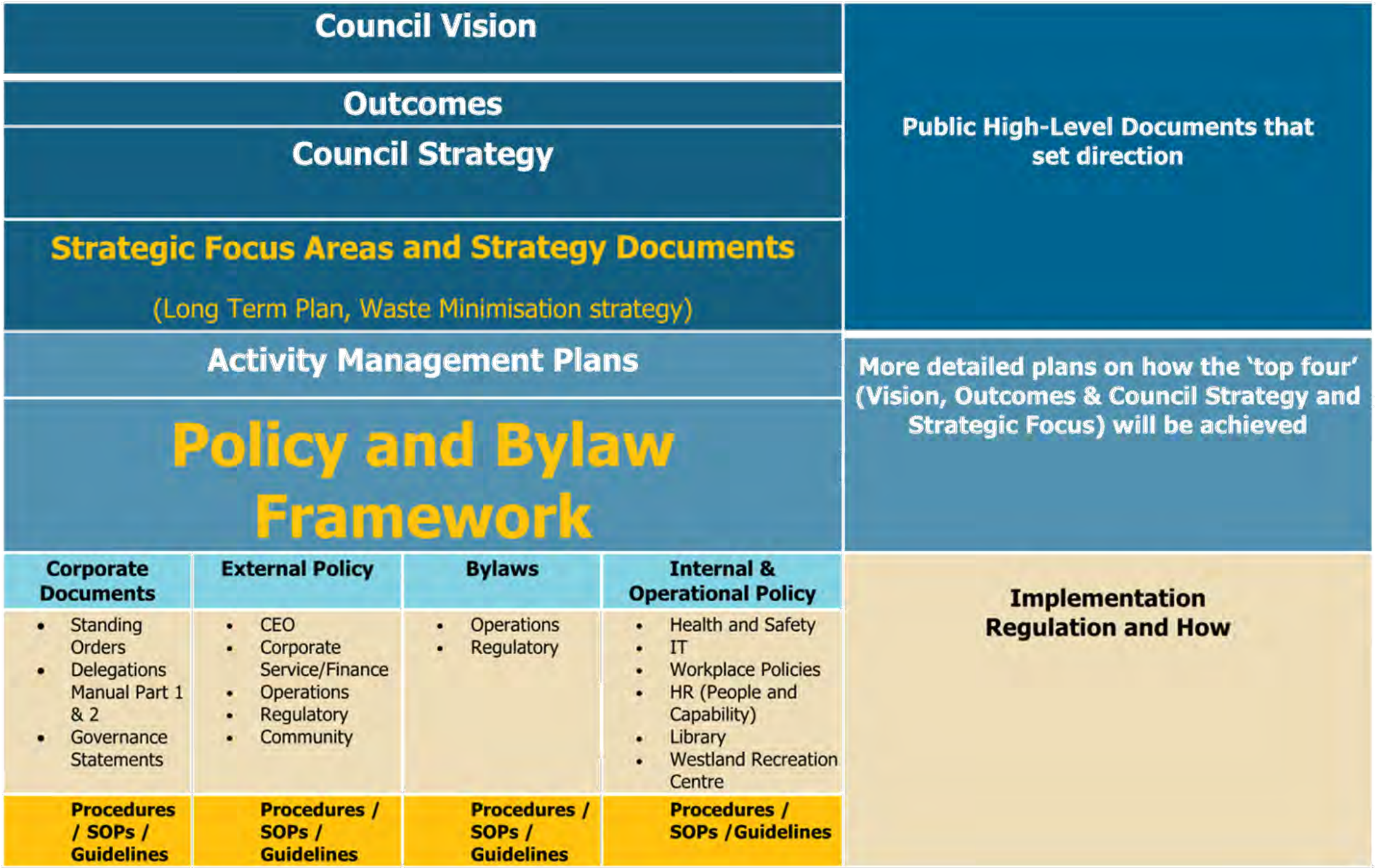
Author: Penny Kirk, Group Manager Community

Owner: CEO

Heart of the West Coast

MĀWHERA GREY

greydc.govt.nz


Council Vision
Outcomes
Council Strategy
Strategic Focus Areas and Strategy Documents
(Long Term Plan, Waste Minimisation strategy)
Public High-Level Documents that set direction
Activity Management Plans
Policy and Bylaw Framework
More detailed plans on how the 'top four' (Vision, Outcomes & Council Strategy and Strategic Focus) will be achieved
Corporate Documents
• Standing Orders
• Delegations Manual Part 1 & 2
• Governance Statements
External Policy
• CEO
• Corporate Service/Finance
• Operations
• Regulatory
• Community
Bylaws
• Operations
• Regulatory
Internal & Operational Policy
• Health and Safety
• IT
• Workplace Policies
• HR (People and Capability)
• Library
• Westland Recreation Centre
Procedures / SOPs / Guidelines
Procedures / SOPs / Guidelines
Procedures / SOPs / Guidelines
Procedures / SOPs /Guidelines
Implementation Regulation and How

Page | 2

Contents

COUNCIL POLICY FRAMEWORK

(Including Policy Development & Review Framework and Bylaw Development & Review Framework)

1. Purpose

The purpose of this Policy Framework is to establish a consistent, transparent and well-governed approach to the creation, approval, implementation and review of all policies and bylaws of Council. It ensures that all Council decisions:

- Align with the Long-Term Plan (LTP), community outcomes and strategic direction
- Comply with legislative requirements
- Are developed using robust analysis and good engagement
- Are implemented effectively and reviewed regularly
- Support efficient operations and sound governance

2. Scope

This Framework applies to:

- All Council policies, including governance, regulatory, financial, operational, and external-facing policies
- All bylaws made under statutory authority (including the Local Government Act 2002)
- Supporting procedures, guidelines and standard operating procedures (SOPs)
- All staff or contractors involved in drafting, reviewing or implementing policies or bylaws

3. Definitions

Strategy	A document setting long-term direction, priorities and objectives.
Framework	A high-level governance or operational approach describing principles, processes or responsibilities in a specific area
Corporate Documents	An official governance document that records the rules, authorities, and procedural requirements Council must follow to ensure consistent, lawful, and transparent decision-making.
Policy - External	A formal statement of Council's position and direction on a matter, adopted either by Council, that impacts or affects community. Sometimes these are statutory.
Policy – Internal/Operational	A formal statement of the operational position and direction on an operational or internal matter, adopted by the Executive Leadership Team (How things are done and often connected closely to procedures).
Bylaw	A regulatory instrument made under statutory authority that imposes obligations or controls to address clearly defined problems.
Procedure / SOP/Guidelines	Operational instructions for implementing a policy.
Policy Owner	Group Manager responsible for development, implementation and review of a specific policy or bylaw.

4. Document Hierarchy

Council documents must align with the following hierarchy:

1. **Long Term Plan Vision (LTP)**
2. **Community Outcomes**
3. **Strategic Focus and Strategies**
4. **Policy Framework**
5. **Corporate Documents, Policies and Bylaws**
6. **Procedures / SOPs / Guidelines**

A lower-level document must not contradict a higher-level document unless expressly approved.

PART A: POLICY FRAMEWORK

5. Types of Policies

Council policies are categorised as:

1. **Corporate Documents** - Delegations/Standing Orders
   Define how Council and committees operate (e.g. delegations, decision-making).
2. **Regulatory Policies**
   Guide the exercise of statutory powers (e.g. Dog Control Policy).
3. **Financial Policies**
   Required by statute or relating to financial management (e.g. Revenue & Financing, Rates Remission).
4. **External Policies**
   Relate to community services and engagement (e.g., conflicts of interest community grants, events).
5. **Operational/Internal Policies**
   Provide internal direction for staff (e.g. IT, Health and Safety, HR, Workplace Policies)

PART B: POLICY DEVELOPMENT & REVIEW FRAMEWORK

6. Roles and Responsibilities

Council	Adopts and revokes corporate documents, regulatory, financial and external policies Approves the Policy Framework Receives reports on monitoring and review
Chief Executive	Ensures systems support consistent policy development Approves operational policies in consultation with Executive Leadership Team
Executive Leadership Team	Policy, Bylaw, Document Owner/Sponsor Sponsors and approves policy to go to Council for adoption Ensures cross-organisational alignment Approves or endorses operational policies with Chief Executive Approves legal review if required
Senior Leadership Team	Policy, Bylaw, Document Writer Drafts, implements and reviews the policy Ensures alignment with legislation and strategies Ensures cross-organisational alignment
Corporate and Strategic Planning Manager	Ensures quality assurance, and alignment with legislation and strategy Assists with prioritisation Owns Policy Register
Communications and Engagement Manager	Scheduling Manages consultation Provides templates Assists with prioritisation Ensures documents are on GDC Templates
Governance and Democracy Team	Scheduling with Council Meetings Maintains policy register

7. External Policy Development Process

Step 1 – Initiation

An external policy may be initiated when there is:

- New legislation or regulatory change
- Risks, audit findings or service issues
- Strategic priorities from LTP, Council decisions or ELT
- A scheduled review

A **Policy Initiation Brief** should be completed, describing the problem, purpose, drivers and anticipated impacts. External Policies require more detail than Internal/Operational Policies

Step 2 – Research and Analysis

The Policy Owner should:

- Analyse the issue, risks and options
- Review relevant legislation
- Identify alignment requirements with strategies, the LTP and bylaws
- Consider financial, Te Tiriti o Waitangi, environmental, economic and social implications
- Pre-engagement with relevant and affected Council departments
- Pre-engagement with stakeholders (depends on significance of proposed changes, check Significance and engagement policy)

Step 3 – Drafting

- Policies must follow the Council Policy Template and be written in plain English.
- Consideration must be given to how the policy will work operationally, with Standard Operating Procedures (SOP's), guidelines or processes in draft for implementation

Step 4 – Internal Review

- Across Council review to ensure that strategic alignments, and across department issues are discussed and resolved.
- Approval by ELT for inclusion in Council Agenda, and process approved.

Step 5 – Engagement / Consultation

Engagement and consultation for all external facing policies and bylaws will be undertaken under the direction of the Communication and Engagement Manager.

The level of engagement depends on:

- Significance of impacts and the Significance and Engagement Policy (note is a statutory document)
- Legislative requirements
- Council direction

Consultation may range from targeted internal engagement to full public consultation using the Special Consultative Procedure as per the Local Government Act 2002.

Step 6 – Decision-Making

Policies must be approved and adopted by Council, with sponsorship by the Executive Leadership Team.

Step 7 – Implementation

Includes:

- Communication to staff and the public
- Training (where needed)
- Standard Operating Procedures, Guidelines or Processes drafted or updated
- Updates to, forms, systems and website/intranet

Step 8 – Monitoring

Policy Owners/Writers must monitor:

- Compliance
- Issues or complaints
- Effectiveness indicators
- Operational impacts and risks

Step 9 – Review

- Standard review cycle: every 3–5 years
- Early review: triggered by law change, audit findings, or significant issues/risks
- A review report must be produced with recommended amendments or confirmation that no changes are needed.
- Review dates will be scheduled in the Policy Register and Corporate Calendar.

8. Policy Template (Summary)

Each policy must include the following sections:

1. Purpose
2. Scope/Context
3. Principles
4. Policy statements
5. Roles and responsibilities
6. Procedures / supporting documents
7. Monitoring and review
8. Related documents
9. Version control and Date of Adoption
10. Adopted sign off
11. Policy Owner

8. Internal Policy Development Process

Step 1 – Initiation

An internal or operational policy may be initiated when there is:

- Risks, audit findings or service issues
- Strategic priorities from LTP, Council decisions or ELT
- A scheduled review
- Legislative or regulatory changes applied

A **Policy Initiation Brief** can be completed, describing the problem, purpose, drivers and anticipated impacts. Internal/Operational Policies require less detail than External Policies.

Step 2 – Research and Analysis

The Policy Owner should:

- Analyse the issue, risks and options
- Review relevant legislation and regulatory guidance
- Identify alignment requirements with strategies, the LTP and bylaws
- Consider implications, including financial and operational
- Pre-engagement with relevant and affected Council departments

Step 3 – Drafting

- Policies must follow the Council Policy Template and be written in plain English.
- Consideration must be given to how the policy will work operationally, with Standard Operating Procedures (SOP's), guidelines or processes in draft for implementation

Step 4 – Internal Review and Consultation

- Across Council review to ensure that strategic alignments, and across department issues are discussed and resolved.
- Senior Leadership Team/ Executive Leadership team review and consultation
- Consultation with the Grey District Council Union is a requirement when changes to policy or processes influence employment, i.e: HR Policy, Health & Safety and Workplace Policies.

Step 5 – Decision-Making

Internal and Operational Policies must be approved by the Executive Leadership Team, and where relevant Council to be informed.

Step 6 – Implementation

Includes:

- Communication to staff
- Training (where needed)

- Standard Operating Procedures, Guidelines or Processes drafted or updated
- Updates to, forms, systems and intranet

Step 7 – Monitoring

Policy Owners/Writers must monitor:

- Compliance
- Issues or complaints
- Effectiveness indicators
- Operational impacts and risks

Step 8 – Review

- Review cycle: Health and Safety reviewed annually, other every 3–5 years, unless required more often
- Early review: triggered by law change, audit findings, or significant issues/risks
- A review report must be produced with recommended amendments or confirmation that no changes are needed.
- Review dates will be scheduled in the Policy Register and Corporate Calendar.

9. Policy Template (Summary)

Each policy must include the following sections:

1. Purpose
2. Scope/Context
3. Principles
4. Policy statements
5. Roles and responsibilities
6. Procedures / supporting documents
7. Monitoring and review
8. Related documents
9. Version control and Date of Adoption
10. Adopted sign off
11. Owner

PART D: BYLAW DEVELOPMENT & REVIEW FRAMEWORK

10. Purpose of Bylaws

Bylaws are used when:

- There is a clear statutory power to make one
- A bylaw is the most appropriate way to address a problem
- Non-regulatory tools are insufficient
- The bylaw is consistent with the New Zealand Bill of Rights Act 1990
- Controls are necessary to protect public health, safety, or minimise nuisance

---

11. Bylaw Development Process

Step 1 – Local Government Act 2002, Section 155 Problem Assessment

The Policy Owner must undertake a Section 155 LGA assessment when adopting a new Bylaw:

1. Define the problem
2. Identify available powers
3. Analyse alternatives
4. Conclude whether:
    - a bylaw is the most appropriate tool
    - the form of bylaw is appropriate
    - the bylaw is consistent with New Zealand Bill of Rights Act 1990

Step 2 – Drafting the Bylaw

A draft bylaw must include:

- Title, purpose and commencement
- Interpretation section
- Clear rules, obligations and permissions
- Enforcement, penalties or infringement provisions
- Schedules (maps, forms, standards)

A legal review can be sought when drafting a new bylaw, with decision made by ELT.

Standard Operating Procedures, Guidelines or Processes must be drafted in conjunction with the draft bylaw.

Step 3 – Internal Review

- Across Council review to ensure that strategic alignments, and across department issues are discussed and resolved.
- Approval by ELT for inclusion in Council Agenda, and process approved.

Step 4 – Council Decision to Consult

A report must present:

- Draft bylaw
- Section 155 assessment
- Statement of Proposal

Council must resolve to consult under the Local Government Act 2002 Section 83, Special consultative procedure

Step 5 – Consultation

- Engagement and consultation will be undertaken under the direction of the Communication and Engagement Manager.
- Always, via the Local Government Act 2002 Section 83, Special consultative procedure
- Make all relevant information publicly available
- Engage with affected communities, iwi, businesses and stakeholders

Step 6 – Hearings

Submitters may present oral submissions.
Staff provide analysis and recommendations.

Step 7 – Deliberations

Council considers:

- Submissions
- Legal and policy implications
- Recommended amendments

Step 8 – Adoption

Council resolves to adopt the bylaw and sets:

- Commencement date
- Transitional arrangements
- Publication requirements

Step 9 – Implementation

- SOP. Guidelines or Processes finalised, updated and implemented
- Staff training
- Public communications
- Updates to enforcement systems, signage, permits

Step 10 – Review

All bylaws must be reviewed:

- At 5 years after the first adoption, and then at least every 10 years after.
- Or earlier if needed due to law change or emerging issues
- Reviews must follow Steps 3-8
- Reviews will be scheduled in the Policy Register and Corporate Calendar

Failure to review the bylaw in time will result in the bylaw being automatically revoked under clause 160A of the Local Government Act 2002.

PART D: SUPPORTING MECHANISMS

12. Policy and Bylaw Register

Council will maintain a register including:

- Title and version
- Approval date and approver
- Review date
- Status (active, under review, revoked)
- Policy owner
- Priority

13. Templates and Tools

Council will maintain standard templates for:

- Policies
- Bylaws
- Consultation documents
- Review reports

---

14. Review of This Framework

This Framework will be reviewed every five years or earlier if required by legislative or organisational changes.

3.3 SENSITIVE EXPENDITURE POLICY REVIEW

File Number:

Report Author: GM Corporate Services

Report Authoriser: Chief Executive

Appendices:
1. Draft Sensitive Expenditure Policy 2025
2. Draft Sensitive Expenditure Policy 2025 - Tracked Changes

1. REPORT PURPOSE

1.1. To Provide the Risk and Assurance Sub Committee a copy of the revised Sensitive Expenditure Policy for recommendation to Council for adoption.

2. EXECUTIVE SUMMARY

2.1. The purpose of the Sensitive Expenditure Policy (The Policy) is to set out expectations for all employees and elected members when using Grey District Council (Council) funds and / or resources.

2.2. Sensitive Expenditure is any Council expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual employees or elected member that is additional to the business benefit to the entity. It also includes expenditure that could be considered unusual for Council's purpose and / or functions. Travel, accommodation, gifts and hospitality are examples of sensitive expenditure.

3. OFFICER RECOMMENDATION

1. That the Risk and Assurance Sub-Committee Meeting receives the report and:

2. Recommends that the 2025 Sensitive Expenditure Policy be adopted by Council.

4. BACKGROUND

4.1. Council deals with "public money" and as such expenditure should be subject to the standards of probity and financial prudence expected of a public entity. These expectations are higher than those that exist in the private sector. Expenditure decisions should be made with these principles applied together and no one principle should be treated as more important than another:

- Have a justifiable business purpose.
- Preserve impartiality.
- Be made with integrity.
- Be moderate and conservative when viewed from the standpoint of the public and having regard to the circumstances.
- Be made transparently.
- Be appropriate in all respects and made with the proper authority.

4.2. Sensitive expenditure refers to expenditure which could, or could be seen to, give an unjustifiable private benefit to an individual additional to the Council benefit for which the expenditure is incurred.

4.3. Sensitive expenditure could be unusual or outside normal Council operations, has a weak or unclear link to Council business, involves a potential conflict of interest, the expenditure be viewed as extravagant.

4.4. The policy is intended to give framework and guidance on Council's expectations around expenditure that could be considered sensitive. It applies to all employees and elected members.

4.5. Key areas of the policy that are:

- Travel and accommodation must be cost-effective; economy air travel is standard.
- Personal travel components and costs for accompanying family members are not reimbursed
- Alcohol is not reimbursed.
- Council vehicles are for business use only.
- Fines incurred while driving are the individual's responsibility.
- Entertainment and hospitality must be pre-approved, documented, and have a clear business purpose.
- Koha and donations require Chief Executive approval and are capped at $1,000.
- Credit cards must not be used for private expenditure.
- Professional memberships must be job-related, approved, time-limited, and primarily benefit Council.

5. OPTIONS

5.1. **Option 1**: That the Risk and Assurance committee recommends the proposed Sensitive Expenditure Policy to Council without amendments for adoption.

5.2. **Option 2:** That That the Risk and Assurance committee recommends the proposed Sensitive Expenditure Policy to Council for adoption with amendments.

6. CONSIDERATIONS

6.1. Legal and Legislative Implications

6.1.1. Local Government Act 2002, Local Government Official Information and Meetings Act 1987.

6.2. Financial

6.2.1. There are no financial cost implications to adopting the Policy.

6.3. Existing Policy and Strategy Implications

6.3.1. Credit Card Policy, Controls and processes around the control of sensitive expenditure.

6.4. Fit with Purpose of Local Government Statement

6.4.1. This Policy fits with the purpose of Local Government and the spending of council funds.

6.5. Effects on Mana whenua

6.5.1. N/A

7. CONCLUSIONS

7.1. The use of Council funds is of public interest and it is important that Council has robust guidelines and controls around any expenditure that could be considered sensitive in nature.

8. NEXT STEPS

8.1. The Risk and Assurance Committee recommend the Policy for adoption to Council and a paper for adopting the policy be tabled at the next meeting.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

GREY DISTRICT COUNCIL

SENSITIVE EXPENDITURE POLICY

This policy sets out the Grey District Council policies and procedures to ensure 'sensitive expenditure' is appropriately controlled. It addresses issues referred to in the Controller & Auditor-General's good practice guide, "Controlling sensitive expenditure: Guide for public organisations" (October 2020).

Approved:	**tbc**
Approved by:	**Council**
Next review:	**October 2028**
Version number:	**2.0**
Who is responsible:	**Group Manager Corporate Services**

Māwhera GREY DISTRICT

Sensitive Expenditure Policy

Purpose

The purpose of the Sensitive Expenditure Policy is to set out expectations for all employees and elected members when using Grey District Council (Council) funds and/or resources..

Sensitive Expenditure is any Council expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual employees or elected member that is additional to the business benefit to the entity. It also includes expenditure that could be considered unusual for Council's purpose and/or functions. Travel, accommodation, gifts and hospitality are examples of sensitive expenditure.

Policy Objective

This policy provides a framework for managing sensitive expenditure and any related conflicts that may arise. The objective is to ensure that all Council expenditure is undertaken in ways that are transparent, appropriate, conservative and has a justifiable business purpose.

Council's are dealing with "public money" and as such expenditure should be subject to the standards of probity and financial prudence expected of a public entity. These expectations are higher than those that exist in the private sector. Expenditure decisions should be made with these principles applied together and no one principle should be treated as more important than another:

- Have a justifiable business purpose.
- Preserve impartiality.
- Be made with integrity.
- Be moderate and conservative when viewed from the stand point of the public and having regard to the circumstances.
- Be made transparently.
- Be appropriate in all respects and made with the proper authority.

Related documents

Council policies and strategies include, but are not limited to:

- Code of conduct
- Conflicts of Interests Policy
- Gifts and Hospitality Policy
- Delegations Manual
- Elected Members Expenses Policy
- Fraud and Corruption Policy
- Procurement Policy
- Vehicle Use Policy
- Credit Card Use Policy
- Mobile device use Policy

Relevant legislation includes but is not limited to:

- Public Finance Act 1989
- Financial Reporting Act 1993
- Privacy Act 1993
- Official Information Act 1982
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Public Audit Act 2001

For guidelines available from the Office of the Auditor General, please refer to:
https://oag.parliament.nz/good-practice/sensitive-expenditure

Contents

Definitions

Actual means as evidenced by the original tax receipt attached to the claim form.

Council means Grey District Council.

Council business[1] (in the context of sensitive expenditure) means attendance at meetings/events for work purposes, which include:

- Conferences
- Training courses
- Statutory hearings
- Meetings with stakeholders and/or community members
- Fact-finding or investigative travel
- Travel.

Council business shall be performed in accordance with all other relevant Council policies and guidelines. Meetings/events which are primarily a social activity, such as recreational events including concerts or sporting games, are specifically excluded from the Council business definition.

Credit card includes vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before a payment is made.

Employee means a person employed by the Grey District Council on a temporary, permanent or contractual basis.

Elected member means the mayor, any council member.

Koha is a donation, gift, present, offering, donation or a contribution. A koha is often given as a sign of appreciation to maintain social relationships.

One-up approval is approval granted by a person senior to the person who will benefit, or who might be perceived to benefit, from a purchase. In most instances, this will be the manager, group manager or Chief Executive.

Reasonable means that it is appropriate, fair, moderate, sensible, and within the amount specified by this policy or as deemed reasonable by the appropriate one-up approval.

Sensitive expenditure means any expenditure which could, or could be seen to, give an unjustifiable private benefit to an individual additional to the Council benefit for which the expenditure is incurred. Examples of sensitive expenditure include (but are not limited to) travel to desirable locations, business class travel, expensive hotel stays, entertainment, employee recognition and gifts.

Supplier means a current or potential provider of goods or services to Council.

1. Introduction

1.1 From time to time, employees and elected members incur expenses which could be considered 'sensitive expenditure'. Reimbursement of these expenses is only available when acting in the capacity of their position on Council business.

1.2 Council spends public money and consequently all expenditure is subject to the standard of probity and financial prudence expected of a local authority. Expenditure must be capable of withstanding any public scrutiny.

1.3 Sensitive expenditure will normally have one or more of the following attributes:

1.3.1 potentially results in a perceived or real private benefit to an individual,
1.3.2 considered an 'unusual' expenditure item for Council,
1.3.3 does not directly align with the core business of Council or has an unclear link to the normal business purposes of Council,
1.3.4 may involve a conflict of interest (legal or ethical), and/or
1.3.5 may be considered an extravagant or immoderate expenditure.

2. Application

2.1 This policy applies to both employees and elected members. All clauses apply to employees, and some to both employees and elected members.

2.2 For employees, the policy should be read alongside the Procurement Policy, and those policies referred to on page three (3) of this policy.

3. Principles

3.1 Employees and elected members must exercise proper and prudent behaviour in relation to all expenditure. This includes being honest, accountable, and complying with internal controls.

3.2 Relevant principles are:

3.2.1 there must be a justifiable business purpose,
3.2.2 expenditure decisions must preserve impartiality,
3.2.3 expenditure must be moderate and conservative, having regard to the circumstances, and
3.2.4 the process must be transparent with the appropriate approvals obtained.

3.3 Expenditure must not be motivated by the potential for individual benefit.

3.4 In the absence of a specific rule, good judgement must be exercised taking into account the principles of this policy and the context of a given situation.

3.5

4. Approval and reimbursement of sensitive expenditure

4.1 Authorisation must be given:

4.1.1 before the expenditure is incurred, wherever practical
4.1.2 Strictly in line with the delegated Authority and where budgetary provision exists, and
4.1.3 where a justified business purpose is evident, in the opinion of the person giving approval.

4.2 Approval for sensitive expenditure must be granted by the appropriate one-up approval:

Position seeking approval	Approval granted by
All staff	Manager
Manager	Group Manager
Group Manager	Chief Executive
Chief Executive	Mayor
Mayor	Chief Executive or Deputy Mayor
Elected members	Mayor or Chief Executive

4.3 All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month of the transaction.

4.4 Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to Council business.

5. Sensitive expenditure for both employees and elected members

5.1 Travel and accommodation expenditure

5.1.1 Travel and accommodation costs may be incurred while conducting Council business elsewhere in New Zealand or overseas.

5.1.2 All travel and accommodation arrangements must be cost effective.

5.1.3 In assessing the best method of travel, consideration should be given to distance, timetable constraints, urgency, personal health, security and safety..

5.1.4 Wherever possible, Council's preferred suppliers should be used.

5.1.5 Reasonable expenses will be met for unexpected events, e.g. overnight expenses due to a cancelled plane flight.

5.2 Air travel

5.2.1 Discounted economy or economy class and/or a discount airline must be the first choice.

5.3 Accommodation

5.3.1 The amount to be spent on accommodation must be the most cost-effective and practical option.

5.3.2 WIFI costs will be reimbursed if required for work purposes and mobile coverage through a Council mobile device is unavailable.

5.3.3 Accommodation check-out times are to be observed. Any additional costs of failing to check out in time are the responsibility of the individual, unless unexpected events have occurred.

5.3.4 Where travel arrangements are extended to accommodate personal arrangements, all costs in addition to the business component of the trip are the responsibility of the individual.

5.4 Beverages

5.4.1 Council will pay for a maximum of two beverages (non-alcoholic) with an evening meal. These must be identifiable on receipts supporting the expenditure.

5.4.2 Minibar costs will not be reimbursed.

5.5 Meals

5.5.1 The Employee can either claim an overnight allowance via payroll or they can claim reasonable meal costs

5.5.2 One-up approval is required for reimbursement of meals in line with above.

5.5.3 Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, or included in the room price.

5.6 Council Pool vehicles

5.6.1 Where possible, Council pool cars are to be used for reasonable distances of travel within the South Island.

5.6.2 Council vehicles are not available for private use.

5.6.3 Employees and elected members should endeavour to return Council vehicles as soon as possible following the completion of use.

5.6.4 The Finance Team must be advised if a vehicle is taken home for the night, as Fringe Benefit Tax will apply.

5.7 Rental cars

5.7.1 The most economical type and size of rental, consistent with the requirements of the trip, must be used.

5.7.2 Rental cars are only available for business conducted outside the district.

5.7.3 Private use of a rental car is only permitted in exceptional circumstances and requires One-up approval. All additional costs of private use are the responsibility of the individual.

5.8 Taxis

Taxis, in relation to this policy, include any other alternative form of 'taxi' or rideshare available, such as Uber.

5.8.1 Council will pay for appropriate travel by taxi on Council business. The use of taxis must be cost effective relative to other transport options.

5.8.2 Where possible, shuttles should be utilised for transport to and from airports for reasonable distances where time permits (i.e. for shuttling from a hotel or event to the airport).

5.9 Fines incurred in relation to vehicles

5.9.1 Any fines (parking or traffic offences) incurred while using a Council vehicle or a rental are the responsibility of the driver (unless the fine relates to an aspect of the condition of the vehicle outside the driver's control).

5.10 Parking

5.10.1 The most cost effective parking option must be utilised. The cost of parking will be reimbursed provided the purpose of the trip is for Council business.

5.11 Private arrangements and stopovers

5.11.1 Employees and elected members with the approval of the relevant Group Manager, Chief Executive or Mayor (as applicable) may undertake private travel before, during or at the end of Council travel, provided there is no additional cost and the private travel is only incidental to the business purpose of the travel. If there are additional costs (such as a difference in the cost of flights) these costs must be covered by the individual.

5.11.2 Travel costs for accompanying spouses, partners or other family members are a personal expense and will not be reimbursed.

5.12 Entertainment and hospitality expenditure

5.12.1 Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals.

5.12.2 All entertainment and hospitality expenditure must be pre-approved where possible and supported by clear documentation.

5.12.3 The business purposes of entertainment and hospitality are:

- building relationships,
- representing the organisation,
- reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with Gifts and Hospitality Policy
- building revenue generating streams or revenue.

5.12.4 Council will not reimburse the cost of alcoholic drinks.

5.13 Koha and donations

5.13.1 Koha payments and/or donations must be approved by the Chief Executive and must not exceed $1,000.

6. Sensitive expenditure applicable to employees only

1.1. Use of private vehicles

1.1.1. Council will not normally pay for travel by private vehicle when travel by other means is more practical and cost effective. Individuals must use a Council vehicle for Council business, if there is one available.

1.1.2. Prior one-up approval is required for reimbursement for the use of a private vehicle. This is paid per the IRD rate and documented in the "Vehicle Policy".

6.1.4 Reimbursement will be based on the distance travelled in the most direct route and will be made in accordance with the mileage rate set by the Executive team or as specified in the employee's Employment Agreement.

6.1.5 The vehicle owner must ensure that they have appropriate insurance cover for the vehicle while it is being used on Council business.

6.2 Catering for meetings held internally

6.2.1 Where meetings are hosted internally by employees, external catering should only be provided where either:

- external parties will be in attendance,
- the meeting extends over the lunch time period,
- one-up approval has been obtained, or
- elected members are present, such as for a workshop, working group, or Council meeting.

6.3 Credit card usage

6.3.1 Credit card use is monitored. This is further explained in the credit card use policy. The card holder is responsible for all purchasers made using their card.

6.3.2 The use of Council credit cards for private expenditure or credit is prohibited except in exceptional circumstances, when prior approval is required by the Group Manager or Chief Executive. In these rare cases the expenditure is to be fully reimbursed to Council prior to the credit card payment being due.

6.3.3 On the card holder's termination of employment, the Finance Manager will arrange with the bank to cancel the card. The credit card must be returned to the Finance Manager, who will ensure it is physically destroyed.

6.3.4 Credit cards may **not be used for cash advances**, unless:

- cash is required in an emergency (usually related to travel on Council business), or
- cash is required for official purposes (in rare circumstances) and has prior approval.

6.4 Farewells, long service and retirements

Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion.

	Length of Service	**Value of Council Contribution/ plus Recognition gift**
Farewells (including Retirements)	2-5 Years	Morning tea
	5+ Years	Morning Tea and gift to the value of $20 per year of service
Long Service Recognition	10 Years	GDC logoed Recognition Item Gift to the value of $100
	15 Years	GDC logoed Recognition Item Gift to the value of $150
	20 Years and every 5 years subsequent	GDC logoed Recognition Item Gift to the value of $200

6.5 Professional memberships

Membership to a professional body is sensitive expenditure due to its personal nature. Payment of professional fees by Council on behalf of a staff member must be: a) approved by the GM or CE; b) clearly relevant to the performance of the staff member's duties and responsibilities; c) for the staff member alone and is not to cover members of their family or other non-staff members; d) for no longer than one-year in duration unless significant discounts are available, and it is reasonable to expect a two year membership to be an advantage to the Council; e) for the benefit of the Council and are not intended to be a personal benefit to staff members, and accordingly are not liable for fringe benefit tax. f) cancelled or transferred to an appropriate staff member if the staff member's employment with the Council is terminated, via resignation or otherwise; and g) refunded directly to the Council if the membership is cancelled.

6.6 Goods and services expenditure (loyalty rewards)

6.6.1 Loyalty rewards associated with transactions required to carry out Council are not to be claimed by an individual, this is to ensure the best price and value should always be considered and the potential accrual of awards should not dictate a purchasing decision.

6.7 Private use of Council assets

6.7.1 Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the Internet, and stationery.

6.7.2 The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

6.7.3 The use of Council assets in any private business that any employee may operate is not permitted.

6.8 Council use of private assets

6.8.1 The main issue associated with Council's use of private assets is the risk of Council paying or reimbursing amounts that inappropriately benefit employees. Therefore, prior one-up approval is required.

6.8.2 Council may decide that reimbursing employees for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private vehicles, private cell phones and private computers.

6.8.3 Employees must not approve or administer payments to themselves for the Councils use of their private assets.

7. Failure to comply

7.1 Compliance with this policy is expected. Failure to do may result in disciplinary action.

7.2 Examples of non-compliance include, but are not limited to:

- 7.2.1 Unauthorised use or misuse of a Council credit card
- 7.2.2 Failure to obtain appropriate one-up approval
- 7.2.3 Private use of a Council pool car
- 7.2.4 Failure to declare a gift.

GREY DISTRICT COUNCIL

SENSITIVE EXPENDITURE POLICY

This policy sets out the Grey District Council policies and procedures to ensure 'sensitive expenditure' is appropriately controlled. It addresses issues referred to in the Controller & Auditor-General's good practice guide, "Controlling sensitive expenditure: Guide for public organisations" (October 2020).

Approved:	tbc~~28 October 2025~~
Approved by:	**Council**
Next review:	**October 2028**
Version number:	**2.0**
Who is responsible:	**Group Manager Corporate Services**

Māwhera GREY DISTRICT

Sensitive Expenditure Policy

Purpose

The purpose of the Sensitive Expenditure Policy is to set out expectations for all employees and elected members when using Grey District Council (Council) funds and/or resources.~~The purpose of this policy is to ensure 'sensitive expenditure' is appropriately controlled.~~ ~~It addresses issues referred to in the Controller & Auditor-General's good practice guide, "Controlling sensitive expenditure: Guide for public organisations" (October 2020).~~

~~Sensitive expenditure is any spending by Council that could be perceived to be giving private benefit to a staff member, their family, or friends. It risks harming Council's reputation – for example, if the expenditure could lead to concerns that the spending is inappropriate or lacks a legitimate business reason. Even a small amount can raise concerns if it appears to be improper.~~Sensitive Expenditure is any Council expenditure that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual employees or elected member that is additional to the business benefit to the entity. It also includes expenditure that could be considered unusual for Council's purpose and/or functions. Travel, accommodation, gifts and hospitality are examples of sensitive expenditure.

~~In plain English, it is expenditure that could be perceived as a wasteful or extravagant use of ratepayer funds.~~

~~Scope~~

~~This policy applies to all employees, except for those items of sensitive expenditure specifically provided for by individual employment agreements~~

Policy Objective

This policy provides a framework for managing sensitive expenditure and any related conflicts that may arise. The objective is to ensure that all Council expenditure is undertaken in ways that are transparent, appropriate, conservative and has a justifiable business purpose.

~~because c~~Council's are dealing with "public money" and as such expenditure should be subject to the standards of probity and financial prudence expected of a public entity. These expectations are higher than those that exist in the private sector. Expenditure decisions should be made with these principles applied together and no one principle should be treated as more important than another:

- Have a justifiable business purpose.
- Preserve impartiality.
- Be made with integrity.
- Be moderate and conservative when viewed from the stand point of the public and having regard to the circumstances.
- Be made transparently.
- Be appropriate in all respects and made with the proper authority.

Related documents

Council policies and strategies include, but are not limited to:

- Code of conduct
- Conflicts of Interests Policy
- Gifts and Hospitality Policy
- Delegations Manual
- Elected Members Expenses Policy
- Fraud and Corruption Policy
- Procurement Policy
- Vehicle Use Policy
- Credit Card Use Policy
- Mobile device use Policy

Relevant legislation includes but is not limited to:

- ~~Commerce Act 1986~~
- ~~Sale of Goods Act 1908~~
- ~~Fair Trading Act 1986~~
- ~~Consumer Guarantees Act 1993~~
- Public Finance Act 1989
- Financial Reporting Act 1993
- Privacy Act 1993
- Official Information Act 1982
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Public Audit Act 2001

For guidelines available from the Office of the Auditor General, please refer to:
https://oag.parliament.nz/good-practice/sensitive-expenditure

Contents

Definitions

Actual means as evidenced by the original tax receipt attached to the claim form.

Council means Grey District Council.

Council business[1] (in the context of sensitive expenditure) means attendance at meetings/events for work purposes, which include:

- Conferences
- Training courses
- Statutory hearings
- Meetings with stakeholders and/or community members
- Fact-finding or investigative travel
- Travel ~~as part of a Sister Delegation, where the host city does not wholly cover the cost of such travel~~.

Council business shall be performed in accordance with all other relevant Council policies and guidelines. Meetings/events which are primarily a social activity, such as recreational events including concerts or sporting games, are specifically excluded from the Council business definition.

Credit card includes vehicle fleet cards, purchase cards and equivalent cards used to obtain goods and services before a payment is made.

Employee means a person employed by the Grey District Council on a temporary, permanent or contractual basis.

Elected member means the mayor, any council member ~~or Community Board member~~.

Koha is a donation, gift, present, offering, donation or a contribution. A koha is often given as a sign of appreciation to maintain social relationships.

One-up approval is approval granted by a person senior to the person who will benefit, or who might be perceived to benefit, from a purchase. In most instances, this will be the manager, group manager or Chief Executive.

Reasonable means that it is appropriate, fair, moderate, sensible, and within the amount specified by this policy or as deemed reasonable by the appropriate one-up approval.

Sensitive expenditure means any expenditure which could, or could be seen to, give an unjustifiable private benefit to an individual additional to the Council benefit for which the expenditure is incurred. Examples of sensitive expenditure include (but are not limited to) travel to desirable locations, business class travel, expensive hotel stays, entertainment, employee recognition and gifts.

Supplier means a current or potential provider of goods or services to Council.

~~The Controller & Auditor-General's guide states because councils are dealing with "public money" and as such expenditure should be subject to the standards of probity and financial prudence expected of a public entity. These expectations are higher than those that exist in the private sector. Expenditure decisions should be made with these principles applied together and no one principle should be treated as more important than another:~~

- ~~Have a justifiable business purpose.~~
- ~~Preserve impartiality.~~
- ~~Be made with integrity.~~
- ~~Be moderate and conservative when viewed from the stand point of the public and having regard to the circumstances.~~
- ~~Be made transparently.~~
- ~~Be appropriate in all respects and made with the proper authority.~~

~~[1] The Elected Members' Allowances and Reimbursement Policy contains an elaborated version of this definition to account for circumstances relevant to matters in that policy.~~

~~Sensitive expenditure approvals should:~~

- ~~Be given only when there is a justified business purpose.~~
- ~~Where practical, be given before expenditure is incurred.~~
- ~~Be within delegated authority and statutory limits.~~
- ~~Be subject to budget provision.~~
- ~~Be given by a person in a more senior position, and who will not benefit.~~

1. Introduction

1.1 From time to time, employees and elected members incur expenses which could be considered 'sensitive expenditure'. Reimbursement of these expenses is only available when acting in the capacity of their position on Council business.

1.2 Council spends public money and consequently all expenditure is subject to the standard of probity and financial prudence expected of a local authority. Expenditure must be capable of withstanding any public scrutiny.

1.3 Sensitive expenditure will normally have one or more of the following attributes:

1.3.1 potentially results in a perceived or real private benefit to an individual,
1.3.2 considered an 'unusual' expenditure item for Council,
1.3.3 does not directly align with the core business of Council or has an unclear link to the normal business purposes of Council,
1.3.4 may involve a conflict of interest (legal or ethical), and/or
1.3.5 may be considered an extravagant or immoderate expenditure.

2. Application

2.1 This policy applies to both employees and elected members. All clauses apply to employees, and some to both employees and elected members.

2.2 For employees, the policy should be read alongside the Procurement Policy, and ~~the internal Code of conduct and~~ those policies referred to on page three (3) of this policy.

3. Principles

3.1 Employees and elected members must exercise proper and prudent behaviour in relation to all expenditure. This includes being honest, accountable, and complying with internal controls. ~~The lowest overall cost to the Council should be preferred.~~

3.2 Relevant principles are:

3.2.1 there must be a justifiable business purpose,
3.2.2 expenditure decisions must preserve impartiality,
3.2.3 expenditure must be moderate and conservative, having regard to the circumstances, and
3.2.4 the process must be transparent with the appropriate approvals obtained.

3.3 Expenditure must not be motivated by the potential for individual benefit.

3.4 In the absence of a specific rule, good judgement must be exercised ~~by~~ taking into account the principles of this policy and the context of a given situation.

~~5.4~~3.5

4. Approval and reimbursement of sensitive expenditure

4.1 Authorisation must be given:

4.1.1 before the expenditure is incurred, wherever practical~~;~~
4.1.2 ~~by applying the one-up principle~~Strictly in line with the delegated Authority and where budgetary provision exists,~~;~~ and
4.1.3 where a justified business purpose is evident, in the opinion of the person giving approval.

4.2 Approval for sensitive expenditure must be granted by the appropriate one-up approval:

Position seeking approval	Approval granted by
All staff	Manager
Manager	Group Manager
Group Manager	Chief Executive
Chief Executive	Mayor
Mayor	Chief Executive~~Group Manager Corporate Services~~ or Deputy Mayor
Elected members	Mayor or Chief Executive ~~or Group Manager Corporate Services.~~

4.3 All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month of the transaction.

4.4 Sensitive expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to Council business.

5. Sensitive expenditure for both employees and elected members

5.1 Travel and accommodation expenditure

5.1.1 Travel and accommodation costs may be incurred while conducting Council business elsewhere in New Zealand or overseas. ~~The principles of a justified business purpose, and moderate and conservative expenditure, are particularly relevant for travel and accommodation expenditure.~~

5.1.2 All travel and accommodation arrangements must be ~~made well ahead of the travel date so the expenditure is~~ cost effective.

5.1.3 In assessing the best method of travel, consideration should be given to distance, timetable constraints, urgency, personal health, security and safety.~~Bookings can be made to leave the day prior to an event, if it is considered reasonable~~.

5.1.4 Wherever possible, Council's preferred suppliers should be used.

5.1.5 Reasonable expenses will be met for unexpected events, e.g. overnight expenses due to a cancelled plane flight.

5.2 Air travel

5.2.1 Discounted economy or economy class and/or a discount airline must be the first choice.

5.2.2 ~~Air points - provided the use of carriers supplying air points does not result in Council incurring additional costs, air points rewards accruing may be kept by the employee.~~

5.3 Accommodation

5.3.1 The amount to be spent on accommodation ~~per night, however those booking for accommodation is made,~~ must ~~look for~~be the most cost-effective and practical option. ~~One-up approval may be granted if there is a clear reason, such as a desire to stay at the location or within close proximity of the event.~~

5.3.2 ~~Discretionary entertainment expenses such as movies will not be reimbursed. However,~~ WIFI costs will be reimbursed if required for work purposes and mobile coverage through a Council mobile device is unavailable.

5.3.3 Accommodation check-out times are to be observed. Any additional costs of failing to check out in time are the responsibility of the individual, unless unexpected events have occurred.

5.3.4 Where travel arrangements are extended to accommodate personal arrangements, all costs in addition to the business component of the trip are the responsibility of the individual.

5.4 Beverages

5.4.1 Council will pay for a maximum of two beverages (~~alcoholic or~~ non-alcoholic) with an evening meal. These must be identifiable on receipts supporting the expenditure.

5.4.2 Minibar costs will not be reimbursed.

5.5 Meals

~~5.5.1 Reasonable meal costs will be met. In general, the total cost (including beverages) is part of the union and IEA contracts as an overnight allowance which is increased by CPI each year in April.~~
5.5.1 The Employee can either claim an overnight allowance via payroll or they can claim reasonable meal costs

5.5.2 One-up approval is required for reimbursement of meals in line with above.

5.5.3 Separate meal expenses will not be met where a meal has been provided as part of the meeting, conference, training, or included in the room price.

5.6 Council Pool vehicles

5.6.1 Where possible, Council pool cars are to be used for reasonable distances of travel within the South Island.

5.6.2 Council vehicles ~~(except those provided under a remuneration arrangement)~~ are not available for private use.

5.6.3 Employees and elected members should endeavour to return Council vehicles as soon as possible following the completion of use.

5.6.4 The Finance Team must be advised if a vehicle is taken home for the night, as Fringe Benefit Tax will apply.

5.7 Rental cars

5.7.1 The most economical type and size of rental, consistent with the requirements of the trip, must be used.

5.7.2 Rental cars are only available for business conducted outside the district.

5.7.3 Private use of a rental car is only permitted in exceptional circumstances and requires One-up approval. All additional costs of private use are the responsibility of the individual.

5.8 Taxis

~~5.8.1~~ Taxis, in relation to this policy, include any other alternative form of 'taxi' or rideshare available, such as Uber. ~~or Ola.~~

~~5.8.2~~5.8.1 Council will pay for appropriate travel by taxi on Council business. The use of taxis must be cost effective relative to other transport options.

~~5.8.3~~5.8.2 Where possible, shuttles should be utilised for transport to and from airports for reasonable distances where time permits (i.e. for shuttling from a hotel or event to the airport).

5.9 Fines incurred in relation to vehicles

5.9.1 Any fines (parking or traffic offences) incurred while using a Council vehicle or a rental are the responsibility of the driver (unless the fine relates to an aspect of the condition of the vehicle outside the driver's control).

5.10 Parking

5.10.1 The most cost effective parking option must be utilised. The cost of parking will be reimbursed provided the purpose of the trip is for Council business.

~~**5.11 Tipping**~~

~~5.11.1 Tipping within New Zealand will not be reimbursed.~~

~~5.11.2 Appropriate tipping during international travel will be reimbursed only in places where tipping is local practice, such as the United States.~~

~~5.12~~5.11 Private arrangements and stopovers

~~5.12.1~~5.11.1 Employees and elected members with the approval of the relevant Group Manager, Chief Executive or Mayor (as applicable) may undertake private travel before, during or at the end of Council travel, provided there is no additional cost and the private travel is only incidental to the business purpose of the travel. If there are additional costs (such as a difference in the cost of flights) these costs must be covered by the individual.

~~5.12.2~~5.11.2 Travel costs for accompanying spouses, partners or other family members are a personal expense and will not be reimbursed.

~~5.12.3 The cost of stopovers will only be reimbursed when they are pre-approved and have a clear business purpose.~~

~~5.13~~5.12 Entertainment and hospitality expenditure

~~5.13.1~~5.12.1 Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals ~~and alcohol. It also includes non-catering related items, such as entry to sporting or cultural events~~.

~~5.13.2~~5.12.2 All entertainment and hospitality expenditure must be pre-approved where possible and supported by clear documentation.

~~5.13.3~~5.12.3 The business purposes of entertainment and hospitality are:

- building relationships,

- ~~representing the organisation,~~

- reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with Gifts and Hospitality Policy~~the principles and guidance for provision of hospitality, and~~
- building revenue generating streams or revenue.

5.12.4 Council will not reimburse the cost of alcoholic drinks.

~~5.14~~5.13 Koha and donations

~~5.14.1~~5.13.1 Koha payments and/or donations must be approved by the Chief Executive and must not exceed $1,000.

6. Sensitive expenditure applicable to employees only

1.1. Use of private vehicles

1.1.1. Council will not normally pay for travel by private vehicle when travel by other means is more practical and cost effective. Individuals must use a Council vehicle for Council business, if there is one available.

1.1.2. Prior one-up approval is required for reimbursement for the use of a private vehicle. This is paid per the IRD rate and documented in the "Vehicle Policy".

~~1.1.3. Circumstances where the use of private vehicles may be considered appropriate include where:~~

~~1.1.3.1. an absence for a period of longer than two days, or~~
~~1.1.3.2. no pool cars are available (it is the responsibility of the employee to ensure pool cars are booked as soon as possible to avoid this circumstance).~~

6.1.4 Reimbursement will be based on the distance travelled in the most direct route and will be made in accordance with the mileage rate set by the Executive team or as specified in the employee's Employment Agreement.

6.1.5 The vehicle owner must ensure that they have appropriate insurance cover for the vehicle while it is being used on Council business.

6.2 Catering for meetings held internally

6.2.1 Where meetings are hosted internally by employees, external catering should only be provided where either:

- external parties will be in attendance,
- the meeting extends over the lunch time period,
- one-up approval has been obtained, or
- elected members are present, such as for a workshop, working group, or Council meeting.

6.3 Credit card usage

6.3.1 Credit card use is monitored. This is further explained in the credit card use policy. The card holder is responsible for all purchasers made using their card.

6.3.2 The use of Council credit cards for private expenditure or credit is prohibited except in exceptional circumstances, when prior approval is required by the Group Manager or Chief Executive. In these rare cases the expenditure is to be fully reimbursed to Council prior to the credit card payment being due.

6.3.3 On the card holder's termination of employment, the Finance Manager will arrange with the bank to cancel the card. The credit card must be returned to the Finance Manager, who will ensure it is physically destroyed.

6.3.4 Credit cards may **not be used for cash advances**, unless:

- cash is required in an emergency (usually related to travel on Council business), or
- cash is required for official purposes (in rare circumstances) and has prior approval.
- ~~Credit card payments made online need to reflect good security practice as per below:~~
- ~~purchases are made only from established and reputable companies, and~~

~~**the card holder must retain a copy of the online order form and invoice to support the payment.**~~

6.4 Farewells, long service and retirements

Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion.

	Length of Service	**Value of Council Contribution/ plus Recognition gift**
Farewells (including Retirements)	2-5 Years	Morning tea
	5+ Years	Morning Tea and gift to the value of $20 per year of service
Long Service Recognition	10 Years	GDC logoed Recognition Item Gift to the value of $100
	15 Years	GDC logoed Recognition Item Gift to the value of $150
	20 Years and every 5 years subsequent	GDC logoed Recognition Item Gift to the value of $200

6.5 Professional memberships

- Membership to a professional body is sensitive expenditure due to its personal nature. Payment of professional fees by Council on behalf of a staff member must be: a) approved by the GM or CE; b) clearly relevant to the performance of the staff member's duties and responsibilities; c) for the staff member alone and is not to cover members of their family or other non-staff members; d) for no longer than one-year in duration unless significant discounts are available, and it is reasonable to expect a two year membership to be an advantage to the Council; e) for the benefit of the Council and are not intended to be a personal benefit to staff members, and accordingly are not liable for fringe benefit tax. f) cancelled or transferred to an appropriate staff member if the staff member's employment with the Council is terminated, via resignation or otherwise; and g) refunded directly to the Council if the membership is cancelled.

~~6.4~~6.6 Goods and services expenditure (loyalty rewards)

6.6.1 Loyalty rewards associated with transactions required to carry out Council ~~duties are the property of Council. However, individual employees can accrue loyalty rewards to their personal accounts where the accrual is for small and/or infrequent purchases. It is up to the employee to ensure this privilege is not abused.~~ are not to be claimed by an individual, this is to ensure ~~T~~the best price and value should always be considered~~.~~ and ~~T~~ the potential accrual of awards should not dictate a purchasing decision.

~~6.5~~6.7 Private use of Council assets

~~6.5.1~~6.7.1 Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the Internet, and stationery.

~~6.5.2~~6.7.2 The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

~~6.5.3~~6.7.3 The use of Council assets in any private business that any employee may operate is not permitted.

~~6.6~~6.8 Council use of private assets

~~6.6.1~~6.8.1 The main issue associated with Council's use of private assets is the risk of Council paying or reimbursing amounts that inappropriately benefit employees. Therefore, prior one-up approval is required.

~~6.6.2~~6.8.2 Council may decide that reimbursing employees for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private vehicles, private cell phones and private computers.

6.8.3 Employees must not approve or administer payments to themselves for the Councils use of their private assets.

~~6.6.3~~

~~6.7 Private use of Council suppliers~~

~~6.7.1 Employees may have access to some Council suppliers on the same basis as Council, and they may receive preferential access to goods or services, potentially at a preferential price.~~

~~6.7.2 The selection of suppliers must be in the interest of Council. The availability or possibility of employees purchasing privileges must not factor into this selection.~~

~~6.7.3 Employees may make use of any preferential access to goods or services through Council's suppliers provided the discount offered must be the same discount offered to all Council employees. Payment for any purchases must be made by the employee at the time of purchase.~~

~~6.7.4 In rare circumstances a Council order may include expenditure with a personal component, such as a travel or accommodation booking. In this case, payment to Council for the personal component must be made on confirmation of the cost or the receipt of the invoice from the supplier, whichever occurs first.~~

7. Failure to comply

7.1 Compliance with this policy is expected. Failure to do may result in disciplinary action.

7.2 Examples of non-compliance include, but are not limited to:

7.2.1 Unauthorised use or misuse of a Council credit card
7.2.2 Failure to obtain appropriate one-up approval
7.2.3 Private use of a Council pool car
7.2.4 Failure to declare a gift.

4 IN COMMITTEE ITEMS

COUNCIL IN-COMMITTEE

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1 – 4.5

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

OFFICER RECOMMENDATION

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 26 FEBRUARY 2026	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
4.2 - HEALTH AND SAFETY REPORT	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
4.3 - CORPORATE SERVICES REPORT	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

4.4 - GREY DISTRICT COUNCIL AUDIT PLAN 2026	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
4.5 - STAFF SAFETY	s6(b) - the making available of the information would be likely to endanger the safety of any person	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING