

Sensitive Expenditure and Gifts Policy

Version 8, July 2025
Owner: GM Business Services
Custodian: Chief Financial Officer

YOUR LICENSE TO ACT

maintaining our values through our actions



Kaupapa | Purpose

The purpose of this policy is to:

- enable PHF Science employees to understand the principles and decision-making guidelines for sensitive expenditure and gifts;
- ensure that sensitive expenditure and gifts are consistently and transparently assessed, authorised and reviewed;
- recognise the importance of Te Tiriti o Waitangi as being at the core of everything we do.



He Aha Tēnei i Hira Ai? | Why Is This Important?

- Trust and confidence in PHF Science is driven by competence, reliability, and integrity. Where there is any question about any one of these things, real or perceived, trust and confidence can be eroded. It is important that we adhere to the highest standards of integrity and are seen to be doing so.
- Doing what's right maintains integrity, protects PHF Science's assets, reputation, staff, and brand. PHF Science expects high standards of conduct and integrity from its people at both a professional and personal level.



Te Tono | Application

- This policy applies to all our people including the PHF Science Board, management, employees, students, and contractors.



Tauākī Kaupapa Here | Policy Statement

Sensitive expenditure is any spending that could be seen to be giving private benefit to a PHF Science employee, their family, or friends. It risks harming PHF Science's reputation if the expenditure could lead to concerns that the spending is inappropriate or lacks a legitimate business reason.

Principle 1: All expenditure is subject to a standard of integrity and judgement appropriate to be able to withstand public scrutiny.

To achieve this, we will ensure the following:

Expenditure decisions

- will have a justifiable business purpose;
- will preserve impartiality;
- are made with integrity;
- are moderate and conservative, having regard to the circumstances;
- are made transparently; and
- are appropriate in all respects.

Expense reimbursement

- will only be made for expenses incurred in the course of undertaking PHF Science business.

In respect of tikanga

- koha reflects the occasion and to ensure PHF Science as manuhiri are represented with mana, and to uphold the mana of PHF Science and its relations with Māori.

Principle 2: The public's trust and confidence in PHF Science is our licence to operate

To achieve this, we will ensure that:

- our staff act in a way that maintains public confidence in PHF Science;
- we are aware of the negative public perception that can result from accepting gifts and hospitality;
- all gifts or hospitality that could reasonably be seen as undermining the integrity of PHF Science and its staff, will be refused;
- all gifts and koha given and received will be recorded in PHF Science's Gift Register; and
- we make decisions and choose actions that are honest, fair, and respectful.



Ngā Mahi me Ngā Kawenga | Roles and Responsibilities

The Board

- Endorsement of this policy and setting PHF Science's tolerance levels and the tone from a governance perspective

Chief Executive and Executive Leadership Team

- Designing, implementing, and maintaining the internal control environment for their managers and staff with respect to what is and is not acceptable sensitive expenditure
- Modelling the required behaviours to the highest standard
- Providing advice and guidance to employees and managers on the appropriateness of treatment of the principles outlined in this document
- Providing prior approval to giving or receiving gifts or koha

Business Groups

- Managed by the group's Executive Assistant, updating and maintaining business group records in PHF Science's Gift Register

People Managers

- Ensuring their team members understand and apply the Sensitive Expenditure and Gifts Policy

All Staff

- Upholding PHF Science's reputation by acting in line with our values and complying with laws, rules, regulations and policies
- Not bringing PHF Science into disrepute (or causing the potential for disrepute) by accepting gifts or hospitality or making payments and using PHF Science assets that are deemed excessive or inappropriate
- Not accepting gifts or hospitality must if it might place the staff member under an obligation or a perceived influence
- Holding themselves and each other to account for doing the right thing
- Providing their business group EA with details to enable the recording of all gifts that are made or received in PHF Science's Gift Register

Breach, Exemption, Conflicts of Interest, Sensitive Expenditure (BECSE) Advisory Group

- Advising, monitoring and overseeing the policy, and reporting at quarterly intervals to the Executive Leadership Team as part of Risk and Assurance reporting
 - When exceptions have been identified through investigation, the BECSE Chair is notified and liaises with the BECSE executive sponsor (the General Manager Business Services), with appropriate corrective action taken to resolve the exception.
 - The corrective action is captured by BECSE and tracked through to completion.

- Reporting any material breaches as appropriate to the BECSE sponsor and, as appropriate to the Chief Executive and/or the Risk and Assurance Committee



Te Ture me te Anga | Legislation and Framework

- Commerce Act 1986
- Companies Act 1993
- Crown Entities Act 2004
- Crown Research Institute Act 1992
- Public Finance Act 1989
- Office of the Auditor General – Controlling Sensitive Expenditure: Guidelines for Public Entities



Ārahitanga | Guidance

- This policy is supported by specific policy guidance listed under Supporting Materials and Other Relevant Policies below.
- This policy includes all wording from the policy guidance documents, forming an essential part of the policy to ensure clear interpretation and application.
- No code or policy can cover every situation or detail every behaviour expected of us, so we need to be guided by our values, policies, Code of Conduct, and the law.
- Detailed procedures for the treatment, of sensitive and related expenditures can be found in the Sensitive Expenditure and Gifts Policy Guidance (including purchase card and expense reimbursement).



Ngā Rauemi Tautoko | Supporting Materials

The following internal documents are related to this policy:

- Sensitive Expenditure and Gifts Policy Guidance
- Sensitive Expenditure and Gifts Policy Koha Guidance
- Sensitive Expenditure and Gifts Policy Responsible Host Guidance
- Sensitive Expenditure and Gifts Policy Purchase Card and Expense Reimbursement Guidance



Ērā Atu Kaupapa Here Hāngai | Other Relevant Policies

- Acceptable Behaviour Policy
- Code of Conduct
- Delegated Authority Policy
- Fraud Integrity Policy
- Procurement and Contract Management Policy
- Protected Disclosures Policy
- Travel Policy

Where a conflict exists between reference to any of the other relevant policy documents and this policy, the other policy document shall take precedence.



Aroturuki me te Whakapūmau | Monitoring and Assurance

- PHF Science will apply three lines of assurance to ensure this policy is effective and adhered to:
 - Line 1 – PHF Science business groups
 - Line 2 – oversight functions
 - Line 3 – objective and independent sources of assurance and advice
- For further information on the three lines of assurance, refer to PHF Science's Risk Management Framework on Ātea.

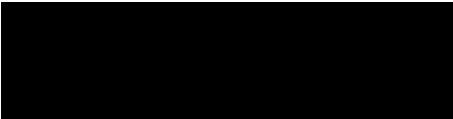


Whakaaetanga o te Kaupapa Here | Policy Approval

This policy replaces the Sensitive Expenditure and Gifts Policy approved on 17 May 2022.

Policy owned by:	Approved by:	Date approved:	Due for revision by:
GM Business Services	Executive Leadership Team	1 July 2025	1 July 2027

Signed:



*Withheld under
Section 9(2)(a) of the
Official Information Act 1982*

Date:

1 July 2025

Mark Ottaway, GM Business Services



Whakapā | Contact

- If you have any questions, please contact PHF Science's General Manager Business Service or the Chief Financial Officer.



ĀpitiHanga | Appendix 1: Definitions

Gift: usually takes the form of a tangible object, but might also be in the form of, for example, free use of a corporate box at a sporting event or privileged access to goods or services.

Impartiality: decisions based on objective criteria, rather than based on any sort of bias, preference, or improper reason.

Integrity: exercising power in a way that is true to the values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles.

Justifiable Business Purpose: a reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered.

Koha: is a gift, token, or contribution given on appropriate occasions including:

- Tangihanga (enduring Māori ceremony for mourning someone who has died);
- attendance at an event/meeting;
- for use on or for a marae;
- kaumātua support for pōwhiri, mihi whakatau meetings, or other events.

Moderate and Conservative: when viewed from the standpoint of the public and given the circumstances of the spending. It includes considering whether the justifiable business purpose could be achieved at a lower cost.

Proper Authority: the person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.

Purchase Card: is a means of payment only and the use of the Purchase Card does not reduce the requirement for appropriate purchase decision making and compliance with authorisation processes for entering into a commitment on behalf of PHF Science including ensuring that a budget has been approved for at least the value of the purchase.

Transparency: being open about the spending, and willing to explain any spending decisions or have them reviewed.