

21 December 2021

s9(2)(a)



Thank you for your email of 13 October 2021 to Kāinga Ora – Homes and Communities requesting the following information under the Official Information Act 1982 (the OIA):

- The bank statements for all Kainga Ora staff spending in the Bay of Plenty in the last five years, with the specific spending identified.
 - Can this be broken down into Rotorua, Tauranga and the Western Bay of Plenty
 - Can this state what the expense was
- I am requesting that the data provided be in the form of an excel spreadsheet.

On 10 November 2021 Kāinga Ora – Homes and Communities extended the timeframe for response to 9 December 2021, under section 15A(1)(b) of the OIA. I subsequently informed you of our decision to provide the information requested by 20 December 2021.

I have interpreted your request as a request for Bay of Plenty Purchase Card and staff reimbursement spending for five full financial years of available data.

Attached with my letter is an Excel spreadsheet that has a summary of Kāinga Ora purchase card statements and staff expense reimbursement claims for Bay of Plenty, for the financial years from 1 July 2016 to 30 June 2021 as Appendix A. Kāinga Ora has defined 'Bay of Plenty' as including Rotorua, Tauranga and Whakatane. The information provided is broken down into these three areas, with some expenses that cover the entire region.

The purchase card statement provided is collated and presented by Merchant Group category and total spend. Staff expense reimbursement claims are managed on a different system, from the purchase card statements, and as such, a breakdown by area is presented as a separate table in the spreadsheet. More detailed spending category information cannot be made available without substantial manual collation. As such, I am refusing this part of your request under section 18(f) of the OIA.

Contextual background

Kāinga Ora came into existence on 1 October 2019, when Housing New Zealand was merged with HLC and KiwiBuild. The size and scope of the organisation was expanded, and has resulted in a higher number of employees across the board. The Bay of Plenty purchase card details provided with my response, therefore, includes the period prior to 1 October 2019 when Housing New Zealand was still in operation with a smaller scope of responsibilities and staffing numbers.

With the increased mandate of operations and staff numbers, the use of purchase cards has also shown an upward movement.

The following commentary about the use of Purchase Cards is provided, to be read in context with the attached information.

Use of Purchase Cards

Kāinga Ora provides purchase cards to some employees to use for necessary work-related expenses.

Kāinga Ora is New Zealand's largest public (state) housing provider providing homes for 200,000 people, some of whom are New Zealand's most vulnerable people. Purchase cards allow our customer orientated staff to respond to the needs of customers quickly, particularly in situations such as earthquakes, fires or floods or other weather events. Kāinga Ora is also one of New Zealand's largest urban developers, engaging with all sectors of the community – business through to the general public - in this space. It has offices and construction projects delivering thousands of new homes throughout the country. Purchase cards facilitate staff travel and these operations.

There are over 900 cards currently in use over the entire country. While the bulk of these expenses are discretionary, all require managerial approval by someone other than the purchase card holder. Credit limits are set on each purchase card depending on the role of the staff member to whom it has been assigned. These limits are as follows:

- CEO \$20,000
- Deputy Chief Executives (or equivalent) \$10,000
- Other managers - \$5,000
- Other employees \$100 - \$5,000.

All card holders are required to read and follow the policy and procedures for purchase cards, and to confirm that they have done this. The following is a summary of the rules for the use of purchase cards:

- daily maximum limit is \$2,000
- all expenses must be accompanied by detailed receipt with GST invoices
- the cardholder is the only person permitted to sign for charges on the card, and is also liable for all expenses on that card
- cards cannot be used for vehicle running expenses, or for the purchase of domestic airfares, unless in exceptional circumstances, such as cases of personal emergency, cancellation of flights or other unexpected/unplanned travel situation
- the cards are not to be registered under any loyalty schemes, nor are card holders to receive Airpoints on expenditures made.

Kāinga Ora policy and procedures also dictate that line managers of those with a purchase card, are responsible for checking that all transactions are supported by receipts online, that expenses fully comply with our policies, and approve/authorise all statements with a signature before forwarding it to the relevant team for settlement. If purchase cards are used accidentally for personal expenses, reimbursement is required.

Staff delegated to use a purchase card record their transactions online through our FlexiPurchase system. Each transaction has to include a scanned copy of the receipt/tax invoice, and staff have to select a code to best describe the payment from a drop down list created by Kāinga Ora. For example, the main code for the payment may be 'Domestic Travel', following which there are options to indicate 'Motor Vehicle', 'Parking', 'Airline ticket' and so forth. They are then prompted to name the supplier/vendor the item was purchased from such as 'Avis Rental', 'The Black Doris Cafe', 'Jet Star' and so forth.

Kāinga Ora sends the above details to its bank, where the information is automatically matched to mandatory Visa Merchant Bank codes, depending on the name of the

supplier/vendor the service was purchased from (e.g. Warehouse, Bunnings, Noel Leemings). Some of the code descriptions used by the bank are quite antiquated with references to places like hat cleaning shops, package good stores and flying fields. The categories as defined by the bank do not accurately reflect what is allowed by Kāinga Ora.

Ultimately, Kāinga Ora records its purchase card payments in a way that meets its internal policy and procedures for the use of the cards. This differs from the mandatory coding used by the Merchant Bank which is based predominantly on the name or type of vendor Kāinga Ora records as having purchased the service or item from.

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published, with your personal information removed, at:

<https://kaingaora.govt.nz/publications/official-information-requests/>

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Needham', with a long horizontal flourish extending to the right.

Matthew Needham
Chief Financial Officer