

Engaging Independent Contractors and Consultants Policy

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Version	1	Policy Section	Employment and HR
Approved by	NZIST Council	Policy review frequency	Annually
Date approved	1 April 2020	Last reviewed	1 April 2020

Purpose

The purpose of this policy is to ensure that all financial and legislative requirements are fulfilled whenever an independent contractor or consultant is engaged by the NZIST.

Scope

This policy applies to all NZIST employees, consultants and contractors.

Principles and Expectations

Definitions

Contract or Contract for Service	An agreement entered into by NZIST with an external party for the delivery of services required.
Contracting	A means of procuring goods and services in NZIST.
Contractor	A self-employed individual (or someone provided by an external organisation) who is engaged to carry out tasks or a specific service for NZIST under a 'contract for service'.
Consultant	Someone who typically works on behalf of an external organisation on a specific deliverable - providing expert or professional advice that NZIST staff would not normally provide.

Appointing managers should be guided by the following principles when engaging Contractors or Consultants:

- Any engagement should ensure NZIST is engaging external assistance only when staff are unavailable or unable to provide the required service.
- Any process of engagement must be fair and transparent.
- All of Government (AoG) arrangements should be used wherever possible.
- Reasonable rates should be agreed to.

The following policy standards apply to all NZIST engagements of Contractors and Consultants:

- Before engagement of a Contractor or Consultant occurs, each manager leading the process is responsible for ensuring that the following has occurred -

- A review of requirements, including the determination that a contract for service is the most appropriate option.
- A Procurement Plan completed and approved.
- Selection and evaluation methods occurring in a fair and transparent fashion.
- A review of requirements to ensure that the employee vs contractor tests have been considered and the appropriate tax treatment confirmed before a contract for service is entered into.
- All decisions or authorisations must be in accordance with the delegated authority of the person making the decision.
- Any decision to appoint a recent ex-employee (i.e. someone who has left NZIST within the previous 6 months) as a contractor must have approval from the relevant Tier Two Manager and the People & Culture Manager. This is for reasons relating to probity and public accountability.
- All appointments will be made applying prudent rates for engaging independent contractors and seeking appropriate advice from the People & Culture team on these rates.
- All employees, contractors and consultants must maintain independence in all relationships and declare to their manager any personal interest that may affect, or could be perceived to affect, their impartiality in any aspect of their work. The Conflict of Interest policy must be adhered to.
- NZIST must honour the terms of all contracts, maintaining discretion at all times throughout the process when dealing with commercially sensitive information.
- NZIST's Code of Conduct will apply to Consultants and Contractors and will form part of those contractual arrangements to the extent specified in the contract between that person and NZIST. Ultimately all employees, Consultants and Contractors are expected to act with integrity and honesty at all times.
- Documentation in hard copy must be retained. This documentation is required to provide an audit trail on the activity undertaken, including the independent review/ sign-off by the authoriser.
- All contracts must be loaded and reviewed in the relevant contract system.
- Under no circumstances is a contractor or consultant to work without a signed contract in place.

Accountabilities and Delegations

Employees

Employees are responsible for ensuring that they follow this policy when undertaking any engagement of Contractors or Consultants on behalf of NZIST.

Managers

Managers are responsible for ensuring that:

- Each engagement of an independent Contractor or Consultant is due to a defined business need and that all resourcing options have been considered.
- Each engagement of an independent Contractor or Consultant represents value for money and that the processes applied meet all requirements set out in this policy.
- Procurement Minimum Standards are complied with where stated.
- Employees, Contractors and Consultants are aware of this policy and that it is always applied when engaging contractors.

- Contractor engagement occurs in accordance with financial delegations, i.e. signatories to contracts and payment approvers hold the financial delegations at a level appropriate to the action, and legal requirements.
- Accurate contract records are maintained in the relevant contract system.