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1. PREAMBLE

1.1 Purpose

As a publicly funded body, Council is committed to ensuring that funds are spent for the benefit of the community and for the purposes of Council operations, whilst ensuring a high standard of accountability and legislative compliance.

This Policy sets the standards for when it is appropriate, reasonable and justifiable to use Council funds for entertainment and hospitality (including requirements for specific purchases), in a way that meets reasonable community expectations and other policy requirements.

1.2 Scope

This Policy applies to all Elected and Independent Members, Council employees, volunteers, and authorised Council representatives (including Alwyndor).

Although Elected and Independent Members and volunteers are not employees for the purposes of Fringe Benefits Tax considerations, they are nonetheless bound by principles of good governance and public accountability.

For gifts and benefits (including hospitality) from third parties to Council employees, refer to the Code of Conduct for Employees and the LGA Guidelines.

For gifts and benefits (including hospitality) from third parties to Council Elected Members, refer to the Council’s Elected Member Entitlements Policy.

1.4 Definitions

Act means refers to the *Local Government Act 1999*

Benefits means anything that is for the good of a person or thing

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Code of Conduct for Employees means as defined in Schedule 2A of the Regulations

Civic Event means event involving the Mayor and/or Elected Members which is provided for civic purposes including Proclamation Day, Australia Day, citizenship ceremonies and Mayoral events.

Community Engagement Event means a public or community event which is authorised as part of an approved initiative or program.

Corporate Event means an event organised for employees which is authorised corporately.

Council business means work required to be performed as part of normal, official or directed duties.

Credit Cards means any type of corporate or organisational purchasing card, including credit, debit EFTPOS and similar bank cards used for purchasing on behalf of Council.

Employee means all Council employees, trainees, volunteers, work experience and contract staff.

Gift means a transaction in which a benefit of pecuniary value is conferred without consideration or for less than adequate consideration, but does not include an ordinary commercial transaction or a transaction in the ordinary course of business items and benefits beyond approved employment conditions (defined Schedule 3 in the Act and Schedule 2A clause 1(7) of the Regulations).

Entertainment or Hospitality means benefits which are anything that is for the good of a person or thing e.g. providing food, beverage or recreational benefits or accommodation or travel in connection with entertainment.

Independent Member means a person appointed under the Act, or as appointed under any other legislation administered by Council, to perform specific Council duties.

Light refreshment means light meals and non-alcoholic beverages served in-house as detailed in Council's Healthy Catering Policy.

Recreation means amusement, sport or similar leisure time activities.

Regulations means the *Local Government (General) Regulations 2013*

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Third party means an organisation, person or entity not employed by Council, including clients, suppliers, contractors, community members, businesses, officials from other governments, etc.

Travel Expenses means expenses incurred in the course of authorised work-related travel including accommodation, meals, travel and incidental expenses.

1.5 Strategic Reference

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

2. PRINCIPLES

2.1 Purchasing Principles

All Council expenditure including: hospitality, gifts, transport, accommodation and associated expenditure is subject to public scrutiny and Council is committed to ensuring that funds are spent to further community benefit and carry out Council operations, unless expenditure for staff is approved by the Chief Executive officer (CEO). For detailed guidance refer to the Entertainment and Hospitality Procedure.

All expenditure needs to be within the adopted Council budget, be approved within Council's endorsed delegations and authorisation framework and in accordance with Council's policies and procedures, including the *Procurement Policy*. Advice can be provided by the Finance team as to the ATO's guidance for entertainment and hospitality expenses as some expenditure attracts Fringe Benefits Tax increasing the cost to Council.

Where credit cards are used as the preferred payment method, expenditure must also be in accordance with Council's *Credit Card Policy and Procedure*.

2.2 General Principles

2.2.1 Any expenditure by employees on official entertainment and/or hospitality must be:

- a) for official Council business and/or incurred in the public interest;
- b) reasonable and appropriate to Council's business and publicly defensible e.g. light lunch for Work, Health and Safety of staff where working through;

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- c) able to demonstrate direct benefits, resulting in, or contributing to, achieving the Council's objectives as articulated in the Council's Strategic and Business Plans;
- d) approved by a General Manager with appropriate financial delegations (and in accordance with Council's policies and procedures, including the Procurement Policy); and
- e) properly documented and available for internal and external scrutiny including provision of detailed tax invoices and receipts;
- f) for functions which demonstrate education and/or morale benefits for employees including (but not limited to) training, CEO (Chief Executive Officer) approved in Council's Reward and Recognition Program and must be part of an official event approved by the CEO.

Specific guidance on what is appropriate and not appropriate expenditure is detailed in Council's Entertainment and Hospitality Procedure.

2.3 Expenditure Limits

All entertainment/hospitality expenditure must be approved by the relevant General Manager, and where necessary the CEO, prior to an event or expenditure being made. Refer to Council's Entertainment and Hospitality Procedure.

2.4 Exemptions from this Policy and Related Procedure

The CEO maintains ultimate discretion to determine where and when it is appropriate to provide an exemption from this Policy and any related procedure.

Any exemption by the CEO must be in writing and include the reason for departing from this Policy, such exemption to be saved into Council's document management system.

2.6 Monitoring and reporting

Financial services employees will conduct periodic random sample audits to ensure this Policy is adhered to and to identify any abnormal trends.

Any non-compliance with this Policy must be promptly reported to the CEO or delegate or, in the case of the CEO, the Mayor.

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Council will maintain a summary of the expenditure incurred in providing entertainment, hospitality, gifts, transport, accommodation and associated expenditure and present this summary to Council's Senior Leadership Team annually.

The results of internal audits and registers will be presented to Council's Senior Leadership Team at least an annual basis.

3. REFERENCES

3.1 Legislation

Local Government Act 1999

Local Government (General) Regulations 2013

3.2 Other References

Alcohol & Drugs in the Workplace Procedure

Council's Code of Conduct

Corporate Credit Card Policy and Procedure

Elected Members Entitlements Policy

Employee Code of Conduct Guidelines (LGA, May 2019)

Entertainment and Hospitality Procedure

Gifts and Benefits Reporting Form

Managing Misconduct and Disciplinary Procedures

Organisational Development Policy

Procurement Policy

Professional Development Procedures

Reward and Recognition Program

Workplace Relations Policy