

ENTERTAINMENT AND HOSPITALITY EXPENDITURE POLICY

Purpose

The purpose of this policy is to provide proper control of Council's expenditure in relation to entertainment and hospitality. The overall objective is to ensure a consistent approach is maintained throughout the organisation and ensure accountability to the community for Council expenditure.

Policy Statement

Section 196 of the *Local Government Regulation 2012* (the Regulation) requires that Council adopt a policy about Council's spending on entertainment or hospitality (an Entertainment and Hospitality Policy).

Council recognises there are circumstances where the provision of official entertainment and hospitality is appropriate in the conduct of Local Government business. However, as Council is a publicly funded body, it must ensure high standards of accountability and expenses are appropriate. All entertainment and hospitality expenditure must:

- a) Be reasonable, cost effective and for official purposes
- b) Be able to withstand public scrutiny, and
- c) Comply with relevant budget allocations and legislative and audit requirements.

Guiding principles include:

- All entertainment and hospitality expenditure must be incurred in the public interest. This means that the Councillor or Council employee authorising the expenditure must be satisfied that the expenditure will benefit the public generally or facilitate Council business.
- The amount spent on entertainment and hospitality must be reasonable, having regard to the benefit to the Council or the community.
- The expenditure must be provided for in a budget and must be authorised in accordance with the Council's normal accounting procedures and with the specific additional requirements of this policy, where practical, including being properly documented with the purpose identified.
- Entertainment and Hospitality expenditure is to be arranged in advance (where practical) with official Council purchase orders raised in accordance with Council's Procurement Policy.

Scope

The entertainment and hospitality activities covered by this policy are:

- Council business related activities
- Civic related activities, and
- Specific function events.

The policy applies to:

- Councillors
- Council employees, and
- Others, such as members of the public, suppliers or customers or visitors and guests of the Council.

Appropriate Entertainment and Hospitality

Appropriate entertainment and hospitality is outlined as follows:

Council Meetings and Workshops

Meals (lunch) and refreshments may be provided to attendees at meetings of Council. Entertainment and hospitality for meetings held within ordinary working hours should be kept to a minimum cost.

Hospitality provided to Council Employees

Council may meet the cost of food and non-alcoholic drinks provided to employees in the following circumstances:

- A light meal may be provided for employees who are required to work during a mealtime and an alternative meal break is not available. This includes committee and working group meetings, and conferences, seminars and training sessions where the cost is met by Council.
- If the employee is required to attend a meeting or other function attended by non-employees, and food and drink is provided for all attendees under this policy.
- If the employee is working at premises remote from the normal place of work so that normal arrangements for a particular meal are not available, or meal allowances will not be claimed.

Training Courses, Conferences and other functions

Where a training course, conference, meeting or other function is arranged and extends beyond four (4) hours and where employees or visitors will be present during a normal meal period, the Council may, if it facilitates the purpose of the event, arrange for refreshments to be made available. Such refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

If an employee attends a training course, conference, meeting or other function not provided by the Council at Council cost, the Council may pay for meals if they are included in an overall cost for the event or are provided meals which are an integral part of the event.

If an employee is required to travel outside of the Shire on official Council business, and the officer will be there during a normal meal period, Council may pay for a meal subject to the provisions of Council's Travel Policy or other meal allowance provisions.

Civic Related Activities

Civic functions such as Citizenship Ceremonies, Australia Day Celebrations, Anzac Day Celebrations and Official Openings provide community recognition or a welcome by the Council. The decision as to reasonable and appropriate costs will take into consideration the numbers of attendees, the timing of the function, the venue and the location within the Shire.

Special Function Events

- **Annual End of Year Celebration**

In order to recognise and appreciate Council employees for their dedication and commitment to the provision of Council services to the community, a contribution will be provided for the annual end of year celebrations.

- **Employer Reward and Recognition Presentations**

The recognition of Council employees to reward outstanding achievement in the provision of services to the community, which may include official reward and recognition events, length of service presentations and employee farewells. Such expenditure is to be approved by the Chief Executive Officer.

- **Special Delegates**

These visits occur for cultural or economic development reasons and have the potential to increase investment in the Council area.

- **Condolence wreaths or floral presentations**

For the death of or serious injury to a Councillor or Council employee or their immediate family. This is in recognition of service and a mark of respect to the family. These are to be approved by the Mayor or Chief Executive Officer.

Other Hospitality Expenses

Other types of expenditure considered reasonable includes the provision of tea, standard/instant coffee, sugar and milk for employees at Council premises.

Alcohol provision and consumption

Alcohol may only be provided at an official Council function if it has been approved prior to the function by the Mayor or Chief Executive Officer.

Apart from the exception above, no alcohol will be paid for by Council. All alcoholic drinks will be at the Councillor or Council employee's expense.

As representatives of Council, Councillors and Council employees attending functions where alcohol is supplied must ensure that alcohol is consumed in a responsible manner.

Expenditure Not Considered Reasonable and Appropriate

Expenditure not considered to be reasonable and appropriate will be treated as private expenditure. Typically, the examples following would be private/unreasonable/inappropriate for Council expenditure:

- Tips or gratuities – tipping is not customary in Australia. However, when travelling overseas and tipping is the custom, this will be considered official expenditure
- Dinners/functions at the private residence of a Council employee
- Morning/afternoon tea outside Council premises, where only Council officers are attending
- Stocking of bar fridges
- Mini bar expenses, and
- Floral presentations/gifts – except as specified above, or those considered appropriate and given by the Mayor or Chief Executive Officer.

Use of Corporate Credit Cards for Entertainment and Hospitality

If a corporate credit card is provided to an employee or Councillor, that card may only be used to pay for entertainment or hospitality where:

1. The expenditure has been approved under this Policy, or
2. Prior authorisation has been obtained in accordance with this Policy, or
3. Such expenditure on a particular occasion has been authorised by the relevant Authorised Officer and expenditure complies with Council's Corporate Credit Card Policy.

Authorisation requirements

Entertainment and hospitality expenditure must be pre-authorised. Councillors and Council employees must not authorise their own entertainment and hospitality expenditure.

Authorisation requirements are as follows:

- Expenditure by the Chief Executive Officer (CEO) must be authorised by the Mayor.
- Expenditure by the Mayor and Councillors must be authorised by the CEO.
- Expenditure by an employee must be authorised by the officer's supervisor who also holds the appropriate financial delegation.

Officers incurring and authorising the expenditure must demonstrate that the expenditure will benefit Council and has been authorised for official purposes. Expenditure incurred by Council which is not reasonable and appropriate (deemed to be private expenses) must be repaid to Council within 14 days of being determined as not reasonable to appropriate.

Suitable documentation, including tax invoices, must be supplied when claiming reimbursement for expenses incurred.

Fringe Benefits Tax

Fringe Benefits Tax (FBT) may be payable on certain types of expenditure. The officers requesting and approving entertainment and hospitality expenditure should be aware of any FBT implications of the expenditure. Officers are to ensure that all expenditure details are completed accurately to ensure appropriate compliance with FBT legislation is achieved.

Related Legislation

Local Government Act 2009

Local Government Regulation 2012

Fringe Benefits Tax Assessment Act 1986 (Cth)

Related Documents

Code of Conduct for Employees

Code of Conduct for Councillors in Queensland

Policy Review

This policy is to be reviewed whenever legislation changes, or every 2 years if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

Policy Details

Policy Name	Entertainment and Hospitality Expenditure Policy
Policy Number	6
Policy Version	4
Document Number	810150
Endorsed by	Chief Executive Officer
Policy Type	Statutory
Approval Authority	Council
Date Adopted	26/11/2024
Time Period	Two years
Review Date	26/11/2026
Policy Department	Governance
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	Nil

This policy is to remain in force until otherwise determined by Council.