

Strategic policy

Entertainment and Hospitality Policy

Corporate Plan reference:	An outstanding organization <i>A high performing, customer-focused organization marked by great people, good governance and regional leadership</i> - Strong and accountable leadership enabling Councillors, individuals and teams to be their best
Endorsed by Council on:	16 July 2009 (OM09/190)
Manager responsible for policy:	Group Executive Business Performance

Policy purpose

The purpose of the Entertainment and Hospitality Policy (this policy) is to assist council officers in the discharge of their responsibilities, by providing clarity about the reasonable and appropriate use of public funds.

Policy outcome

The outcome of this policy is to achieve reasonable and appropriate practices regarding expenditure for the provision of entertainment and hospitality.

Policy scope

This policy applies to all Council officers. The intention of the policy is to identify principles and to provide clarification of issues and examples of reasonable and appropriate practices regarding expenditure for the provision of entertainment and hospitality.

This policy does not cover the entertainment and hospitality to Council officers by external organisations (refer Gifts and Sponsored Hospitality Benefits Policy), nor entertainment and hospitality as part of attendance at conferences and seminars (refer Equitable Conference Attendance Policy and Staff Attendance at Learning and Development Events Operational Guidelines).

Policy statement

Council recognises that there are circumstances where the provision of entertainment and hospitality is appropriate, and can result in significant benefits to the Sunshine Coast region. As a publicly funded body, however, it must ensure that public sector standards of accountability are maintained and that practice is consistent across the organisation.

Guiding principles

The following principles must be followed:

- Expenditure must be for official purposes and Council officers must identify the benefit for Council and demonstrate the benefit to the public interest.
- The expenditure must be properly documented, substantiated and available for scrutiny by internal and external audit.
- Expenditure must be appropriate and reasonable, and where there is doubt on this issue, advice must be sought at the time the expenditure is pre-authorized.
- Expenditure must be pre-authorized by the officer's manager, and the manager must have the delegated authority to approve expenditure. In the case of the Chief Executive Officer (CEO), the approval will come from another member of the Board of Management (BOM).
- The officer who incurs an expense must not authorize that expenditure.
- Expenditure must be within budget.

Reasonable and Appropriate Use of Funds

The following are examples of entertainment or hospitality that are considered an appropriate use of funds.

Civic events: including citizenship ceremonies that 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 Region.

Employee award and recognition presentations: These presentations are held to recognise Council officers and reward outstanding achievement in the provision of services to the public. This may include official reward and recognition events, length of service presentations and officer farewells where the officer has been with Council greater than 3 years. An officer farewell must be held on Council premises and expenditure is capped at \$50.00 per branch. Refer to the Recognition & Award Strategy Operational Guidelines for expenditure limits. Such expenditure is to be approved by the CEO or the relevant Group Executive.

Special achievements and innovation: To reward innovative performance by providing hospitality entertainment of a small gift to celebrate special achievements or occasions, the CEO may authorise expenses up to a maximum value of \$100.00.

Condolence wreaths: In the event of death or serious injury to a Councillor (past or present) or Council officer or their immediate family, condolence wreaths may be sent in recognition of service and as a mark of respect to his/her family.

Floral presentations: Floral presentations may be sent to celebrate the birth of a baby by a Council officer and their partner (maximum of 1), and to Council officers under treatment for major illnesses or operations, or on compassionate grounds, at the discretion of the relevant Group Executive.

Visits by overseas delegates: These visits occur for cultural or economic development reasons and have the potential to increase investment in the Sunshine Coast region.

Annual Christmas celebration: To recognise and appreciate Council officers for their dedication and commitment to the provision of Council services to the public, a contribution will be provided for the annual Christmas function. Where a Branch Manager chooses to incorporate the regular branch meeting with an opportunity to celebrate Christmas, the time to attend the meeting will be considered normal working hours up to the hours expected for a normal meeting. However, the cost of food and beverages is not to be met by Council.

Meetings within ordinary hours: Entertainment and hospitality for meetings held within ordinary working hours should be kept to a minimum. Where Council or Council officers are required to work through a meal break or outside normal hours due to the impracticality of holding the meeting at any other time, the relevant meal allowance is to be used as a guide. Such entertainment and hospitality should not be substituted for business meetings that would ordinarily be conducted in the workplace. Examples may include Ordinary or Committee meetings of Council and management team meetings.

Where there are regular meetings that are similar in nature each time, there will be no need to justify the reasonableness and appropriateness of expenditure for each meeting. It will be sufficient if the first meeting passes the public defensibility test.

Associate persons expenditure: Only in exceptional circumstances, specifically approved by Council, Mayor, CEO or the relevant Group Executive and where the attendance of an Associate is of demonstrated benefit to the Council, are the entertainment and hospitality costs for such a person to be met by Council. In these instances, the Associate will be considered an official representative of the Council and will be expected to comply with Council's Code of Conduct.

Other Hospitality Expenses: Other types of expenditure considered reasonable as official hospitality includes the provision of tea, coffee, sugar, milk, and morning or afternoon tea for official visitors and appropriate staff.

Non-Official Expenditure

Where there is doubt about the validity of claiming particular expenditure, the CEO or relevant Group Executive should make a determination in relation to the guiding principles of this policy. Consideration should be given to the public defensibility test, i.e. would you be comfortable with disclosure to the public; the quantum of the expenditure; the frequency of expenditure; custom; and the accepted community practice or standard?

The following are given as examples of **non-official** or **private expenditure**:-

- Tips or gratuities – tipping is not customary in Australia, however when travelling overseas and tipping is the custom, these will be considered official expenditure;
- Dinners/functions at the private residence of a Council officer;
- Drinks only costs – including hot and cold beverages;
- Morning/afternoon tea outside Council premises, where only Council officers are attending;
- Stocking of bar fridges (except in the instance of the CEO and Group Executives for small-scale entertainment);
- Floral presentations (except as specified above);
- Mini Bar expenses;
- Staff working on Council premises where food and beverages are on sale (e.g. the Airport and the Civic Centre) are not entitled to charge food and beverages to Council in the normal course of their duties.

Personal expenses must not be paid by Council. In the event that Council has met costs that are considered non-official/private, the Council officer incurring the costs must make restitution to the Council within ten (10) working days from the date the costs have been paid.

Methods of Payment for Expenditure

All expenditure for entertainment and hospitality must be recognised in the financial system at the correct natural account – refer to the Business Performance Group for advice. The preferred payment method is to raise a purchase order to ensure that the correct approval processes are followed and that expenditure is authorised by a suitably delegated Officer. Where it can be demonstrated that the use of a Corporate Purchasing Card (CPC) or Petty Cash is more efficient, it will be an acceptable method of payment. The purchase of alcohol by CPC or Petty Cash is not permitted except with the prior written approval of the CEO or relevant Group Executive. This written approval must be attached to the CPC Transaction log or Petty Cash Voucher.

When catering is purchased from Council premises where food and beverages are on sale (e.g. the Civic Centre), an internal invoice will be issued to the internal customer and billed through the internal charging process of Council. The authorisation process to incur such expenditure will be the same as if Council was transacting with an external organisation.

Transparency and Accountability

The following responsibilities apply to all Council officers:-

- Be aware of and comply with the Entertainment and Hospitality Policy and other associated policies listed in this document.
- Ensure the expenditure is reasonable and appropriate and pass the public defensibility test.
- Report suspected breaches of policy in accordance with the Employee Code of Conduct.
- A tax invoice must be obtained for all costs, and fringe benefits tax declarations must be completed in accordance with the Fringe Benefits Tax Guidelines. Where a tax invoice cannot be provided, the Council officer incurring the expense must provide a detailed list of items of expenditure, together with a statutory declaration certifying that the expenditure was incurred for official purposes.
- Ensure all expenditure for entertainment and hospitality is correctly recognised in the financial system at natural. This will assist Council in meeting the Annual Report disclosure requirements of the *Local Government Finance Standard 2005*.

Roles and responsibilities

All council officers must ensure that public sector standards of accountability are maintained and that practice is consistent across the organisation.

Measurement of success

- Employee Code of Conduct
- Procurement Policy
- Corporate Purchasing Card Manual
- Petty Cash Policy
- Staff Attendance at Learning & Development Events Operational Guidelines
- Equitable Conference Attendance Policy
- Recognition and Award Strategy and Operational Policy
- Fringe Benefits Tax Guidelines
- Local Government Finance Standard 2005*
- Local Government Act 1993*

Definitions

Council officer/employee means—

- (a) the chief executive officer; or
- (b) a person holding an appointment under section 196 of the *Local Government Act 2009*.

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Created New	Yes	Council (OM09/190)	16/07/2009
1.1	Updated Branding and Department names	No	Corporate Governance	11/01/2017
1.2	Update as per new Organisational Structure		Corporate Governance	23/11/2017

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