

## **COUNCIL POLICY: ENTERTAINMENT AND HOSPITALITY EXPENDITURE**

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<i>Date Adopted:</i>	<i>28 April 2009</i>
<i>Committee Reference:</i>	<i>Corporate and Community Services; 21 April 2009; Item Number 1.6</i>
<i>Amended Date:</i>	<i>31 January 2012; 27 August 2013; 29 April 2014; 28 June 2016</i>
<i>Contact Officer:</i>	<i>Chief Finance Officer</i>
<i>Next review date:</i>	<i>30 June 2019</i>
<i>File Reference:</i>	<i>12/13/002; 04/15/004</i>
<i>Related Policies/Local Laws/Legislation:</i>	<i>Local Government Act 2009 (the Act) Local Government Regulation 2012 (the Regulation) FI01.02AP; Corporate Credit Card Policy FI01.13CP; Procurement Policy CM03.05CP; Councillor Expenses Reimbursement Policy CM03.10CP; Gifts and Personal Benefits Policy</i>
<i>Related Documents:</i>	<i>Entertainment and Hospitality Expenditure Guidelines (Attachment A) Corporate Credit Card Guidelines Councillor Expenses Reimbursement Guidelines Gifts and Personal Benefits Guidelines Procurement Guidelines</i>

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### **OBJECTIVES**

The objective of this policy is to ensure that expenditure incurred by Council of an entertainment or hospitality nature is appropriate with regard to the benefit to Council or the public and is in accordance with relevant legislation, policies and guidelines.

<i>Key Result Area/s</i>	<i>Organisational Sustainability Council strives to be a high performing and financially sustainable organisation with robust governance structures based on the principles of risk management and continuous improvement. We offer a safe, positive work environment, value and reward our staff and are committed to providing ongoing development and training.</i>
<i>Goal/s</i>	<i>Implement effective risk management and maintain contemporary business processes.</i>

## **POLICY STATEMENT**

Section 196(1) of the Regulation requires Council to have an entertainment and hospitality policy.

Section 196(2) of the Regulation states that a local government may spend money on entertainment or hospitality only in a way that is consistent with its entertainment and hospitality policy.

Council is committed to the efficient, economic and responsible use of public resources. Further, Council recognises that in order to achieve its strategic priorities reasonable expenditure on entertainment and hospitality is appropriate where such expenditure is in the public interest and will either:

- Facilitate the conduct of meetings of Councillors and staff or the representation by Councillors and staff at other forums; or
- Foster effective working relationships with the community, business and government sectors; or
- Promote Council's values and recognise outstanding service by Council staff.

Entertainment and hospitality expenditure considered appropriate, including expenditure limits and attendance protocols, is outlined in Attachment A – Entertainment and Hospitality Expenditure Guidelines.

Council officers will follow the guidelines at Attachment A when considering and approving entertainment and hospitality expenditure.

There may be situations where entertainment or hospitality expenditure exceeds the guidelines for expenditure limits. This is acceptable provided the expenditure is reasonable and appropriate having regard to the benefit to Council or the public interest. Such expenditure must be authorised by the Mayor or Chief Executive Officer.

In accordance with the Procurement Policy, entertainment and hospitality expenditure must be provided for in Council's budget and must be authorised in accordance with financial delegations and the additional requirements of this policy.

Alcoholic beverages will not be provided for meetings conducted during work hours unless approved by the Chief Executive Officer. Alcoholic beverages may be provided after hours but must be associated with and included in the expenditure limits set for the relevant meals.

## **SCOPE**

This policy relates to all Council employees and Councillors. Reimbursement of hospitality expenditure to Councillors will be in accordance with the Councillor Expenses Reimbursement Policy.

This policy applies to all hospitality and entertainment expenditure (as defined) supplied at the cost of Council but excluding:

- Subsistence expenditure such as meals and non-alcoholic drinks for staff attending to business while away from the normal place of work.
- The provision of minor food and beverages such as tea, coffee, sugar and milk located in a staff/luncheon room.
- The payment of meal allowances or similar benefits to Council staff in accordance with relevant Industrial Awards and Enterprise Bargaining Agreements.

- Any expenditure that is fully reimbursed by a Councillor or employee. The general principle is that private expenditure should be paid for privately. There may be times where work related expenditure is combined with private expenditure (such as mini-bar expenses for alcohol incurred at approved work accommodation) and the beneficiary would be expected to reimburse the private component.
- Hospitality and entertainment expenditure incurred by Council as a business activity (e.g. commercial services provided to patrons of Council's cultural centres).
- Entertainment and hospitality included in the standard registration package at training, workshops, conferences and seminars.

## DEFINITIONS

Section 196 of the Regulation provides the following examples of Entertainment and Hospitality:

- entertaining members of the public in order to promote a local government project
- providing food or beverages to a person who is visiting the local government in an official capacity
- providing food or beverages for a conference, course, meeting, seminar, workshop or another forum that is held by the local government for its councillors, local government employees or other persons
- paying for a councillor or local government employee to attend a function as part of the councillor's or employee's official duties or obligations as a councillor or local government employee

Note: The above definition is not meant to be exhaustive therefore for the purposes of this policy any expenditure on entertainment or hospitality which is wholly or partially funded by Council should be considered.

## RESPONSIBILITIES

Policy Author	Chief Finance Officer
Policy Owner	Chief Finance Officer
Guidelines and procedures	
<i>Attachment A: Entertainment and Hospitality Expenditure Policy Guidelines</i>	Chief Finance Officer

**Approved By:**

**SCENIC RIM REGIONAL COUNCIL**

**28 June 2016**

## **ATTACHMENT A: ENTERTAINMENT AND HOSPITALITY EXPENDITURE GUIDELINES**

### **ENTERTAINMENT OR HOSPITALITY EXPENDITURE CONSIDERED APPROPRIATE**

- 1. Entertainment or hospitality at a service or function hosted by Council for members of the public to promote an initiative or project**

Expenditure Limits

As approved by Council.

Attendance/Protocols

As approved by Council or authority delegated to the Chief Executive Officer.

- 2. The provision of food or beverages to government officials, dignitaries or elected politicians visiting Council in an official capacity**

Expenditure Limits

Lunch – up to \$100 per person attending

Dinner – up to \$150 per person attending

Expenditure above these limits is to be authorised by Council.

Attendance/Protocols

As approved by Council or authority delegated to the Chief Executive Officer.

- 3. A meeting held by Council for Councillors, employees or other persons**

Expenditure Limits

Breakfast – up to \$30 per person attending

Lunch – up to \$30 per person attending

Dinner – up to \$50 per person attending

Costs for morning and afternoon teas should be modest; usually less than the per head rate provide for breakfast.

Attendance/Protocols

As approved by the Chief Executive Officer or relevant Director or Manager.

Hospitality expenditure of this nature should not be seen as a substitute for business meetings and, wherever possible, Councillors and staff should hold meetings within Council places of work and provide sufficient time to allow staff to take lunch breaks at their own expense.

Expenditure of this nature would normally be incurred only when there is a need to continue working through lunch breaks (or shortened breaks) due to project deadlines and/or restricted availability of attendees.

- 4. A seminar, training course, workshop or another forum hosted by Council for its Councillors, employees or other persons**

Expenditure Limits

Refer to limits outlined in Section 3 above.

Attendance/Protocols

As approved by the Chief Executive Officer or relevant Director or Manager.

**5. Entertainment and hospitality expenditure incurred during work related travel but not included in the standard registration package at training, workshops, conferences and seminars**

Expenditure Limits

Refer to limits outlined in Section 3 above.

Attendance/Protocols

As approved by the Chief Executive Officer or relevant Director or Manager. Alcoholic beverages will not be covered (unless reimbursed as private expenditure).

Council's requirements for training/professional development must also be complied with.

**6. Individual Councillor entertainment and hospitality allowances**

Refer to the Councillor Expenses Reimbursement Policy.

Attendance/Protocols

Expenditure incurred must be business related or serve the public interest.

Expenditure in relation to partners, spouses or family members is not permitted.

**7. Sanctioned social functions hosted by Council for its Councillors or employees. (Examples: End of Year Party, Employee Awards function, testimonial dinner for a long-serving Councillor or employee)**

Expenditure Limits

Refer to limits outlined in Section 3 above. Attendees may be required to contribute towards the cost of holding the function.

Attendance/Protocols

Approval for expenditure on social functions is to be granted by the Chief Executive Officer or relevant Director only.

Employees are not entitled to claim for time spent at social functions unless approval is granted by the Chief Executive Officer.

**EXPENDITURE CONSIDERED INAPPROPRIATE**

- Tips or gratuities - tipping is not customary in Australia, however if travelling overseas and tipping is custom, this will be considered official expenditure;
- Dinners or functions at a private residence of a Councillor or Council officer;
- Stocking of bar fridges (except in the instance of the Mayor and Chief Executive Officer for small-scale entertainment at the discretion of the Chief Executive Officer);
- Mini bar expenses (alcohol only) incurred while staying at accommodation provided on work related travel (unless reimbursed as private expenditure);
- The provision or receipt of hospitality or entertainment that would raise ethical or impartiality issues.

## **APPROVAL OF EXPENDITURE**

Expenditure under this policy may be approved as follows:

- (a) By the holder of a Council issued credit card subject to all other policies and guidelines being adhered to.
- (b) By Council purchase order authorised by the Chief Executive Officer, Director or Manager responsible for the relevant function and the officer's financial delegation.

Persons incurring entertainment and hospitality expenditure must ensure that such expenditure is allowable under this policy and is reasonable and appropriate having regard to the benefit to Council or the public interest.

**Approved By:**

**SCENIC RIM REGIONAL COUNCIL**  
**28 June 2016**