



GENERAL POLICY

Entertainment and Hospitality



JUNE 14, 2016

MAPOON ABORIGINAL SHIRE COUNCIL
Main Street, Mapoon Qld 4874

POLICY PURPOSE

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

POLICY SCOPE

This policy applies to Councillors and Council Officers when representing the council at conferences and meetings outside of Mapoon. 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.

The rules relating to disclosures must be read for third party gifts and benefits.

POLICY STATEMENT/DETAILS

Council recognises that there are circumstances where the provision of entertainment and hospitality is appropriate, and can result in significant benefits to the Mapoon Aboriginal Shire Council (MASC). As a publicly funded body, however, it must ensure that public sector standards of accountability are maintained and associated practices are understood and consistently applied across the organisation. 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-authorised.
- Expenditure must be pre-authorised by the Executive Leadership Team (ELT): Corporate Services Manager (CSM), Accountant or Chief Executive Officer (CEO). In the case of the CEO, the approval will come from another member of the ELT.
- The officer who incurs an expense must not authorise that expenditure.
- Expenditure must be within budget.
- Where there is any potential for a perceived conflict of interest or future obligation for Council or Council officers, full disclosure must be included when requesting authorisation to incur expenditure.

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 Executive Director.

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 Executive Director.

Visits by overseas delegates: These visits occur for cultural or economic development reasons and have the potential to increase investment in the Mapoon Aboriginal Shire.

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 Executive Director 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 Executive Director 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 Executive Directors 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 Store) 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 Finance Department 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 Executive Director. 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 Regulation 2012*.

RELATED POLICIES AND LEGISLATION

MASC Code of Conduct

MASC Statutory Policy - Procurement

Fringe Benefits Tax Guidelines

MASC General Policy - Credit Card

MASC General Policy – Recognition of Services as a Councillor

MASC Fraud and Corruption Policy