

Policy Title: **Entertainment & Hospitality**

Policy No: 105

Directorate: Corporate Services

Responsible Officer: Deputy Chief Executive Officer

Adopted Date: Policy and Planning Meeting – 01/03/2017

Review Date: 01/03/2019

VERSION	MEETING APPROVED	MEETING DATE	HISTORY
1	General Meeting	11/05/2010	Adopted
2	Policy & Planning	02/04/2013	Reviewed
3	Policy & Planning	01/03/2017	Reviewed

Authorities: *Local Government Act 2009*
Local Government Regulation 2012
Public Sector Ethics Act 1994
Code of Conduct

1. INTRODUCTION

In situations involving the provision of entertainment and hospitality services it is essential that ratepayers and the community in general are confident that:

1. the use of Council funds is in the public interest, with expenditure clearly documented and fully accountable; and
2. Councillor or staff receipt of hospitality and entertainment services is also in the public interest, with the nature, circumstances and “donor” of the entertainment or hospitality clearly documented.

2. SCOPE

This Policy applies to all entertainment and hospitality arrangements undertaken by Councillors and Officers.

3. OBJECTIVES

Primary objective

To ensure any entertainment or hospitality services that may be funded by Council are in the public interest, meets community expectations and represents value for money

Secondary objectives

1. To designate the types of entertainment or hospitality expenditure that may be paid by a Council.
2. To specify the administrative procedures to be followed for the approval of expenditure on entertainment or hospitality services.
3. To provide guidance on the receipt of entertainment and hospitality services from third parties.

4. POLICY STATEMENT

This policy establishes principles and procedures (Attachment A) for the management of entertainment and hospitality expenditure in accordance with the above objectives.

Council may spend money on entertainment or hospitality only if the entertainment or hospitality is in the public interest.

All entertainment and hospitality expenditure must be:

- reasonable;
- cost effective;
- within the relevant budget allocations;
- for official purposes;
- able to withstand scrutiny from both an internal or external audit; and
- Appropriate and reasonably commensurate with the nature of the occasion and the number of guests (relative to the number of Councillors and staff in attendance).

Officers incurring and authorising the expenditure must demonstrate that:

- Expenditure will benefit the Council and has been authorised for official purposes
- Entertainment and hospitality expenditure are properly documented so as to satisfy audit, legislative and reporting requirements.

5. DEFINITIONS

An *entertainment or hospitality service* as defined by the *Local Government Regulation 2012* includes, for example:

- 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

Entertainment and Hospitality Expenditure is any expenditure on entertainment or hospitality services.

Civic Receptions are events that provide community recognition or a welcome by the Council and are approved by Council resolution.

Attachment A

Entertainment and Hospitality Expenditure - Procedures

These procedures aim to assist officers in their financial and reporting responsibilities when entertainment and hospitality expenses are incurred.

Officers must not authorise their own expenditure:

- Expenditure by the CEO must be authorised by the Mayor.
- Expenditure by a General Manager or Deputy CEO must be authorised by the CEO or nominee.
- Expenditure by a Manager or other officer must be authorised by the CEO, relevant General Manager, Deputy CEO or Manager respectively.

A Fringe Benefits Tax (FBT) declaration must be attached to each authorisation, except in the instance of working lunches held on Council premises where sandwiches are provided. This declaration should include:

- a description of the official purpose of the function;
- a description of the relationship between the hospitality/function and the conduct of Council business;
- a certification that expenditure was incurred in relation to the performance of official duties and responsibilities of the attending officers; and
- all persons and external organisations represented. Where practical the names of all external persons must also be recorded.

All entertainment and hospitality expenditure is to be charged to the relevant natural account in order to provide information for reporting in the annual report, as required under s186 of the *Local Government Regulation 2012*.

Expenditure deemed by this Policy to be inappropriate or unreasonable must be repaid to the Council within 14 days of being issued a notification of the expenditure being inappropriate.

Receipt of entertainment and hospitality

When accepting hospitality, particular care is to be taken to avoid any possible or perceived conflict of interest. Further guidance is detailed in Council's Codes of Conduct, noting that the proposed entertainment or hospitality should not be such that it could be construed as an inducement for a future commercial transaction or favourable treatment of a particular application.

Personal Expenditure on Entertainment and Hospitality

1. Entertainment expenses incurred by an individual Councillor or member of staff shall not be reimbursed unless prior Council approval was provided.
2. Hospitality expenses incurred by an individual Councillor or member of staff may only be reimbursed if the expenditure is consistent with the principles outlined in the Policy Statement above and additionally, where either:

- a) Prior Council approval was provided; or
- b) It can be demonstrated that the expenditure was in immediate reciprocation of provided hospitality; or
- c) The Mayor or CEO is providing hospitality in gratitude for work done for, or services provided to, Council.

Use of Council Credit Card

A Council-issued credit card may be used to purchase entertainment and hospitality services if the expenditure is consistent with the principles outlined in the Policy Statement above and additionally, when:

1. The holder of the credit card is absent from the Local Authority area on official Council business; and
2. Prior Council approval (including a maximum expenditure limit) for the service was provided; or
3. The Mayor or CEO (as the credit card holder) is providing hospitality in gratitude for work done for, or services provided to, Council.

Administrative Procedures

Except for expenditure incurred by the CEO, the administrative procedures for entertainment and hospitality services and expenditure are detailed in the section below titled "CEO's responsibility".

For expenditure incurred by the CEO on entertainment and hospitality but not previously approved by Council, the Mayor is the approving authority and the Manager Finance is to acquit and reimburse the CEO, consistent with guidelines.

Appropriate Circumstances

The circumstances in which expenditure on hospitality and entertainment is considered appropriate include:-

1. Hosting interstate and overseas dignitaries;
2. Hosting representatives of business, industry, community organisations and the media;
3. Hosting representatives of other local governments and other levels of government; and
4. Special functions to recognise particular events and achievements.

Appropriate services

The hospitality and entertainment services considered appropriate include:

1. Entertainment: the provision of live entertainment to "showcase" local performing artists including for example choirs, ensembles, bands, singers and bush poets.
2. Hospitality:-
 - a) Within the Local Authority Area:
 - Provision of morning or afternoon tea for official visitors;

- Provision of meals and non-alcoholic beverages for daytime “hosting” events and special functions; and
 - Provision of evening meals and limited beverages for “hosting” events and special functions.
- b) Outside the Local Authority Area: provision of meals and accompanying beverages.

Policy Exclusions

The following activities are considered sound business practice and are not classified as hospitality:

1. The provision of meals and non-alcoholic beverages to Councillors, staff and others in attendance at Council, management or staff meetings that transcend normal meal breaks; and
2. The provision of meals and limited beverages at the annual staff “end of year” function.

CEO Responsibility

The CEO is responsible for ensuring:

1. The inclusion of a proposed allocation of entertainment and hospitality funding in the annual budget, for consideration by Council;
2. All expenditure on hospitality and entertainment is consistent with the approved budget;
3. The CEO’s ½ yearly reports to Council include:
 - a) a summary of expenditure on hospitality and entertainment, relative to the approved budget; and
 - b) details of entertainment or hospitality services received by Councillors or staff.
 - c) the introduction and maintenance of appropriate control and accountability mechanisms; and
 - d) that staff behaviour at Council sponsored entertainment and hospitality activities is courteous and consistent with the Staff Code of Conduct.

Councillor Controls and Accountability Mechanisms

1. Approval of the budgetary allocation for entertainment and hospitality.
2. Prior approval of requests for entertainment and hospitality.
3. Review of all entertainment and hospitality expenditure.
4. Reporting to the CEO any entertainment or hospitality services received by themselves from third parties.

Fringe Benefits Tax

Where applicable any Fringe Benefits Tax implications from entertainment or hospitality expenditure will be measured and reported by Council.