



Entertainment and Hospitality Policy

1. POLICY OBJECTIVES/PURPOSE

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

Council recognises that 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 maintained.

These guidelines are not intended to be exhaustive in coverage, however aim to identify principles and provide clarification of issues and limits of reasonable practices and expenditure. Guiding principles include:

- 1.1** All entertainment and hospitality expenditure must be incurred in the public interest. This means that the councillor or council officer authorising the expenditure must confirm that the expenditure will benefit the public generally or facilitate Council business.
- 1.2** The amount spent on entertaining and hospitality must be reasonable, having regards to the benefit to the Council or the public.
- 1.3** 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. Entertainment and Hospitality expenditure is to be arranged in advance with official Council orders raised in accordance with Councils Procurement Policy.

2. SCOPE

The entertainment and hospitality activities covered by this policy are:

- Council business related activities
- Civic related activities
- Specific function events

The policy applies to:

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



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3. 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 meal time 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.

Alcoholic drinks may not be provided for employees except where the employee attends a function at which alcoholic drinks are provided for non-employees under this policy. As employees at such a function represent the Council, they must only consume a reasonable amount of alcohol. Council's Code of Conduct for Employees should be considered in conjunction with this policy.

4. Hospitality and Entertainment for Councillors

Councillors may claim hospitality costs on the same basis as employees.

5. Training Courses, Meetings, and Other Functions

When a training course, meeting or other function is arranged and employees or visitors will be present during a normal meal period, Council may make refreshments available. Refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

Alcohol may only be provided at a function if it has been approved by the Mayor or the Chief Executive Officer prior to the function. Alcohol must not be provided during training courses or meetings arranged by the Council.

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

6. Reasonable and Appropriate Expenditure

The following are examples of expenditure which is considered reasonable and appropriate.

- 6.1 Civic Functions** – such as 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



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location within the Council's boundaries.

- 6.2 Employer Reward and Recognition Presentations** – i.e. the recognition of Council officers to 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. Such expenditure is to be approved by the Chief Executive Officer or the relevant Director.
- 6.3 Anzac Day Wreaths** – to recognise the service of war veterans to the community.
- 6.4 Condolence Wreaths, Floral Presentations or Gifts** – for the death of, or serious injury to a Councillor or Council Officer or their immediate family. This is in recognition of service and a mark of respect to his/her family. The Mayor may apply discretion when considering giving condolence wreaths, floral presentations or gifts to other members of the community.
- 6.5 Visitors** – which occur for cultural or economic development reasons and have potential to increase investment in the Council's area. This also includes reasonable expenditure incurred by Councillors providing hospitality at their residence.
- 6.6 Annual Christmas Celebration** – a function to recognize and appreciate Council officers for their dedication and commitment to the provision of Council services to the public.
- 6.7 Meetings Within Ordinary Hours** – for example, Ordinary Meetings of Council, Council Committee meetings, and Management Team meetings. Entertainment and hospitality for meetings held within ordinary work hours should be kept to a minimum. Where Councillors 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 and staff meetings that would ordinarily be conducted in the workplace.
- 6.8** 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.
- 6.8.1 Associate Person(s) Expenditure** – where the attendance of an Associate is of demonstrated benefit to the Council, the Mayor or Chief Executive Officer may specifically approve Council expenditure relating to entertainment and/or hospitality for an Associate person. An Associate person is considered an official representative of Council (e.g. Contractor or consultant), and will be expected to comply with the Council's Code of Conduct.
- 6.8.2 Other Hospitality Expenses** – other types of expenditure for official hospitality considered reasonable includes the provision of tea, coffee, sugar, milk, and morning or afternoon tea for official visitors and appropriate staff.

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7. Expenditure Not Considered as Reasonable and Appropriate

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

- 7.1 Tips or gratuities – tipping is not customary in Australia. However, when traveling overseas and tipping is the custom, this will be considered official expenditure;
- 7.2 Dinners/functions at the private residence of a Council employee;
- 7.3 Morning/afternoon tea outside Council premises, where only councillors or Council officers are attending;
- 7.4 Stocking of bar fridges – except in the instance of the Mayor – for small scale entertainment;
- 7.5 Floral presentations/gifts – except as specified above, or those considered appropriate and given by the Mayor;
- 7.6 Staff working on Council premises where food and beverages are on sale are not entitled to charge food and beverages to Council in the normal course of their duties.

8. Use of Credit Cards for Entertainment or Hospitality

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

- 8.1 The expenditure has been approved under this policy; or
- 8.2 Such expenditure on a particular occasion has been authorized within specific limits, and expenditure complies with this policy; and
- 8.3 If prior authorization has been obtained in accordance with this policy.

9. CONTROLS

- 9.1 A person may not authorise their own expenditure.
- 9.2 Expenditure by the CEO must be authorized by the Mayor or Deputy Mayor.
- 9.3 Expenditure by an employee must be authorized by the officer's supervisor.
- 9.4 Expenditure by a councillor for an event/function will normally be authorized in advance by the Council, otherwise authorised by Mayor or CEO.
- 9.5 Expenditure incurred by Council which is not reasonable and appropriate (private expenses) must be repaid to Council within 14 days of being paid.
- 9.6 Suitable documentation, including tax invoices, must be supplied when claiming reimbursement for expenses incurred.

10. RELEVANT LEGISLATION

Local Government Act 2009

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Local Government Regulation 2012

11. RELATED DOCUMENTS

Expenses and Reimbursement Policy

Code of Conduct

Procurement Policy

10. DEFINITIONS

10.1 Entertainment and Hospitality

Section 196 of the Local Government Regulation 2012 provides:

Examples of entertainment or 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*

(2) A local government may spend money on entertainment or hospitality only in a way that is consistent with its entertainment and hospitality policy.

10.2 Expense

Expenses are payments made by Councils to reimburse Councillors for their reasonable expenses incurred or to be incurred when discharging their duties. These payments are not regarded as remuneration. The expenses may be either reimbursed by Council or paid direct by Council for something that is deemed a necessary cost or charge when performing their roles.

10.3 Reasonable

Council must make sound judgments and consider what is prudent, responsible and acceptable to their communities when determining reasonable levels of facilities and expenditure. The community expects limits and does not want to see excessive use of public funds.

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