

## ENTERTAINMENT AND HOSPITALITY POLICY (STATUTORY POLICY)

### 1 Scope:

This policy applies to all Rockhampton Regional Council employees who may incur hospitality and/or entertainment expenses in performance of their work.

### 2 Purpose:

To ensure consistency with accepting and claiming hospitality and entertainment benefits at Rockhampton Regional Council.

### 3 Related Documents:

#### Primary

*Local Government Act 2009*

#### Secondary

*A New Tax System (Goods and Services Tax Administration) Act 1999*

*Fringe Benefits Tax Assessment Act 1986*

*Local Government Regulation 2012*

Code of Conduct (Employees)

Entertainment and Hospitality General Ledger Expense Allocation Guidelines

Purchasing Policy – Acquisition of Goods and Services

Service Recognition Policy

Travel and Conference Attendance Policy

Travel and Conference Attendance Procedure

### 4 Definitions:

To assist in interpretation, the following definitions apply:

CEO	<i>Chief Executive Officer</i> A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
Council	Rockhampton Regional Council
GM	General Manager
Employees	<i>Local government employee—</i> (a) the Chief Executive Officer; or (b) a person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
Volunteer	Any person, who of their own free will, offers to undertake un-paid work for Council and is accepted as a volunteer by the Chief Executive Officer and/or his authorised delegates.

#### Corporate Improvement and Strategy use only

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**Section:** Governance Support

**Page No.:** Page 1 of 4

## 5 Policy Statement:

Council recognises that there are circumstances where expenses on entertainment and hospitality are appropriate in the conduct of local government business. However, as Council is a publicly funded body, it must ensure that funds are spent for the purpose of Council operations, and a high standard of accountability for funds are maintained.

Any expenditure incurred must:

- Be for official purposes;
- Be properly documented with the purpose identified;
- Be available for scrutiny by both internal and external audit;
- Appear appropriate and responsible and withstand the public defensibility test; and
- Be in accordance with the adopted budget.

### 5.1 Approved Expenditure

Entertainment and hospitality will be allowed where it is considered important for the conduct of public business and/or facilitating corporate and professional relationships.

Expenditure must be approved by the CEO or relevant GM prior to spending funds. If not practicable, expenditure incurred on behalf of Council should be paid for by the most senior Council employee in attendance and then approved by the CEO or relevant GM.

### 5.2 Approved Activities

Examples of expenditure considered to be appropriate entertainment and hospitality include:

#### 5.2.1 Visiting Delegates

Council may host visiting delegates (including interstate and overseas dignitaries or representatives of other levels of government) for a number of purposes. Expenditure incurred for this type of visit could include morning tea/lunch or hosting an official dinner.

#### 5.2.2 Meeting Refreshments

Light refreshments/lunches may be available for internal meetings or conferences, or for Council volunteers at the conclusion of their shift.

Meals and buffet snacks, including refreshments, may be provided during official Council and/or committee meetings.

#### 5.2.3 Civic Receptions

Refreshments and catering may be provided during civic receptions or functions to recognise significant contributions from groups or individuals to the community.

#### 5.2.4 Official Dining Functions

Employees may be required to participate in business meetings with representatives of business, industry, professional associations or community groups in a less formal environment. In these instances there is an obligation to ensure that expenditure is not excessive.

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**Page No.:** Page 2 of 4

### **5.2.5 Employee Functions**

Functions may be held to celebrate employee achievements, rewards and recognition and other minor in-house social events including farewells, annual Christmas functions or employee achievement awards.

### **5.3 Accepting Hospitality**

If employees accept hospitality from other organisations, officials or individuals, care should be taken to avoid any possible conflict of interest. It is important that situations are not be perceived or construed as providing an incentive for any commercial transactions.

An employee may accept a hospitality or benefit if it complies with all of the following principles:

- Refusal would offend the organisation, official or individual; or
- It conforms to normal business practice or other cultural practices of the giver;
- It does not influence an employee in such a way as to compromise impartiality or create a conflict of interest;
- It is received in the course of duty in respect of work area responsibilities, or prior approval has been received; and
- It meets the requirements of Council's Code of Conduct for employees.

### **5.4 Claiming Personal Expenditure**

There may be times when an employee is able to be reimbursed for spending funds on entertainment or hospitality. In order to claim for reimbursement, the employee should be comfortable in disclosing the expense (the public defensibility test).

The employee must seek authorization from the CEO or relevant GM prior to seeking reimbursement. When approving the claim, the CEO or relevant GM will consider the following:

- The frequency of claims;
- Factors such as accepted community practice or standard;
- Be satisfied it is reasonable;
- Includes appropriate documentary evidence; and
- Whether the claim withstands the public defensibility test.

### **5.5 Use of Corporate Purchase Card**

An employee issued with a corporate purchase card in the name of Rockhampton Regional Council may use this card to pay for entertainment and hospitality expenditure subject to the terms and conditions of the card.

### **5.6 Allocation of Funding**

This policy is subject to the allocation of funding in the annual budget.

Hospitality expenses related to official receptions and other functions organised by employees must be met from relevant approved budgets.

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**Section:** Governance Support  
**Page No.:** Page 3 of 4

## 6 Reporting

- 6.1 Entertainment and hospitality expenditure will be charged to specified accounts as per the Entertainment and Hospitality GL Expense Allocation Guideline to ensure compliance with tax obligations relating to Goods and Services Tax and Fringe Benefits Tax.
- 6.2 Entertainment and hospitality expenditure relating to official overseas travel must be included in the Annual Report, as required under the *Local Government Regulation 2012*.

## 7 Review Timelines:

This policy will be reviewed when any of the following occur:

- 7.1 As required by legislation;
- 7.2 The related information is amended or replaced; or
- 7.3 Other circumstances as determined from time to time by the Council.

## 8 Responsibilities:

Sponsor	Chief Executive Officer
Business Owner	Chief Executive Officer
Policy Owner	Manager Governance Support
Policy Quality Control	Corporate Improvement and Strategy

**EVAN PARDON**  
**CHIEF EXECUTIVE OFFICER**

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**Page No.:** Page 4 of 4