Entertainment and Hospitality Policy

Council Policy

Renmark Paringa Council

Responsible Officer	Chief Executive Officer
Relevant Legislation	Local Government Act 1999 Code of Conduct for Council Employees
Adopted	March 2021
Reviewed	November 2024
Next Review	November 2028

1. Purpose

1.1. Renmark Paringa Council is accountable to the community for the expenditure decisions it makes and through this Policy, Council aims at providing guidance on appropriate hospitality expenditure and ensuring that this expenditure is reasonable for the circumstances.

1.2. This Policy applies to all Renmark Paringa Council employees, Volunteers and Elected Members and relates to situations in which staff provide hospitality and/or entertainment for events as well as to external stakeholders of the Council. This Policy also applies to all employees seeking approval for hospitality related expenses to all functions/events held on Council premises or another venue.

1.3. This Policy does not apply to employees receiving entertainment/hospitality from third parties, refer to the code of Conduct for Employees (a prescribed within Schedule 2A of the General Regulations).

1.4. Where there are any queries over items not specifically covered within this Policy, employees should get approval from their relevant line Manager prior to entering into any arrangements or incurring expenditure.

2. Background

2.1. Council recognises there are occasions when it is appropriate and legitimate to provide hospitality related expenses at the Council's / ratepayers' expense.

2.2. This Policy is intended to clarify the circumstances when Council believes that it is appropriate, reasonable and justifiable to use Council funds for hospitality related expenses. It also describes the type of hospitality expenses that may be incurred and the approved expense limits.

2.3. This Policy is designed to complement Council's Code of Conduct for Employees and existing internal controls as part of its corporate governance framework.

3. Legislative Requirements and Corporate Policy Context

3.1. The Local Government Act 1999 and the Local Government Act (Financial Management) Regulations 2011 prescribe provisions that require Council to account for financial transactions.

4. Definitions and Interpretations

Act refers to the Local Government Act 1999.

CEO refers to the Chief Executive Officer.

Civic Event means an event involving the Mayor and/or Elected Members which is coordinated and funded by Civic Governance such as Citizenship ceremony, Mayoral events.

Community engagement event means a structured community event which is authorised as part of an approved project or program. Examples include arts and youth events and community engagement activities to assist in Council's decision making.

Corporate event means an event organised for employees which is authorised corporately.

Credit Cards means any type of corporate or organisational purchasing card, including credit, debit, EFTPOS and similar bank cards used for purchasing on behalf of the Council.

Employee means all Council employees including the CEO, Managers, trainees, volunteers, work experience staff and contract staff.

Entertainment means items such as sporting or theatrical events, business lunches and drinks, parties and staff social functions, gym or sporting club memberships, sightseeing tours and holidays (Note: this reference is taken from Australian Taxation Office FBT definition).

Gift to employee means items that are not ordinarily required to undertake a role (and are beyond approved employment conditions) such as movie tickets, gift cards, Christmas hampers, gift vouchers, perfume, flowers, pen sets (Note: this reference is taken from Australian Taxation Office FBT definition).

Hospitality means the activity of providing food, non-alcoholic drinks or entertainment.

Light refreshment incudes tea, coffee, other non-alcoholic beverages, a light snack (i.e. morning or afternoon tea).

Meetings are considered a normal feature of a role and mean those meetings that an employee is regularly required to attend, even though those meetings may be some time apart.

Third Party means a person/entity who is not an employee of Council including clients, suppliers, contractors, community members or customers.

Working meeting means employee meetings such as Toolbox meetings, team, section or whole department meetings.

5. Policy

5.1. Purchasing Principles

5.1.1. The provision of hospitality, gifts, transport, accommodation and associated expenditure can be a part of conducting any business. As a result, provisions are made within Council's budget for such expenditure. All Council expenditure is reviewed as part of the Council's budget setting framework and is subject to public scrutiny.

5.1.2. In addition, like all council expenditure, hospitality, gifts, transport, accommodation and associated expenditure needs to be within the approved Council budget, be approved within Council's endorsed delegations and authorisation framework and in accordance with Council's Procurement Policy. Where credit cards are used as the preferred payment method, expenditure must also be in accordance with Council's Credit Card Policy.

5.1.3. When choosing a supplier for catering, consideration should be given to ensuring it is cost effective, in line with the Procurement Policy and located in the Council area wherever possible to support a local business/ratepayer. Additionally, consideration should also be given to waste reduction and recycling practices with an aim to minimise waste to landfill.

5.2. General Principles

5.2.1. Any expenditure on official hospitality and/or entertainment must be in accordance with the following principles:

5.2.1.1. The expense must be for business activities only.

5.2.1.2. The expense must be properly documented with appropriate authorisations, retention of tax invoice and receipts and in line with relevant Council policies and procedures (e.g. Credit Card Protocol).

5.2.1.3. The expense must be reasonable for the circumstances, and publicly defensible; and

5.2.1.4. The expense must be approved by a Manager with appropriate delegations and in accordance with Council's Procurement Policy.

5.2.2. To ensure the cost and level of hospitality and/or entertainment is reasonable, is not excessive, not merely for social purposes and can stand up to public scrutiny.

5.2.3. There are a range of circumstances where entertainment expenses may be considered work-related. Such work-related entertainment expenses include travel expenses (excluding traffic or parking infringements), to support approved overtime work, for approved Council events or functions or within an approved entertainment expenses budget for your role.

5.2.4. The following are the type of hospitality events which Council generally undertakes as part of its business activities (some of which may be role specific):

5.2.4.1. Meetings with clients/service providers/external stakeholders.

5.2.4.2. Council/Committee meetings and workshops.

5.2.4.3. Advocacy and or strategic relationship building.

5.2.4.4. Work meetings (Team/Programs).

5.2.4.5. Corporate events.

5.2.4.6. Recognition of Service/Volunteer services.

5.2.4.7. Reward and Recognition.

5.2.4.8. Wellness Program.

5.2.4.9. Employee training sessions.

5.2.4.10. Structured and approved team building activities/team planning meetings.

5.2.4.11. Civic events.
5.2.4.12. Community engagement; and
5.2.4.13. Aged Care Services.

5.2.5. Examples of entertainment expenditure not considered appropriate for funding from Council sources include, but are not limited to:

5.2.5.1. Entertainment related to activities not ascertained to be a business activity as listed in section 5.2.4 above.

5.2.5.2. Staff club memberships for social and recreational purposes will not be funded .

5.2.5.3. Lunches, morning and afternoon teas, tea and coffee (excluding those provided in the Council's staff room) for Council staff for social purposes, rather than in conjunction with a formal meeting in which official business is being conducted, will not be funded by Council. There are exceptions for one-off refreshments provided by the CEO to all staff as recognition for staff achievements.

5.2.5.4. Gratuities (tips/surcharges) over and above the charge levied by the provider. These are a personal choice and as such must be funded by the employee, except where the gratuity is included as a specified component of the bill or receipt; and

5.2.5.5. Hospitality and/or entertainment provided to any organisation involved with the Council in formal tender or expression of interest proceedings.

5.3. Supply of alcohol

5.3.1. The expenditure of public funds for the provision of alcohol for council and employees is not considered appropriate in any circumstance.

5.4. Venue Hire

5.4.1. Meetings should be held on Council premises whenever possible. From time to time, it will be appropriate for meetings to be held at non-Council venues. The use of non-Council venues require prior approval of the relevant Manager or the CEO. Requests must include clear rationale for an externally catered event to be held.

5.4.2. When choosing a non-Council venue, consideration should be given to ensure it is appropriate for the type of function, is cost effective and meets community expectation for that type of event. Non-Council venues used should be in the Council area where possible to support a local business/ratepayer.

5.5. Gifts

5.5.1. The provision of gifts can play an important role in building a sense of community by acknowledging key contributions within the community, building strategic relations and as part of good business practices.

5.5.2. Expenditure of up to $200 per head (excluding awards provided in line with Reward and Recognition and Volunteer achievements) is acceptable on ceremonial gifts, gifts of gratitude or other formal gifts or benefits to be given by Council to community members. All gifts should be appropriate for the occasion and purchased within existing budget allocations and approved by the relevant Manager.

5.5.3. Gifts are not to be provided to employees using public money. Any such gifts are to be funded by a social committee or by collection amongst the employees.

5.5.4. The Code of Conduct for Employees as prescribed within Schedule 2A of the Local Government (General) Regulations prescribe when acceptance of a gift from a third party may be acceptable.

5.6. Authorisation by the CEO

5.6.1. The CEO will maintain ultimate discretion to determine where and when it is appropriate to provide an exemption from this Policy. This discretion may include the provision of food/recognition/gifts. Any variation to this Policy, authorised by the CEO must be in writing and document the reason for the variation to this Policy prior to the purchase.

5.7. Monitoring and Reporting

5.7.1. The Financial Services team may conduct periodic sample audits to ensure compliance with this Policy and identify any abnormal trends.

References/Related Documents

- Credit Card Use Policy
- Internal Financial Control Policy
- Elected Member Training and Development Policy
- Procurement Policy
- Elected Member Allowances and Support Policy

Document Control

Version #	Approval Date	Approved by	Amendment
1.0	12 March 2021	Audit Committee	New Policy
2.0	7 September 2023	Audit & Risk Committee	Reviewed, no changes
3.0	19 November 2024	Audit & Risk Committee	Policy updated to reflect Ombudsman's recommendations

Appendix

Entertainment and Hospitality related expenditure funded / not funded summary

Expenditure	Funded	Not Funded
Functions for staff	• Events to acknowledge and celebrate achievements on a spontaneous or six-monthly basis. • Any event must have a direct and demonstrable link to a particular achievement.	• Any social activities; or • General celebration (i.e. Christmas event).
Lunches, morning and afternoon teas, tea and coffee (excluding those provided in the Council's staff room)	Funded if related to a business activity	• If for social purposes • For regular team or 1:1 meetings; or • For staff informal gatherings.
Gratuities (tips/surcharges)	Only that amount levied by the provider.	Over and above the charge levied bythe provider.
Suppliers	Funded if related to a business activity	Hospitality and / or entertainment provided to any organisation involved with the Council in formal tender or expression of interest proceedings.
Personal benefit to staff members or their family or friends	Gifts (refer below)	Expenditure that provides a personal benefit to staff members, family or friends (unless approved prior by the CEO)
Alcohol	The expenditure of public funds for the provision of alcohol for council and employees is not considered appropriate in any circumstance	
Venue Hire	The use of non-Council venues can be funded with prior approval from the relevant Manager of the CEO	A non-Council venue that is not: • appropriate for the type of function, • cost effective • does not meet community expectation for that type of event
Gifts	Funded up to $200 per head (excluding awards provided in line with Reward and Recognition and Volunteer achievements) for community members	Gifts for employees are not to be funded. Any such gifts are to be funded by a social committee or by collection amongst the employees.