

POLICY		Responsible Department	Governance & Community
		Original Adoption Date	new
		Current Adoption Date	28.10.20
		Audit Committee Review Date	N/A
		Date of Next Review	28.10.23

TITLE	POLICY – HOSPITALITY, GIFTS, EMPLOYEE EXPENSES AND RECOGNITION
Latest Review Changes	New Policy
Previous Council Reviews	Not Applicable
Previous Audit Committee Reviews	Nil

Applicable Legislation:

Local Government Act 1999

Related Policies

Code of Conduct for Local Government Employees (legislative policy) Employee Code of Conduct Procurement Policy Credit Card Policy

Related Procedures:

Travel and Accommodation Guidelines

Reference Documents:

Auditor General <i>Examination of Credit Card Use and Management</i> - Reports 2,3 and 4 of 2020
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1. POLICY OBJECTIVES

- To ensure that any use of public funds for corporate hospitality is reasonable, meets community expectations and represents value for money.
- To give clear direction as to hospitality expenditure in conducting council business.

2. POLICY PRINCIPLES

Council is committed to the efficient and responsible use of public resources.

Council recognises there are occasions when it is appropriate and legitimate to provide hospitality or gifts. As a publicly funded body, however, Council must ensure that public sector standards of accountability are maintained and that there is consistency in the way expenditure is administered.

Expenditure will only be incurred if it:

- Is for official purposes;
- Will advance the objectives of Council;
- Is in the public interest and of benefit to the Council or community;
- Is reasonable for the circumstances and public defensible;
- Has been approved by the Administrator or Chief Executive or Group Manager within appropriate relevant delegation authority and in accordance with Council's Procurement Policy, Travel and Accommodation guidelines and Credit Card Policy

Whenever an employee claims for reimbursement or payment of hospitality expenses the employee must be able to clearly identify the benefit the Council or community derived from the expenditure.

The provision of hospitality may result in Fringe Benefits Tax (FBT).

When choosing a supplier for catering consideration should be given to ensuring it is cost effective. Consideration should also be given to waste reduction and recycling practices with the aim to minimise waste to landfill.

Hospitality should not provide a personal benefit to staff or their family or friends. This principle aligns with the relevant Code of Conduct.

Inappropriate expenditure will be managed under the relevant Code of Conduct.

3. EXPENDITURE PRINCIPLES

Figure 3.1 illustrates the six principles that apply when the exercising the power to spend public money and which need to be demonstrated before the expenditure is incurred.

Figure 3.1: Expenditure principles



4. SCOPE

This policy provides a guide for decision making regarding any form of hospitality that Council provides in the conduct of business. It is designed to complement Council's existing internal controls and the Credit Card Policy.

The policy also provides for the provision of gifts in limited circumstances.

Where there are any queries over items not specifically covered within this Policy employees must get approval from the Chief Executive prior to entering into any arrangements or incurring expenditure.

This policy applies to all Municipal Council of Roxby Downs employees (including volunteers).

5. DEFINITIONS

Civic Event means an event involving the Administrator such as:

- Citizenship, Awards or Recognition ceremonies for members of the community
- Council funded/initiated event/activity

Community Engagement Event means a structured community event which involves community engagement activities to assist Council's decision making.

Hospitality refers to the provision of food, beverages or entertainment that is in conjunction with the Council carrying out a necessary business activity.

Immediate family member as defined in the Municipal Council of Roxby Downs Enterprise Agreement 2020.

Reasonable means that which can be determined based on the "reasonable person test" – what a typical member of the community would deem to be reasonable.

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

6. POLICY IMPLEMENTATION

6.1 HOSPITALITY

6.1.1 Business Activities

The following activities are considered appropriate for hospitality to be provided:

- Staff workshops and training and development that spans several hours over a normal meal period
- Periodic morning teas, end of year functions, critical incident debriefings and like for all staff which are used to reinforce a team environment and create a positive working culture
- Meetings with service providers/external stakeholders to build relationships to further Council's objectives
- Community Engagement activities
- Advocacy and/or strategic relationship building
- Community events which have been authorised as part an approved project or program such as arts and youth events
- Civic events
- Working bees involving volunteers

The appropriate limit of expenditure for staff related functions will be determined by the Chief Executive/and or the Administrator.

6.1.2 Catering as Recognition

This policy recognises reasonable expenditure on catering at events that celebrate and recognise the contributions of volunteers with the Roxby Downs Community.

6.1.3 Exclusions

- Hospitality related to activities not ascertained to be a business activity as listed in section 6.1.1
- Hospitality for team or department meetings or 1:1 meetings between staff members
- Staff memberships for social and recreational purposes
- Lunches, morning and afternoon teas (excluding those provided in the council's staff room) for Council staff for social purposes
- Catering for individual work team end of year celebrations
- Hospitality provided to any organisation involved with the Council in formal tender or expression of interest proceedings
- Alcohol may be served or purchased for appropriate business or community activities as determined from time to time by the Chief Executive or Administrator.

6.2 GIFTS

6.2.1 Community Prizes

A prize (cash or goods) may be offered to schools or where it is approved as part of a defined program (e.g. a community art or sport competition) where the purpose of the offering and giving a gift of this nature is to encourage better outcomes as result of the gift. Expenditure on individual prizes should be up to the value of \$100.00. Where a community prize is recommended that exceeds this limit, approval is required from the Chief Executive or Administrator.

6.2.2 Corporate Gifts as Recognition

The provision of gifts can play an important role in building a sense of community by acknowledging key contributions of others external to Council. Expenditure is acceptable on ceremonial gifts, gifts of gratitude or gifts for cultural exchange. A gift of this nature is at the discretion of the Chief Executive or the Administrator.

Gifts of appreciation may be provided to presenters at a Council event who have provided their services at no charge. This type of acknowledgement is usually in the form of a card, donation to recognised public charity, certificate, flowers or a small gift or gift basket.

6.3 EMPLOYEE EXPENSES

6.3.1 Travel and Accommodation for Business Purposes

Travel and accommodation expenses are expenses incurred in the course of authorised work-related travel. They include transport, accommodation, meals and expenses incidental to travel. Travel expenses must be reasonable and an efficient use of public funds.

Maximum expenditure on meals aligns with the State Government Public Service rates and is outlined in the Travel and Accommodation guidelines.

All such expenditure must be approved by the appropriate Group Manager and counter authorized by the Chief Executive. Likewise, a Group Manager's expenditure is to be approved by the Chief Executive and the Chief Executive's by the Administrator.

6.3.2 Exclusions

- Alcohol, in room movies, minibar, dry cleaning and other expenses of a private nature
- Traffic or parking infringements
- Membership subscriptions for airline clubs and loyalty programs
- Travel and accommodation and other expenses for any other person who is not a Council employee
- Gratuities (except where included as specified component of the bill or receipt). These are personal choice and as such must be funded by the employee

6.4 EMPLOYEE RECOGNITION

6.4.1 Employees Bereavement, significant illness or life event

Where a staff member experiences a significant life event such as the birth of a child or loss of an immediate family member, well wishes or condolences are to be expressed through a card personally signed by the Chief Executive. If it is considered appropriate to make a financial donation, supply a gift or flowers approval must be given by the Chief Executive at his discretion but at a soft limit of say \$150.00.

6.4.2 Personal events or occasions

For marriages, hospitalizations, resignations or retirements Staff may elect to purchase a gift and card and hold a morning tea through private donations. At the discretion of the Chief Executive a gift may be provided by Council in recognition of outstanding service.

6.4.3 Service Milestones

Council recognises that the organisation relies heavily on the performance and dedication of all employees. Service Milestones beginning at 10 years will be recognized through the presentation of a Certificate of Appreciation.

7. EXEMPTIONS

The Chief Executive will maintain ultimate discretion to determine where and when it is appropriate to provide an exemption from this policy. Any exemption authorised by the Chief Executive must be in writing and document the reason for the exemption prior to purchase. Exemptions relating to expenditure to be incurred by the Chief Executive requires approval by the Administrator.

8. MONITORING AND REPORTING

The Group Manager Corporate Services will conduct periodic sample audits to ensure compliance with the policy and identify and immediately report any abnormal occurrence to the Chief Executive.

9. APPROVAL AND DOCUMENTATION

The request for approval by a staff member must detail the business purpose of the expenditure, who is attending the function/meeting, the expected benefits and outcomes and the breakdown of budgeted costs.

Expenditure must be properly documented with appropriate authorisations, tax receipts and receipts and available for scrutiny by both external and internal audit.

10. REVIEW

This policy will be reviewed every three years and also in response to any changes to legislation and relevant standards, codes and guidelines.

11. AVAILABILITY

This policy is available for inspection at the Council Office at 6 Richardson Place, Roxby Downs and available to be downloaded from Council's website www.roxbydowns.sa.gov.au



ROXBY COUNCIL
HOSPITALITY, GIFTS AND EMPLOYEE
EXPENSES AND RECOGNITION



Event Title: _____

Event Organiser: _____

Date of Event: _____

Business Purpose: (explain in detail the business purpose of the event)

Attendees: (who is attending the event if applicable)

Expected Benefits and Outcomes: (explain in detail the benefits and outcomes of the event)

Proposed Budget		
Item	Cost Code	Cost

Declaration by Employee

Name _____ I declare that I have read the Hospitality, Gifts and Employee Expenses and Recognition Policy and the principles have been applied.

Signed _____ Date _____

Approved by

Name _____ Position _____

Signed _____ Date _____