

ENTERTAINMENT AND HOSPITALITY – COUNCILLORS POLICY

SCOPE

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 the Council is a publicly funded body, it must ensure that high standards of accountability for entertaining and hospitality expenses are maintained and that any monies expended are for the purpose of Council operations.

It is appropriate that at times hospitality be extended to representative of government, government bodies, other local authorities, business or industry and recognised community organisations. In certain cases, it may also be appropriate to provide hospitality to individuals with whom Council is undertaking business.

Section 196 of the *Local Government Regulation 2012* states:

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

This Policy applies to all Councillors of Banana Shire Council including the Mayor and Deputy Mayor.

LEGISLATION

Local Government Regulation 2012 Section 164 and 196

OBJECTIVE

The objectives of this policy are:

1. to comply with the local government principles
2. to meet the requirements of the legislation
3. to ensure appropriate authorisation of entertainment and hospitality expenditure; and
4. to provide guidance on what is appropriate entertainment and hospitality expenditure for Councillors

DEFINITIONS

CEO, Chief Executive Officer The Chief Executive Officer of Banana Shire Council

Council Banana Shire Council

Councillors Persons elected or appointed to the local government under the *Local Government Act 2009* or the *Local Government Electoral Act 2011*.

Councillors include the Mayor

Entertainment or Hospitality Entertainment or Hospitality under this policy includes the following

- (a) Entertaining members of the public in order to promote an initiative or project of the local government;
- (b) Providing food or beverages by the local government –
 - I. to a person visiting the local government in an official capacity; or
 - II. for a conference, or meeting held by the local government for its Councillors, employees or other persons; or
 - III. for a seminar, course, workshop or another forum held by the local government for its Councillors, employees or other persons;
- (c) Attendance by a Councillor of the Banana Shire Council at a function
 - I. as part of the Councillor's official duties or obligations as a Councillor of the Banana Shire; and
 - II. for which an amount is charged to the Banana Shire Council, or to the Councillor, for attending the function.

Note: The following is not classed as entertainment or hospitality under this policy:

- The provision of food or drink or a performance as a commercial transaction to the councillor for which full payment is made by the Councillor.

POLICY

Where practical, hospitality and entertainment is to be arranged in advance with official Council orders issued in accordance with Council's Procurement Policy and within the financial delegations of the authorising officer.

All such expenditure must comply with this policy and, if requested by the authorising officer, an explanation of the purpose of the expenditure demonstrating that the expenditure complies with this policy and is in the public interest to be provided.

Where not practical to obtain an official order in advance, e.g. payment in advance must be made over the telephone or the Councillor is away on official business and the relevant firm is not a creditor of Council, the hospitality and entertainment purchase may be made utilising a Corporate Credit card subject to compliance with the relative policies of Council.

Overall Considerations

- All entertainment and hospitality expenditure must be incurred in the public interest. Expenditure must be in relation to Local Government Business and the advancement of Banana Shire Council objectives.
- Expenditure on entertainment and hospitality must not be excessive and must be reasonable, having regard to the benefit to Council or the public.
- Priority is to be given to utilising Council owned facilities for entertainment and hospitality.
- The expenditure must be provided for in a Council budget.
- The Councillor must comply with the Council's normal accounting procedures and practices and with the specific additional requirements in this policy and Council's *Procurement Policy*.
- Expenditure incurred by Council which is not reasonable and appropriate (private expenses) must be repaid to Council within 14 days of being incurred.
- Entertainment and hospitality expenses may only be charged to a Council corporate credit card in accordance with this policy and the provisions as set out in Council's *Corporate Credit Cards Policy*.

Hospitality Provided

The Council may meet the cost of food and non-alcoholic drinks provided to councillors in the following circumstances:

- A light meal may be provided for Councillors who are required to work during a meal time and an alternative meal break is not available. This includes committee and working group meetings, conferences, seminars and training sessions where the cost is met by the Council.
- The Councillor is required to attend a meeting or other function attended by non-council personnel and food and drink is provided for all attendees under this policy.
- Alcoholic drinks may not be provided for Councillors except where the Councillor attends a function at which alcoholic drinks are also provided for non-council personnel.

Training Courses, Meetings and Other Functions

Where a training course, meeting or other function is arranged and councillors will be present during a normal meal period, the Council may, if it facilitates the event, arrange for refreshments to be made available. Such refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

If a councillor attends a training course, meeting or other function not provided by the Council at Council's cost, the Council may pay for meals, including alcoholic drinks, if they are included in an overall cost for the event or attendees are provided with meals which are an integral part of the event.

Alcohol

Alcohol may only be provided by Council at a function if it has been approved prior to the function by the CEO. Where alcohol is provided for such functions it must not be consumed during a meeting or training course.

Reasonable and Appropriate Expenditure

The following are examples of activities which are considered reasonable and appropriate for expenditure under this entertainment and hospitality policy:-

Civic Functions:

Such as citizenship ceremonies that provide community recognition or a welcome by the Council. The decision as to being reasonable and appropriate expenditure will take into consideration the numbers of attendees, the timing of the function, the venue and the location within the Shire.

Anzac Day Wreaths and Ceremonies:

Recognition of the service to the community by the armed services and war veterans.

Condolence Wreaths or Floral Presentations:

For the death of, or serious injury to, a Councillor, former Councillor or their immediate family. This is in recognition of service and a mark of respect to his/her family.

Visits by Overseas Delegates:

These visits occur for cultural or economic development reasons and have the potential to increase investment in the Council area.

Annual Christmas Celebration:

In order to recognise and appreciate employees for their dedication and commitment to the provision of Council services to the public, a contribution will be provided for the annual Christmas function.

Meetings within Ordinary Hours:

Entertainment and hospitality for meetings held within ordinary working hours.

Such entertainment and hospitality should not be substituted for business meetings that would ordinarily be conducted in the workplace. Examples may include Ordinary Meetings of Council, Council Committee Meetings and Workshops.

Entertainment and hospitality for such meeting should be kept to a minimum.

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.

Associate Persons Expenditure:

Only in exceptional circumstances, specifically approved by the CEO, and where the attendance of an associate is of demonstrated benefit to the Council, are the entertainment and hospitality costs for such a person to be met by the Council

In these instances, the associate will be considered an official representative of the Council and will be expected to comply with the relevant Code of Conduct.

Other Hospitality Expenses:

Other types of expenditure considered reasonable as official hospitality includes the provision of tea, coffee, sugar, milk, and morning or afternoon tea for Councillors, official visitors and appropriate employees.

Not Reasonable and Appropriate Expenditure

The following are examples of expenditure which is generally considered not to be reasonable and appropriate and are therefore to be treated as private expenditure are:

- Tips or gratuities within Australia – tipping is not customary in Australia, however when travelling overseas and tipping is the local custom, tips will be considered official expenditure;
- Dinners/functions at the private residence of a Councillor;
- Stocking of bar fridges (except in the instance of the Mayor for small-scale entertainment);
- Floral presentations (except as specified above);
- Mini Bar expenses;

Credit Cards

Where a corporate credit card is provided to a councillor that card may only be used to pay for entertainment and hospitality expenditure where:

- The expenditure is in accordance with this policy, and
- Such expenditure is in accordance with the provisions of Council's *Corporate Credit Cards Policy*.

NOTE

A Councillor may not authorise credit card remittance or reimbursement for out of pocket expenses for the Councillors own expenditure.

Remittance for such expenditure is to be authorised by the CEO for all Councillors.

PROCEDURE

Procedures as approved and issued by the Chief Executive Officer, and subject to further revision, amendment and issue under the authority of the Chief Executive Officer.

CERTIFICATION



**CHIEF EXECUTIVE OFFICER
BANANA SHIRE COUNCIL**



DATE