

1. Purpose & Scope

- 1.1 This Policy sets out the circumstances and manner in which expenditure for entertainment or hospitality may be incurred; the circumstances under which hospitality may be accepted; and the processes for authorisation and documentation for such expenditure, in keeping with the required standards of accountability.
- 1.2 The objective of this Policy is to ensure that:
- Legislative requirements for entertainment and hospitality expenditure are met.
 - There is accountability in relation to entertainment and hospitality expenditure.
 - There is consistency in the way the policy is implemented across Council.

2. Commencement of Policy

- 2.1 This Policy will commence from 17 July 2024.

3. Application Of Policy

- 3.1 This Policy applies to all Councillors and Council employees who provide official hospitality while on Council business.

4. Definitions

Term	Definition
Council	Charters Towers Regional Council
Councillor/s	The Mayor, Deputy Mayor, and Councillors as elected representatives of the Charters Towers Regional Council
Council employees	All persons employed by the Council including contractors and volunteers
Council business	Work required to be performed as part of normal duties
Entertainment expense	Cost to Council of providing entertainment or hospitality services
Entertainment or hospitality service	<p>a) entertaining members of the public in order to promote an initiative or project of Council.</p> <p>b) the provision of food or beverages by Council:</p> <ul style="list-style-type: none"> i. to a person or persons visiting Council in an official capacity; or ii. for a conference or meeting held by Council for its Councillors, Council employees or other persons; or iii. for a seminar, course, workshop, or another forum provided by Council for its Councillors, Council employees or other persons. <p>c) attendance by a Councillor or Council employee at a function:</p> <ul style="list-style-type: none"> i. as part of the Councillor's or Council employee's official duties or obligations as a Councillor or Council employee; and <p>for which an amount is charged to Council for attending the function.</p>
Official hospitality	Provision of an entertainment or hospitality service to promote community interests and the achievement of Council's priority outcomes
Delegates	State, interstate and overseas dignitaries or representatives of various levels of government

5. Policy Provisions

5.1. Policy Requirements

Council recognises that there are circumstances where entertainment and hospitality expenses are appropriate in the conduct of its business. Such expenditure must reflect the five principles of Local Government and maintain a high standard of accountability.

All expenditure incurred must:

1. Be for official purposes.
2. Be properly documented with the purpose identified.
3. Be transparent and accountable in terms of both external and internal audit.
4. Withstand any test of “public accountability”.
5. In the case of Council employees, expenditure must have the prior approval of the Chief Executive Officer or the relevant Executive Leadership Team (ELT) member.
6. Be in accordance with Council’s adopted annual budget.

5.2. Guidelines for Expenditure

Entertainment or hospitality is permitted where it is considered of benefit to the Council or community.

In the case of Council employees, expenditure must be approved by the Chief Executive Officer or the relevant ELT member, prior to the expenditure occurring.

Approved expenditure must clearly identify the benefit the Council or the community derives from the expenditure.

Fringe Benefits Tax may be payable on that portion of any catering expenditure which is attributable to Councillors, Council employees, or other persons.

5.2.1. Appropriate expenditure (i.e., entertainment or hospitality in the public interest).

Appropriate entertainment expenses may include expenditure on official hospitality towards:

- Visitors when the Council has an interest in, or a specific obligation towards, their visit.
- Representatives of government, business or industry, and recognised community organisations.
- In the pursuit of partnerships and sponsorships with organisations and businesses to deliver Council initiatives in accordance with its strategic plans/priorities.

Types of expenditure considered to be appropriate official hospitality includes:

- Tea/coffee, morning tea or similar for official visitors or representatives of government, business, industry, and recognised community organisations.
- Lunch or dinner involving official visitors or representatives of government, business, industry, and recognised community organisations.

5.2.2. Inappropriate Expenditure

Expenditure that is not considered appropriate is set out below:

- Staff lunches without a Council or community benefit.
- Club membership fees.
- Cost of providing meals at a private residence.
- Alcohol.
- Entertainment which does not include the provision of a meal.

5.3. Attendance of Council Employees

5.3.1. Official Functions

Entertainment expenses paid by the Council for events attended by Councillors, invited employees, spouses, and partners may include:

- Events hosted by the Mayor or Chief Executive Officer such as civic receptions, and official functions.
- Events which include representatives from organisations associated with Council.
- Meals or other events hosted for visiting delegates.

Employee attendance at such functions must be approved by the Chief Executive Officer prior to the event.

The number of Council employees attending official functions should be restricted to those employees who will advance Council's interests by their attendance.

5.3.2. **Work Functions**

There are occasions when it may be appropriate to provide hospitality at functions attended only by Council employees if there are clear and demonstrable benefits in terms of training and/or worker morale (see also S 5.5.1). Examples include:

- Reward or celebration of an achievement.
- Training programs.
- Recognised events, such as, but not limited to, Whole of Staff Gatherings, Easter, or Christmas.

Such functions may include modest catering for morning tea, lunch and/or afternoon tea.

Expenditure at such functions must be approved by the Chief Executive Officer, or the relevant ELT member prior to the expenditure occurring.

5.4. **Accepting Hospitality**

Care should be taken, to avoid any perception of conflict of interest, in accepting hospitality from organisations, officials or individuals. It is important that acceptance of hospitality is not perceived as providing an incentive for any commercial transactions and should be considered in conjunction with Council's S0062 Conflict of Interest Policy – Council Employees and D0125 Managing Conflicts of Interest Procedure for Council Employees and S0061 Gift and Benefits Policy.

Consideration of the following points may assist in determining whether offers of hospitality should be accepted:

- Is it consistent with normal business practice or other cultural practices of the host?
- Does it influence a Councillor or employee in such a way as to compromise impartiality, integrity or create a conflict of interest?
- Is it received in the course of duty in respect of work area responsibilities?
- Does it comply with Council's policies – e.g., Code of Conduct, Conflict of Interest, and Gifts and Benefits?

Where alcohol is offered in conjunction with hospitality, accepting or declining this offer should be considered in light of the Code of Conduct for Councillors, or Council's Code of Conduct S0047 and Council's Fitness for Work Directive D0082 in the case of Council employees.

Note – Council Directive D0016 does not allow reimbursement for alcohol as a travel-related expense.

5.5. **Guidelines For Catering For Meetings, Workshops and Seminars**

5.5.1. **Approval**

The Chief Executive Officer or relevant ELT member may approve catering in circumstances where official business is being transacted and it is reasonable for catering to occur (for example, a meeting proceeding through a meal break).

As a guide, it may be considered acceptable expenditure when:

- Significant official business is engaged in during a meal.

- Light refreshments are provided for meetings, conferences, workshop seminars (excluding alcohol).
- There are cost advantages in continuing meetings through the normal meal break.

Any catering provided should be of a light nature at the work/meeting location. Such official catering is not considered to be an entertainment expense for the purpose of this policy.

Requests for approval must identify the benefits to be gained, and that the cost to Council is appropriate for the occasion.

5.5.2. **Use of Credit Cards for Entertainment or Hospitality**

If a credit card is issued in the name of Charters Towers Regional Council, that card may only be used to pay for entertainment or hospitality expenditures where the expenditure:

- a) Is authorised in terms of this Policy.
- b) Is in accordance with Council's adopted annual budget.
- c) Is not possible by purchase order. In the case of Council employees, has the prior approval of the Chief Executive Officer or the relevant ELT member.

5.5.3. **Accountability**

Entertainment and hospitality expenditure will be charged to specific accounts in accordance with Council's General Ledger to ensure compliance with obligations relating to GST and Fringe Benefits Tax.

Entertainment and hospitality expenditure incurred during overseas travel must be included in Council's Annual Report, in accordance with section 188 of the *Local Government Regulation 2012*.

6. **Variations**

6.1 CTRC reserves the right to vary, replace or terminate this Policy from time to time.

Associated Documents

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Local Government Electoral Act 2011*
- Councillors Code of Conduct
- S0047 CTRC Code of Conduct
- S0062 Conflict of Interest Policy
- D0125 Conflict of Interest Directive
- S0061 Gifts and Benefits Policy
- D0082 Fitness for Work Directive
- D0016 Travel and Expense Claims Reimbursement

The document is to be reviewed upon changes to relevant legislation, or every two years if no changes have been required to be enacted.

Document Review			
Date Adopted by Council	17 July 2024	Council Resolution	4275
Date Adopted by ELT	26 June 2024	Next Review Date	June 2026
ECM No.	1260666	Document Contact	Executive Services Manager