Guidelines for expenditure on official hospitality

Public Sector Commissioner's Circular

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**Supersedes:** Premier’s Circular 2006/06, 2001/16

## Policy

Expenditure on hospitality should be restricted to a level consistent with the responsibilities of public sector officers. All public sector officers and public sector bodies need to be scrupulous in their use of public funds.

## Background

The community expects public officers to use public resources responsibly and to ensure that any decision to provide hospitality is defensible and furthers the business of government.

Provision of official hospitality has been addressed by oversight agencies a number of times over the past decade1. An increase in corporate credit card use in this time has also increased the risk of improper expenditure on hospitality, where appropriate controls either may not exist or may not be properly followed.

As such, official hospitality remains an important issue. All public sector employees and bodies should be aware of the requirements that apply.

M C Wauchope  
PUBLIC SECTOR COMMISSIONER

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| Other relevant Public Sector Commissioner’s Circulars: n/a |

1. Office of the Auditor General 2004, *Third Public Sector Performance Report 2004, Report 6 – September*  
   Office of the Auditor General 2009, *Fourth Public Sector Performance Report 2009, Report 12 – November*The Integrity Coordinating Group 2013, *Gifts, benefits and hospitality – A guide to good practice*

# Guidelines for expenditure on official hospitality

## Introduction

Public sector officers need to be scrupulous in their use of public finances and the following guidelines have been developed to assist those officers who are required to provide or reciprocate hospitality consistent with their responsibilities as a public officer.

The guidelines are not intended to place undue restrictions on the operations of departments, agencies and other public bodies. They aim simply to establish reasonable criteria for the accountability of expenditure in this area while recognising Chief Executive Officers and others charged with responsibility for incurring hospitality expenditure need to be able to exercise some discretion.

Chief Executive Officers will determine who will have the authority to incur hospitality expenditure but it will generally be restricted to management immediately below CEO level. All other officers must have the Chief Executive Officer’s or delegated management’s specific approval before expending public monies on hospitality. Where a corporate credit card is used, such use must be in accordance with legislation, whole of government policy and agency guidelines.

## Official hospitality

Expenditure for official hospitality should only be incurred where it is considered essential to facilitate the conduct of public business. However, such hospitality should not be a substitute for business meetings, which would ordinarily be conducted in the workplace.

As a general guide, expenditure on official hospitality may be incurred in the following circumstances:

* To facilitate the conduct of official government business.
* To extend hospitality to overseas visitors when the department or agency has an interest in, or obligation towards, facilitating the visit.
* To extend hospitality to the diplomatic or consular corps.
* To purchase minor gifts of a protocol or public relations nature where presentation of such gifts is in conformity with a department or agency’s functions.

### Working meals

Light refreshments for meetings such as tea, coffee and biscuits are to be charged as meeting expenses. Functional benefits may arise from the provision of working meals to WA government officers. Working meals may be appropriate where:

* staff are working on an urgent issue through lunch or later at night
* a full day meeting has been scheduled and there are cost advantages in continuing through the normal lunch break
* the meeting is attended by officials from at least one other agency and is for the purpose of transacting business.

Working meals should be consumed at the work/meeting location and should not be a regular occurrence. In general, such hospitality is to be limited to light refreshments, such as sandwiches, fruit and non-alcoholic beverages.

## General principles

* The over-riding principle is that hospitality expenditure should be for official purposes, appropriate to the role of the officer and proportionate to the purpose of the occasion. Accountable officers must be able to identify the benefit to the agency, the State and the public in general. Any concerns or queries in this regard should be referred to the Chief Executive Officer.
* In addition, Chief Executive Officers might identify circumstances where expenditure can be incurred on hospitality associated with functions of an interdepartmental or intra-organisational nature.
* As a general rule, and unless significant cost advantages can be demonstrated, departments and agencies should not operate accounts at restaurants, hotels or other such premises for the purpose of entertaining or providing hospitality. Any such accounts must be authorised by the Chief Executive Officer.
* Officers should not claim reimbursement from their employer under the Public Service Award or other awards or agreements in respect of meals already charged against official hospitality.
* Tips or gratuities should only be paid where it is customary to do so.
* Hospitality accounts submitted for payment must state the hospitality provided, the reason for the expenditure and the names of those for whom the hospitality was provided (which may be relevant for Fringe Benefits Tax purposes).
* On the limited occasions where it is not appropriate to identify individuals due to the sensitive or confidential nature of the business, a general description of the people involved (i.e. industry represented etc) and numbers of people involved should be provided.
* To minimise risk of misuse, accounts submitted for payment should be:
  + incurred by a senior officer other than the officer responsible for providing the hospitality.2
  + certified by the officer responsible for providing the hospitality to the effect that “this expenditure was incurred for official hospitality purposes in accordance with the approved guidelines”
  + acquitted in a timely manner.

1. [Treasurer’s Instruction 304 – Authorisation of Payments](https://www.wa.gov.au/government/publications/financial-administration-bookcase).