Subject: Expenditure on Official Hospitality

Government guidelines for Expenditure on Official Hospitality have recently been reviewed and updated. A policy has now been developed to:

- Reflect the changes contained in the revised guidelines
- Provide consistent guidelines for staff in the managing and control of expenditure on official hospitality incurred during work duties or corporate functions.

The policy applies to all staff employed within WA Health.

Constant vigilance is required when dealing with Expenditure on Official Hospitality and its associated purposes.

It is the responsibility of managers to ensure all staff are aware of this policy. Managers or supervisors with queries should contact their Human Resources Branch.


Dr Neale Fong
DIRECTOR GENERAL
DEPARTMENT OF HEALTH
EXPENDITURE ON OFFICIAL HOSPITALITY POLICY

SCOPE

This policy applies to all persons employed in WA Health, which incorporates the following entities:

- Department of Health;
- Metropolitan Health Services;
- WA Country Health Service.

This is a system wide policy and supersedes all policies related to expenditure on official hospitality or business and entertainment in WA Health.

POLICY STATEMENT

Employees may be required as part of their normal work responsibilities to provide reciprocate hospitality. They need to be scrupulous in their use of public finances and exercise discretion in the funding of official hospitality expenditure.

The Director General will determine who will have the authority to incur hospitality expenditure but it will generally be restricted to 2nd and 3rd tier managers. All other officers must have the Director General’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 the Western Australian Health System Accounting Manual requirements.

The use of Government Corporate Credit Cards is strictly for the purpose of Health Sector transactions. Under no circumstances should officers utilise the card for private purposes.

The objective of this policy is to establish reasonable criteria for the accountability of expenditure on official hospitality, whilst recognising that the Director General and others charged with this responsibility need to be able to exercise some discretion.
DEFINITION OF OFFICIAL HOSPITALITY

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

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

- To facilitate the conduct of official government business;
- To extend hospitality to overseas visitors when the Department has an interest in, or obligation towards, facilitating the visit;
- To extend hospitality to the diplomatic or consular corps;
- To extend hospitality to representatives of the media on those occasions when media attendance is considered appropriate;
- To purchase minor gifts of a protocol or public relations nature where the presentation of such gifts is in conformity with the Department’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 justified where:

- a meeting has been scheduled which covers the normal lunch period because all participants would not have been available at the same time;
- staff are working on an urgent issue through lunch or later at night;
- a full day’s meeting has been scheduled and there are cost advantages in continuing through the normal lunch break; or
- the meal is attended by officials from at least one other agency and is for the purpose of transacting business during the meal.

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

Allowable reimbursements do not include:

- Expenses that fall into the category of normal day-to-day social exchange of hospitality between colleagues or members of the community;
- Other than with the express approval of the Director-General, expenditure for functions to farewell officers on the occasion of their retirement or transfer; or
expenditure for functions to celebrate other personal events such as promotions, weddings and births.

GENERAL PRINCIPLES

1. Hospitality expenditure should be for official purposes and appropriate to the role of the officer and to the purpose of the occasion. Accountable officers must be able to identify the benefit to the Health entity, the State and the public in general. Any concerns or queries should be directed to the Director General.

2. The Director General may identify circumstances where expenditure can be incurred on hospitality associated with functions of an interdepartmental or intra-organisational nature.

3. Unless significant cost advantages can be demonstrated, the Health Entity 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 Director General.

4. Officers should not claim reimbursement from their employer under the Public Service Award or other awards or agreements in respect of meals already charged to the employer against official hospitality. For example, a meal allowance must not be claimed when attending a seminar or conference if a meal, such as lunch, is provided at no additional cost to the participant.

5. Tips or gratuities should only be paid where it is customary to do so.

6. Hospitality accounts submitted for payment must state the details of the hospitality provided, the reason for the expenditure and the names of those for whom the hospitality was provided (for FBT purposes).

7. On occasions where it is not considered appropriate to identify individuals due to the sensitive or confidential nature of the business, a general description of the people involved (industry represented for example) and numbers of people involved should be provided.

RECORD KEEPING STANDARDS

Accounts submitted for payment must:

- be incurred by a senior officer other than the officer responsible for providing the hospitality; and
- be 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”
Details of all representational and hospitality expenses are to be maintained by the appropriate work areas for audit purposes and for advice to HCN Finance for fringe benefit tax purposes.

**SUPPORTING DOCUMENTS**

Premier’s Circular 2006/06, titled “Guidelines for Expenditure on Official Hospitality,” issue date 13 July 2006  

Western Australian State Health System Accounting Manual  

Local Authorities, Delegation and Direction Schedule

**RELEVANT LEGISLATION**

Public Sector Management Act (1994) (WA) (as amended)  
Financial Administration and Audit Act 1985

**RELATED POLICIES**

Operational Circular 1469/99 Business and Entertainment Expenditure Policy  
Western Australia Public Sector Code of Ethics  

Public Sector Standards in Human Resource Management (WA)  

WA Health Code of Conduct

**SUPERSEDED DOCUMENTS**

OP1169/99 – Business and Entertainment Expenditure Policy

**ACCESSING POLICIES**

This policy can be accessed:

- Via the Human Resources (Royal Street) Intranet link at  
- Upon request from your Human Resources Branch

DEPARTMENT OF HEALTH

IF YOU HAVE A QUERY

Employees who have any questions are to contact their supervisor or manager. Managers or supervisors with queries should contact their Human Resources Branch.

CONTINUOUS IMPROVEMENT

To maintain continuous improvement in the development of human resource policies, please refer any feedback regarding this policy to the Policy Officer, Organisational Development Division at policyofficer@health.wa.gov.au.

VERSION CONTROL

Date of endorsement: 15 November 2006
Policy effective date: 15 November 2006
Policy review date: 15 November 2008

No Longer Applicable.
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