

AFP National Guideline on hospitality and entertainment

1. Disclosure and compliance

This document is classified **UNCLASSIFIED** and is intended for internal AFP use.

Disclosing any content must comply with Commonwealth law and the [AFP National Guideline on information management](#).

This instrument is part of the AFP's professional standards framework. The [AFP Commissioner's Order on Professional Standards \(CO2\)](#) outlines the conduct expected of AFP appointees. Inappropriate departures from the provisions of this instrument may constitute a breach of AFP professional standards and be dealt with under Part V of the [Australian Federal Police Act 1979](#) (Cth).

2. Guideline authority

This guideline was issued by Chief Financial Officer using power under s. 37(1) of the [Australian Federal Police Act 1979](#) (Cth) as delegated by the Commissioner under s. 69C of the Act.

3. Introduction

This guideline outlines the obligations for AFP appointees regarding offering and receiving hospitality and entertainment (excluding representation). The community has an expectation that AFP appointees maintain the highest professional standards in order to retain public trust, integrity and accountability. AFP appointees must at all times:

- preserve and protect the reputation of the AFP;
- avoid any reasonable appearance of impropriety; and
- ensure that any activities undertaken are free from any perception of misuse of relevant money.

Only the Commissioner may approve variations to these guidelines for a specific event or events.

This guideline should be read in conjunction with the National Guideline on representation expenditure.

4. Policy on hospitality and entertainment

This guideline encompasses the requirements of the *Public Governance, Performance and Accountability Act 2013* (Cth), Commissioner's Financial Instructions 09.4 and the AFP National Guideline on corporate credit card use. Appointees undertaking activities on behalf of the AFP must adhere to these requirements.

5. Providing hospitality and entertainment

Proposed expenditure on official hospitality or entertainment must not conflict with the Commissioner's Accountable Authority obligations under s. 15(1) of the [Public Governance, Performance and Accountability Act 2013](#) (Cth), the expenditure must promote the:

- a. proper use and management of public resources for which the authority is responsible; and
- b. achievement of the purposes of the entity; and
- c. financial sustainability of the entity.

The expenditure must also be publicly defensible.

Hospitality and entertainment expenditure generally relates to events engaging with non-AFP appointees but can in some cases relate to events including only AFP appointees as outlined within this guideline.

What constitutes official hospitality

The following situations provide a guide of what may be considered official hospitality:

- entertaining overseas visitors
- functions involving member of diplomatic or consular corps
- members of the media, when beneficial to the Commonwealth and/or AFP (seek guidance from Manager Government & Communications)
- ministers and their staff as part of official AFP functions
- AFP appointees, officials from other agencies and business associates attending working breakfasts/lunches/dinners or other official functions
- acknowledging and recognising outstanding performance by AFP appointees in special circumstances
- other official occasions where hospitality is approved by the Commissioner.

Certain AFP appointees and/or their spouses may also host official functions in public venues or at private residences as an alternative to dining out with official guests. This is limited to the:

- Commissioner
- Deputy Commissioners
- Chief Operating Officer
- Chief Police Officer for the ACT
- National Managers.

Partners of AFP appointees may be included when appropriate to the circumstances of an official function.

Identifying an occasion as official hospitality when it falls outside the descriptions above is a contravention of this guideline.

Inappropriate Expenditure

AFP appointees are reminded of their responsibility to manage Commonwealth resources in a proper manner in accordance with the Commission's Financial Instructions (CFIs) and Commissioner's Order on Professional Standards (CO2).

AFP appointees must not use relevant money to fund the following types of expenditure or events:

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- functions to farewell officials on their retirement, posting, transfer, absence on extended leave etc.
- staff Christmas and birthday functions
- any form of donation to a charity
- hospitality and/or entertainment provided to any organisation involved in a formal procurement process or expression of interest.

Christmas party catering

The provision of meals or entertainment for a staff Christmas party must always be provided through the use of non-AFP funds.

Alcohol

Alcohol may be included in providing official hospitality only when served with meals. Expenditure on alcohol must be moderate and appropriate to the circumstances.

Light working meals

Light meals consisting of sandwiches, fruit etc. at meetings involving representatives from other agencies and/or non-government bodies, are not regarded as official hospitality. Alcohol must never be made available on these occasions.

The costs of refreshments such as morning/afternoon teas, light meals etc. associated with meetings, training courses, workshops, seminars and conferences are not considered official hospitality and must be included in the overall cost of the meeting, training course etc.

These costs should not be coded to the official hospitality general ledger codes, refer to [general ledger codes and descriptions](#).

Tips

Relevant money must not be used to provide tips unless it is the required and accepted custom of the overseas country in which the entertainment or hospitality is being provided.

6. Approval and acquittal process

Providing hospitality or entertainment involves the expenditure of relevant money and must therefore be restricted to a level which is reasonable and appropriate to the occasion. Overarching or blanket pre-purchase approvals must not be used for expenditure on hospitality or entertainment.

Approval must be obtained prior to the expenditure using the [PGPA Hospitality and Entertainment](#) form, and replaces the requirement for other PGPA pre-purchase approval forms. If prior approval cannot be obtained, AFP appointees must obtain formal approval from the relevant delegate within their business area as soon as possible thereafter (SES Band 1 and above have this delegation).

Official hospitality must be funded from the relevant business area's operating budget. The potential impact of fringe benefits tax must be taken into account in the total cost approved by the delegate.

Hospitality and entertainment costs may be paid using one of the following:

- the AFP corporate credit card (see the [AFP National Guideline on using the AFP corporate credit card](#))
- a purchase order, or
- a claim for payment.

The expenditure must be acquitted on the [PGPA Hospitality and Entertainment](#) form, after the official hospitality expenditure has occurred, including potential FBT impacts. If the total acquitted expenditure (including potential FBT) exceeds approved expenditure, additional approval must be sought for the overspend, from the original approver.

Credit card and purchase order acquittals via Freedom and Insight! respectively, must include the scanned tax invoice and [PGPA Hospitality and Entertainment](#) form.

The form must be attached to the paperwork for claim for payment acquittals.

7. Fringe benefit tax records

Official hospitality generates a fringe benefits tax (FBT) expense when the AFP provides food, drink and/or recreation for the benefit of an:

- AFP appointee
- other Australian government employee
- an associate of an AFP appointee (e.g. family member).

AFP appointees must complete the [PGPA Hospitality and Entertainment](#) form, in order to satisfy the Australian Taxation Office requirements for FBT purposes.

8. Overseas hospitality and entertainment (excluding representation expenditure)

AFP appointees must complete a [PGPA Hospitality and Entertainment Form](#) prior to departure, including the limit of expenditure required and the number of AFP appointees (and partners) who will be receiving the hospitality or entertainment.

Once pre-approval has been obtained, AFP appointees should use their AFP corporate credit card to pay for overseas hospitality related expenditure.

Representation expenditure means hospitality, entertainment or related benefits available to AFP appointees of the AFP International Operations Liaison, conducted outside of Australia, for the purpose of facilitating contacts with:

- law enforcement agencies of the host country
- law enforcement representatives of other countries
- government and civic officials
- other influential people and organisations.

The purpose of representational funds is to enhance operational relationships between the AFP and overseas officials.

9. Accepting hospitality

In accordance with CO2, AFP appointees must take reasonable steps to avoid any conflict of interest and must not use information, duties, power or authority as an AFP appointee to seek to gain a benefit.

AFP appointees should only accept hospitality and entertainment in very limited circumstances including when:

- no conflict of interest could reasonably be inferred
- better business/cultural relationships are fostered
- refusal of the hospitality could cause offence to a degree that jeopardises the AFP's vocational, business or program interests.

The value of hospitality or entertainment may be difficult to quantify, however the higher the value of the hospitality or entertainment the more caution the AFP appointee must exercise.

If the value of the hospitality and entertainment is greater than \$100 per person the AFP appointee must determine if the processes within the National Guideline on offering and receiving gifts and benefits should be followed. If clarification is required contact Finance-Governance@afp.gov.au.

Acceptable forms of hospitality

AFP appointees must apply a test of 'reasonableness' when receiving any form of hospitality or entertainment by considering:

- how accepting a benefit would appear to an uninvolved, reasonable and prudent person
- the particular circumstances
- the timing of offers (e.g. when obtaining bids, evaluating offers negotiating contracts or involved in any form of contractual arrangement).

Any form of hospitality which may undermine, or be seen to undermine the impartiality or independence of an AFP appointee must not be accepted under any circumstances. Refer to the [AFP National Guideline on conflicts of interest](#) for further information.

If an offer could be seen as an attempt to directly influence an outcome, it must be refused.

If an AFP appointee is uncertain about whether they should accept any form of hospitality due to a possible conflict of interest they should refuse it or seek approval from their supervisor and document the reasons for accepting hospitality.

10. Further advice

Queries about the content of this guideline should be referred to:

- General: Finance Governance – Finance-Governance@afp.gov.au
- FBT-related: National Tax Team – tax@afp.gov.au.

11. References

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Legislation

- [Australian Federal Police Act 1979](#) (Cth)
- [Public Governance, Performance and Accountability Act 2013](#) (Cth).

AFP governance instruments

- [AFP Commissioner's Financial Instructions \(CFIs\)](#)
- [AFP Commissioner's Order on Professional Standards \(CO2\)](#)
- [AFP National Guideline on conflicts of interest](#)
- [AFP National Guideline on information management](#)
- [AFP National Guideline on using the AFP corporate credit card.](#)

Other sources

- [PGPA Hospitality and Entertainment.](#)

12. Shortened forms

AFP	Australian Federal Police
FBT	Fringe benefit tax
PGPA	<i>Public Governance, Performance and Accountability Act 2013</i> (Cth).

13. Definitions

AFP appointee – means a Deputy Commissioner, an AFP employee, special member or special protective service officer and includes a person:

- engaged overseas under s. 69A of the [Australian Federal Police Act 1979](#) (Cth) (the Act) to perform duties as an AFP employee
- seconded to the AFP under s. 69D of the Act
- engaged under s. 35 of the Act as a consultant or contractor to perform services for the AFP and determined under s. 35(2) of the Act to be an AFP appointee.

(See s. 4 of the Act.)

Entertainment – means the provision of food, drink or recreation and includes:

- Accommodation or travel to facilitate such entertainment;
- Business lunches, staff social functions and sporting or theatre tickets; or
- Hospitality

Recreation – includes amusement, sport and theatre, show, movie tickets and similar leisure-time pursuits.

Hospitality – means any form of food, drink, recreation, entertainment or related benefit provided by an AFP appointee to another organisation(s) or individual(s), or which is offered by another organisation or individual to an AFP appointee. There is usually no immediate, tangible or measureable benefit in return.

Official hospitality – means the use of relevant money to facilitate the conduct of business within Commonwealth agencies or authorities, or with external organisations or individuals who share mutual vocational, business or national interests.

Proper use – means the efficient, effective, ethical and economical use of funds or other resources that is not inconsistent with Commonwealth policies.

Representation – means hospitality, entertainment or related benefits available to AFP appointees of the AFP International Operations Liaison, conducted outside of Australia, for the purpose of facilitating contacts with:

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- law enforcement representatives of other countries
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