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AFP National Guideline on hospitality and entertainment

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1. Disclosure and compliance

This document is classified **OFFICIAL** 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 section 37(1) of the [Australian Federal Police Act 1979](#) (Cth) as delegated by the Commissioner under section 69C of the Act.

3. Introduction

This guideline outlines the obligations for AFP appointees regarding accepting and providing hospitality and entertainment (excluding [representation](#)). The community has an expectation that AFP appointees maintain the highest professional standards of integrity and accountability. AFP appointees must at all times:

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

AFP appointees may only accept or provide hospitality and entertainment where doing so will contribute to the AFP's functions under section 8 of the AFP Act and is in a

manner consistent with the proper use of public resources under the [Public Governance, Performance and Accountability Act 2013](#)(Cth) (PGPA Act).

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

4. Policy

This guideline encompasses the requirements of, and should be read in conjunction with, the *PGPA Act*, the [AFP Commissioner's Financial Instructions \(CFIs\)](#), the [AFP National Guideline on using the AFP corporate credit card](#), the [AFP National Guideline on conflicts of interest](#) and the [AFP National Guideline on gifts and benefits](#). AFP appointees undertaking activities on behalf of the AFP must adhere to these requirements.

5. Accepting hospitality and entertainment

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 and provide 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 whether the processes within the [AFP National Guideline on gifts and benefits](#) should be followed. If clarification is required, contact Finance-Governance@afp.gov.au.

5.1 Avoiding conflicts of interest

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

- how accepting the hospitality or entertainment 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 being involved in any form of contractual arrangement).

Any form of hospitality or entertainment which may undermine, or be seen to undermine, the impartiality or independence of an AFP appointee must not be accepted under any circumstances. AFP appointees should also consult the [AFP National Guideline on conflicts of interest](#) and the [AFP Better Practice Guide on Conflicts of Interest](#) to determine whether there could be a risk of a real or perceived conflict of interest. Conflicts of interest can be actual, potential or perceived and can occur at an individual, operational or organisational level. Actual, perceived and potential conflicts of interest all present personal, operational and organisational risks and therefore need to be identified, reported, assessed and managed appropriately.

If an offer of hospitality or entertainment could be seen as an attempt to directly influence the performance of AFP functions, it must be refused and the AFP appointee must submit an [integrity report](#).

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.

Conflicts of interest can result in a serious breach of the AFP Code of Conduct. Interfering with the proper administration of government can also result in criminal charges under Chapter 8 of the [Criminal Code Act 1995](#) (Cth).

6. 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 PGPA Act. Accordingly, all AFP expenditure must promote the:

- proper use and management of public resources for which the AFP is responsible
- achievement of the purposes of the AFP
- financial sustainability of the AFP.

AFP appointees additionally have a duty to act honestly, in good faith and for a proper purpose, meaning that they must act in a sincere or honest way for a purpose that they are employed to do and empowered to undertake. AFP appointees are required to manage or use public resources in an efficient, effective, economical and ethical (proper) manner.

All AFP expenditure on official hospitality must also be publicly defensible.

6.1 Circumstances that are official hospitality

Official hospitality is defined in section 13 of this guideline. Hospitality and entertainment expenditure can relate to events involving engagement with non-AFP appointees and/or internal events including only AFP appointees.

The following situations may be considered to be official hospitality or entertainment:

- entertaining overseas visitors
- official functions involving members of diplomatic or consular corps
- entertaining members of the media (seek guidance from Director Strategic Communications)
- entertaining ministers and their staff as part of official AFP functions
- AFP appointees, officials from other agencies and business associates attending 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 where this both contributes to the AFP's functions under s. 8 of the AFP Act and is a proper use of funds under the PGPA Act. This is limited to the following positions/ranks:

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

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

6.1.1 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.

6.2 Circumstances that are not official hospitality

6.2.1 Light working meals

Light working meals for the purpose of this instrument:

- consist of sandwiches, biscuits, fruit, cheese etc. and refreshments
- are provided as breakfast, morning/afternoon teas or lunches
- are associated with meetings, training courses, workshops, seminars, conferences etc.

These meetings, training courses etc. may involve representatives from other agencies and/or non-government bodies and/or AFP appointees.

Light working meals are not regarded as official hospitality and a PGPA Hospitality and Entertainment form is not required. Alcohol must never be made available on these occasions.

The costs of light working meals and refreshments (as detailed above) 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](#).

6.2.2 Inappropriate expenditure

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

- functions to farewell officials on their retirement, posting, transfer, absence on extended leave or similar
- catering of staff Christmas parties 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.

6.2.3 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.

7. Approval and acquittal process

7.1 Pre-purchase approval

Providing hospitality or entertainment involves the expenditure of relevant money and must therefore be restricted to a level that is reasonable and appropriate to the occasion.

Approval must be obtained prior to the expenditure using the [PGPA Hospitality and Entertainment](#) form, which replaces the requirement for other pre-purchase approval forms.

In the event where formal prior approval cannot be obtained, AFP appointees must obtain verbal or email approval prior to the expenditure, followed by formal approval using the [PGPA Hospitality and Entertainment](#) form from the relevant delegate as soon as possible thereafter (refer to [Annex A of the AFP Commissioner's Financial Instructions - Schedules of Delegations and Authorisations](#)). Where the relevant delegate is hosting the event, approval must be obtained from their direct supervisor.

Official hospitality must be funded from the relevant business area's operating budget. The potential impact of fringe benefits tax (FBT) must be taken into account in the total cost approved by the delegate. For guidance regarding FBT, contact tax@afp.gov.au.

7.2 Acquittal

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](#)
- a [claim for payment](#) (an invoice to be paid is submitted with a claim for payment form to [Accounts and Client Services](#)).

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 the approved [PGPA Hospitality and Entertainment](#) form. The form must be attached to the paperwork for claim for payment acquittals.

8. Fringe benefits tax

Official hospitality generates an FBT liability when the AFP provides food, drink and/or recreation benefits.

For guidance regarding FBT, contact tax@afp.gov.au.

9. Overseas hospitality and entertainment (excluding representation expenditure)

AFP appointees must complete a [PGPA Hospitality and Entertainment form](#) prior to the proposed official hospitality or entertainment, 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.

Hospitality and entertainment, included as representational expenditure and as defined in section 13 below, should be undertaken in accordance with the [AFP National Guideline on representation expenditure](#).

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

Legislation

- [Australian Federal Police Act 1979](#) (Cth)
- [Criminal Code Act 1995](#) (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 gifts and benefits
- AFP National Guideline on information management
- AFP National Guideline on prohibited drugs, pharmaceutical products and alcohol
- AFP National Guideline on travel and living away from home
- AFP National Guideline on using the AFP corporate credit card
- Better Practice Guide on conflicts of interest.

Other

- PGPA Hospitality and Entertainment.

12. Shortened forms

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|-------------|--|
| AFP | Australian Federal Police |
| CO2 | AFP Commissioner's Order on Professional Standards (CO2) |
| FBT | fringe benefits tax |
| PGPA | <i>Public Governance, Performance and Accountability Act 2013</i> (Cth). |

13. Definitions

Actual conflict of interest refers to a direct conflict between an AFP appointee's private interests and official AFP duties.

AFP appointee means a deputy commissioner, an AFP employee, special member or special protective service officer and includes a person:

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

(See s. 4 of the AFP Act.)

Conflict of interest means a conflicting obligation, loyalty or other improper influence to which an individual or organisation is subject in the course of a relationship activity. Conflicts of interest may be actual, perceived or potential.

Entertaining/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 and/or
- hospitality.

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 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.

Operational conflict of interest means a conflict of interest that arises in relation to an AFP appointee's operational duties.

Organisational conflict of interest can arise from any situation where the AFP or an AFP appointee associates with a person, group or organisation which is involved (or perceived to be involved) in an activity that is incompatible with the AFP's values and law enforcement role.

Perceived conflict of interest means the appearance of a conflict between an AFP appointee's private interests and official AFP duties, which could be seen to influence the AFP appointee in performing those duties, whether or not the influence actually occurs.

Potential conflict of interest is where an AFP appointee's private interests could conflict with their AFP official duties or AFP's interests in the future.

Proper use means the efficient, effective, ethical and economical use of public resources, including behaving, taking action and making decisions in a way that is consistent with the policies of the Australian Government in accordance with sections 14 and 21 of the PGPA Act.

Public resources means relevant money, relevant property or appropriations.

Recreation includes amusement, sport and theatre, show, movie tickets and similar leisure activities.

Relevant money is money that is held by the Commonwealth or a corporate Commonwealth entity, as defined in the [Public Governance, Performance and Accountability Act 2013](#) (Cth).

Representation means hospitality, entertainment or related benefits available to AFP appointees of the AFP International Command (Network) 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.

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