



Employee Recognition and Gifts and Benefits Policy

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Applicable Legislation:	<i>Local Government Act 1999</i> <i>Independent Commissioner Against Corruption [ICAC] Act 2012</i> <i>Criminal Law Consolidation Act 1935 (Section 237)</i>
Related Policies or Documents:	Complaints Against Council Employee's Policy 2018 LGA Employee Recognition Guideline November 2023
Associated Forms:	Register of Gifts and Benefits
Responsible Manager:	Senior Manager, Human Resources
Approved by Council:	Minute OM88:2024

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Employee Recognition and Gifts and Benefits Policy

1. Preamble

- 1.1. Kangaroo Island Council is committed to the efficient and responsible use of public resources. This policy sets out when it is appropriate to both receive and provide gifts, benefits and hospitality, and recognise achievement using public resources. In particular, where the transaction is considered “sensitive type expenditure” there must be a greater awareness of the perception of the community and higher levels of scrutiny regarding an acceptable business purpose.
- 1.2. In alignment with our culture and organisational values coupled with a strong focus on delivering an exceptional customer experience, we recognise and value our employees. We are committed to acknowledging and rewarding the work, performance and behaviours of employees and teams that support and contribute to our vision and values. Recognition occurs in many ways and sometimes may require the use of public funds to administer.
- 1.3. In providing guidance, the following principles must be met for the use of public funds to be considered appropriate:
 - a) the business purpose of the expenditure is clearly justified, at the time the expenditure is necessary for the Council to carry out its functions and to realise its strategic plan objectives;
 - b) the transaction is compliant with relevant council policies and within financial delegations;
 - c) the transaction is reasonable for the circumstances and publicly defensible;
 - d) the transaction record is properly documented and explains the nature of the expense.

2. Purpose

- 2.1. This policy sets out the provisions for when it is appropriate to give or receive a gift, to provide hospitality for official purposes at the Council's expense and or reward/recognise employees for their contribution, significant efforts and achievements related to key outcomes or deliverables for our community. In certain circumstances, hospitality is provided to stakeholders of Council and in limited circumstances, to Council employees as a part of an official corporate function.
- 2.2. This policy also clarifies the circumstances where it is appropriate for an employee to claim an expense. It defines the types of employee expenses that may be incurred and the allocated expense limits.

3. Scope

- 3.1. This policy applies to all Kangaroo Island Council employees and applies to all functions, held both on or off Council premises.
- 3.2. This policy is not applicable to:
 - Events and activities funded personally by employees
 - Volunteers

4. Definitions

- 4.1. **CEO** means the Chief Executive Officer of the Kangaroo Island Council.
- 4.2. **Council** means the Elected Body.
- 4.3. **Employee** of a council includes a person working for the council on a temporary or basis.
- 4.4. **Designated person or entity**, in relation to a member of a council, means—
 - (a) a member of the member's family; or
 - (b) a family company of the member; or
 - (c) a trustee of a family trust of the member.
- 4.5. **Gifts or Benefits** includes, but not limited to lunches, dinners, tickets to concerts or sporting events, alcohol, money, vouchers, accommodation or any item which may be interpreted or considered as:
 - 4.5.1. Payment or an expression of gratitude for a service provided; or
 - 4.5.2. To enhance/build a relationship, which may be considered advantageous to the person providing the gift or benefit.
 - 4.5.3. To enhance/build a relationship, which may be considered advantageous to the employee or designated person or entity receiving the gift or benefit.
- 4.6. **Kangaroo Island Council (KIC)** means the administration.
- 4.7. **EBA means** the Kangaroo Island Council Enterprise Bargaining Agreement

5. Policy Statement

5.1. Approval Authority

- 5.1.1. All employee expenditure must be approved in line with financial delegations prior to being incurred.
- 5.1.2. Approval authority refers to:
 - a. An employee's Manager
 - b. A Director, in the case of Managers
 - c. The CEO, in the case of Directors and the Director Corporate Services, in the case of the CEO.
- 5.1.3. The Chief Executive Officer has the delegation to approve any event or expenditure for staff gatherings outside of the scope of this Policy.
- 5.1.4. If expenditure is likely to vary according to this policy, prior approval in writing is required from the CEO.

5.1.5. Any requests for approval must clearly explain how the principles are met including those attending, expected benefits to Council and relevant budget costings in line with any expenditure limits prescribed.

5.1.6. If approval is not obtained in accordance with the above, the funds will need to be reimbursed by the employee.

Table 1: Hospitality and Employee Related Expenditure Funded/Not Funded Checklist

Expenditure Type (limits apply)	Funded
Advocacy/strategic relationships on or off premises	✓
Alternate transport (eg ride share) or accommodation only as per Employee Travel & Accommodation Policy	✓
Meetings with external clients/stakeholders on or off premises up to Table 2 limits	✓
Planning days including team building activities (approved up to Table 2 limits)	✓
Employee Reward/Recognition (approved refer to Table 2 limits)	✓
Sustenance (or meal allowance as per Council's Enterprise Agreement)	✓
Food and refreshment for community gatherings	✓
Staff Sustenance/Refreshments – Coffee, Tea, Milk and Sugar	✓
Sustenance for working meetings over 4 hours, over lunch period, no alcohol or entertainment	✓
Ferry, Cabcharge voucher or reimbursement for taxi/rideshare when attending approved training and conferences	✓
Venue hire only with approval	✓
Any other event approved by the CEO	✓
Flowers only for bereavement for employee or direct relation \$50 plus delivery	✓
Staff retirements/corporate farewells >= 20 years of service	✓
Years of service recognition >= 20 years	✓
Alcohol except when required for resale at community events	x
Flowers – employee to employee, organisation to employee	x
Other recognition/celebration events (birthday, new employee)	x
Party decorations of any kind	x
Parties and employee social functions incl Christmas parties	x
Employee only business lunches including coffee meetings (on or off premises) including takeaway coffee	x
Staff retirements or farewells (less than 20 years of service)	x
Employee only meetings – regular section, team or 1:1, team meetings including in	x
Social functions – e.g. Melbourne Cup, employee achievement, end of year Celebration	x
Morning or afternoon tea costs for employees only (excluding those for approved reward and recognition and year of service)	x
Wedding anniversary/birthday, farewell cards etc to employees	x
Staff Gift cards and loyalty programs	x
Years of service <=20 years	x

TABLE 2: TYPES OF EMPLOYEE EXPENSES AND EXPENDITURE LIMITS

Employee expenses will be based on the following maximum expenditure levels described in Table 2 below:

Team business planning approved by CEO or Director	Maximum total sustenance spend \$20 per head. The purchase of alcohol is prohibited.
Employee reward /recognition approved CEO or by Director	Maximum catering for morning/afternoon tea \$5.50 per person.
Corporate farewells /retirement >= 20 years of service.	Maximum catering for morning/afternoon tea \$5.50 per person.
Years of Service recognition >=20 years	Maximum catering for morning/afternoon tea \$5.50 per person.
Working meetings over lunch period and greater than 4 hour duration (approved by Director)	Sustenance/ light refreshments maximum \$20 per employee.

5.2. Types of Hospitality and Employee Expenses

5.2.1. Working Meetings - Standard work meetings conducted over the lunch period are not funded by the Council. Lunch can be provided to working meetings that are over 4 hours in duration and carry over into the lunch period (between 12-2pm), and which are ad-hoc in nature. This catering recognises that employees have been required to forgo their lunch break. Working meetings between employees only that are less than 4 hours will not be funded by the Council.

5.2.2. External Meetings - External meetings between employees (e.g. in coffee shops) will not be funded by Council. This also includes the purchase of takeaway coffees for meetings held onsite. Only when an external client/stakeholder is present is there a legitimate refundable expense. In this case the nature of the business discussion and the number of internal employees and external clients/stakeholders must be recorded with the expense claim.

5.2.3. Corporate farewell /retirement - An event may be held for an employee who is retiring or resigning with 20 years or more of service.

5.2.4. Costs are to be met by employees for all other farewell events.

5.2.5. Years of Service recognition - A certificate of appreciation will be presented at an All Staff meeting by the CEO or relevant Director for all staff who have reached 5 years of service and every 5-year increment subsequently. The LGA provides certificates of service upon submission of the relevant details.

5.2.6. In recognition of a staff members long term commitment to the organisation, where the employee has achieved 25 years of service, a morning/afternoon tea event may be held at which a certificate of appreciation will be presented by the CEO. Certificates will be presented for each subsequent 5 yearly intervals of service.

5.2.7. Team business planning - Approval by Director detailing agenda, costing and outcomes to be achieved. Sustenance can be provided inhouse or at an external venue as long as defensible, in line with principles and within limits as per Table 2.

5.2.8. Employee reward/recognition - Employee recognition acknowledges and honours the positive contributions a person makes to their team, organisation or community. This can include their unique contribution, expertise, character, efforts and dedication to their work or achieving results. Regular, spontaneous recognition is important and is not a once off event. An effective recognition strategy does not have to cost a lot of money, with no and low-cost options often providing a more personal touch to the recognition. Options for recognising employee contributions may include:

- a. acknowledging an employee doing something well
- b. say 'thank you' in person
- c. send an 'eThanks'
- d. pass on positive feedback from customers set up a noticeboard (physical or online) to display thank you emails, photos and progress
- e. towards goals
- f. advise ELT of individual or team achievements at executive meetings
- g. recognise the accomplishments of employees and teams at team/unit meetings publicly.
- h. organise a morning/afternoon tea to acknowledge and celebrate achievements
- i. send the employee a letter of thanks and acknowledgement from the CEO
- j. organise for formal acknowledgement/thanks at a council meeting
- k. make a presentation at an all-staff meeting/event
- l. provide access to a development opportunity – for example attendance at a training/professional development activity, a book with a professional development theme.

5.2.9. An organisational culture of employee reward and recognition develops engaged and loyal employees, recognition can range from something as simple as a thank you, to something more formal like an award or certificate of appreciation. Given that ratepayers fund the operations of Council the use of public funds for any reward or recognition must be carefully considered as to whether this is appropriate and defensible. If employees are to be recognised for a significant performance achievement using funding it should be timely and clear how the performance exceeded expectations in a request which also details the community benefit.

- 5.2.10. **Flowers** When an employee experiences a life changing event, be that a death in the family, the birth of a child or a life-threatening illness, we like to show that we care by sending flowers. As a local government authority using ratepayer funds, this expenditure when applied across a large workforce can be viewed as excessive. In the event of the death of an employee or their direct relation (partner or child) it is considered appropriate that flowers are sent on behalf of the Council within an agreed limit as per Table 2.
- 5.2.11. For all other occasions, employees have the option to send flowers on behalf of their team/workgroup/the organisation by way of a collection of donations from employees.
- 5.2.12. **Working Late - After Hours Meals** - When an employee is directed to work outside of their normal span of hours the employee can claim a meal allowance in accordance with the Enterprise Agreement.
- 5.2.13. If Council has arranged for a meal to be provided the employee is unable to claim a meal allowance.
- 5.2.14. **Taxi Usage** – Council's preference is for a Cabcharge to be used but understand there may be circumstances when one is not available. In this instance, the employee may pay for a taxi or rideshare and be reimbursed via Accounts Payable.
- 5.2.15. **Interstate Conference** – When attending an interstate conference, the Council will provide a cab charge voucher (or a rideshare reimbursement) to and from the airport, and the hotel to the event. It is preferable that accommodation is secured within walking distance to the venue, negating the need for transport. Any transport expenses incurred for the employee's own entertainment outside of the conference will be at the employee's expense.
- 5.2.16. **Food and refreshments associated with community gatherings** - Where Council is holding an information meeting/workshop for community members/businesses/ratepayers to attend, the Council may provide reasonable food and light refreshments.
- 5.2.17. **Employee Refreshments** - Employee refreshments are supplied by Council are restricted to tea, coffee, corporate coffee machines, sugar and milk. Anything outside of this will be funded by employees.
- 5.2.18. **Purchase of Alcohol** - Alcohol will not be provided at employee only events.
- 5.3. **Gifts & Benefits**
- 5.3.1. The below indicates the circumstances where it is inappropriate to use Council funds for the provision of gifts:
- a. Employee to employee – Gifts of any kind from employee to employee using Council funds are not permitted. This includes giving of cards, cakes, flowers for the birth of a baby, birthdays and social functions.
- 5.3.2. An employee of Council must not seek out or receive a gift or benefit that is, or could reasonably be taken to be, intended or likely to create a sense of obligation to a person on the part of the employee or influence the employee in the performance or discharge of the employee's functions or duties.

- 5.3.3. If an employee receives a gift in excess of \$50 the employee must provide details of the gift or benefit to the Chief Executive Officer and may be accepted only when approved by the respective Director; in the case of Directors, the Chief Executive Officer; and in the case of the Chief Executive Officer, the Director Corporate Services. The person approving the benefit will determine if it should be retained by the Council, the employee or distributed in some other manner. The approval must be documented and saved in the Gifts Register.
- 5.3.4. Where approval cannot be gained, the employee has the responsibility to politely refuse the gift. If refusal has the potential to damage Council's relationship with the person, company or organisation making the offer, then the gift may be accepted but must be reported immediately to the respective Manager, Director or Chief Executive Officer. They will determine if the gift that has been accepted will become Council property, or whether arrangements should be made to donate it to a charitable institution in the name of the person, company or organisation that provided the gift. The Chief Executive Officer will use their discretion when to advise the Mayor or Council of such action.
- 5.3.5. Under no circumstances are employees to either accept or receive cash or to solicit or accept discounted goods, points from loyalty rewards programs (in the course of expending Council funds), or services from any Council supplier.
- 5.3.6. Benefits are not to be accepted under any circumstance by an employee who is aware that the benefit is being offered by a supplier who is in the process of tendering for the supply of goods and services to the Council.
- 5.3.7. For the purposes of this clause, a gift or benefit received by a designated person or entity in relation to an employee of the council will be treated as a gift or benefit (as the case requires) received by the employee.
- 5.3.8. For the purposes of this clause-
- a. Two (2) or more separate gifts or benefits received by an employee or a designated person or entity in relation to the employee from the same person during a financial year are to be treated as 1 gift or benefit (as the case requires) received by the employee; and
 - b. Two (2) or more separate transactions to which an employee or a designated person or entity in relation to the employee is a party with the same person during a financial year under which the employee or a designated person has had the use of property of the other person (whether or not being the same property) during a financial year are to be treated as 1 transaction under which the employee has had the use of property of the other person during the financial year.
- 5.3.9. Hospitality associated with networking may be accepted by an employee where there can be no real or perceived conflict of interest. The employee should ensure that the venue is appropriate and should suggest an alternative venue if it is thought that the venue could cause embarrassment to the Council.
- 5.3.10. The Chief Executive Officer must maintain a register of gifts and benefits received by employees of the council and must ensure that the details of each gift and benefit provided under this section are included in the register in accordance with Section 119A(5) of the Local Government Act 1999.

5.4. Reporting

5.4.1. Provisions are made within the budget for expenditure relating to hospitality, gifts and employee expenses and are reviewed annually as part of the budget setting framework and subject to community consultation. If a gift, benefit, or expense is not listed in this policy or associated procedures, it is not permitted, unless prior approval has been granted by the Chief Executive Officer.

5.4.2. The following payment mechanisms are utilised by Council, and employees must ensure they are complying with the relevant policies and procedures:

- a. Corporate Credit Card
- b. Accounts Payable

5.4.3. All gifts, benefits or hospitality with a value in excess of \$50 offered to or received by employees are to be reported to the respective Director or Chief Executive Officer and placed in the gifts and benefits register.

5.4.4. A Gifts & Benefits Register is administered by the Governance Officer. Benefits received and refused by employees (or refused by the employee's Director) with a value in excess of \$50 will be recorded in the Register. Details to include:

- a. date received
- b. receiver of benefit
- c. benefit description
- d. approximate value
- e. provider of the benefit

5.4.5. A copy of the Register will be updated on Council's website quarterly.

5.4.6. The register will be made available for inspection (electronically) at Council's offices during ordinary office hours without charge and will be published on the Council website.

5.4.7. Where an employee believes that an offer of a benefit is an attempt to influence the outcome of Council business, details are to be provided to the Chief Executive Officer as a matter of urgency.

5.4.8. In addition, in accordance with the Independent *Commissioner against Corruption Act 2012*, employees are required to report serious or systemic corruption, misconduct or maladministration that has either occurred, or has come to their attention.

5.5. Budget

5.5.1. The relevant portfolio is responsible for all employee expenses in relation to this Policy, except in circumstances where a corporate budget has been allocated.

5.5.2. In circumstances where employee expenditure levels exceed the limits documented in this policy, the employee must receive approval from the CEO

prior to the event. If approval is not obtained, the employee will be responsible for the difference.

5.5.3. For all expenditure, approvals must always be received including justification in line with the principles prior to the event.

5.5.4. Expenditure outlined in this policy may be subject to Fringe Benefit Tax.

6. Availability

6.1. This policy complies with the sound principles for human resource management provided by the Local Government Act.

6.2. Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote, SA 5223

Signed



Chief Executive Officer

Date: 12 March 2024

Review History:		
Date Reviewed:	Version:	Reason for Amendment:
12 March 2023	1	New Policy in replacement of the Code of Conduct for Council Employees (Gifts and Benefits) Policy in accordance with the amendments to Section 119A of the Local Government Act Ombudsman report and release of LGA Employee Recognition guidelines