



Pacific Association of Supreme Audit Institutions (PASAI)

PASAI Gifts, Hospitality and Entertainment Policy

Access to information

PASAI members, donors, international and regional partners

PASAI Reference Number

PP_GHE_2021

Issued and effective

February 2021

Review

February 2023

Applicable to

- All PASAI office holders and staff
- Any SAI staff contributing to PASAI programmes
- All use of PASAI funds

Issuer

Chief Executive for PASAI

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SECTION I – Purpose

1. There are occasions when it is appropriate to provide hospitality to employees or to external parties as part of the Pacific Association of Supreme Audit Intuitions (PASAI) carrying out its business. This policy outlines the hospitality PASAI provides on such occasions.

SECTION II – Scope and application

2. This policy applies to:
 - a) PASAI’s office holders (including the Chairperson, members of the Governing Board, the Secretary-General, and their delegates); and
 - b) PASAI’s staff (including the Chief Executive, employees, consultants, and contractors).

SECTION III – Policy statement

3. It is important to remember that PASAI are spending Development Partner money. Consequently, the expenditure on any hospitality must:
 - be subject to standards of probity and financial prudence that would be expected by PASAI’s development partners and that result in PASAI leading by example in the public sector context in which it operates;
 - have a justifiable business purpose, be made with integrity, and be moderate and conservative, having regard to the circumstances;
 - be able to withstand Governing Board, development partner and other public scrutiny; and
 - be approved appropriately.
4. Gifts and hospitality typically include:
 - physical items, such as bottles of wine;
 - free or subsidised meals; travel; accommodation; conference attendance; attendance at sporting, cultural, or other events; functions; hosting at a corporate box.
5. The following examples are not considered gifts and hospitality:
 - materials (for example, pens, paper) or meals provided at courses and seminars; and
 - inexpensive items that are publicly distributed by clients and suppliers (such as pens, badges, calendars).

SECTION IV – Significant personal events, milestones and achievements

6. PASAI may recognise significant events and milestones in an employee’s life and career such as achievement of professional qualifications, milestone service with PASAI, significant personal events, and resignation or retirement after at least five years’ service with PASAI.
7. Significant personal events:
 - Such events include direct family births, bereavements or major illness. PASAI may contribute to an appropriate gift such as flowers, a fruit basket or a donation in lieu of a gift (for example if requested by the family following a bereavement).
 - As a guideline, a budget of up to \$100 is appropriate.
 - Approval of the Chief Executive or Secretary-General (in the case that it is for the Chief Executive) is required and costs must be recorded appropriately.
 - PASAI will not contribute to significant personal events such as birthdays, engagements or weddings.

8. Recognition of service at PASAI:
 - PASAI may contribute to the cost of recognising 5 years' service. Typically this is expected to be a low-key morning or afternoon tea for team and close colleagues. A total contribution of up to \$100 is available to cover the event.
 - PASAI may contribute to the cost of recognising 10 years' service and 15 years' service. Typically this contribution will consist of a morning tea for team and close colleagues. As a guideline, a total budget of \$100 to \$200 is appropriate (depending on the number of guests) to cover the event.
 - PASAI may contribute to the cost of recognising 20 years' service, and for each additional five-year milestone beyond this. Typically this contribution will consist of a gift (or voucher) or a morning tea for team and colleagues. As a guideline, a total budget of \$100 - \$300 is appropriate (depending on the number of guests) to cover a gift and the event.
 - Where the total cost is less than \$100 (excl. GST), prior approval is required from the Chief Executive or Secretary-General (in the case that it is for the Chief Executive) and costs must be recorded appropriately.
 - Where the total cost is \$100 or more (excl. GST), prior approval is required from the Chief Executive or Secretary-General (in the case that it is for the Chief Executive) and costs must be recorded appropriately. In seeking approval, the number of attendees and a summary of all proposed costs relating to the event must be submitted.
 - All costs incurred must be properly recorded and accounted for in respect of fringe benefit tax.

9. Farewell event for employees leaving PASAI after at least 5 years' service, including retirements:
 - Typically this contribution will consist of a morning/afternoon tea for team and colleagues. For longer-serving employees the event may be scheduled at the end of the day and include alcohol. PASAI's contribution to such events should vary between \$100 and \$500, depending on the employee's length of service and the number of guests. The Chief Executive or the Secretary-General may vary these guidelines depending on factors such as the significance of the contribution made by the employee or whether they are retiring.
 - Prior approval of the Chief Executive or Secretary-General (in the case that it is for the Chief Executive) is required. In seeking approval, the number of attendees and a summary of all proposed costs relating to the event must be submitted.
 - All costs incurred must be properly recorded and accounted for in respect of fringe benefit tax.

10. Completion of major professional achievement:
 - Such events may include the achievement of professional qualifications. PASAI may contribute to a gift or voucher of up to \$25.
 - Approval of the Chief Executive or Secretary-General (in the case that it is for the Chief Executive) is required and costs must be recorded appropriately.
 - All costs incurred must be properly recorded and accounted for in respect of fringe benefit tax.

SECTION V – Office and workgroup meetings and team building events

11. PASAI accepts that meetings are a normal course of business and that refreshments or meals are appropriate, depending on the duration of the meeting.

12. PASAI recognises that team building events can be a useful way of improving the performance of teams or workgroups. Such events typically mix business sessions with a non-business activity. Guidelines for PASAI's contribution for typical events include:

- Business activities must take most of the time of the event.
 - The cost of the non-business activity should be modest.
 - The non-business activity should reflect the development needs of the team – for example, working together or problem solving.
13. Guidelines for catering at PASAI and workgroup meetings:
- “Thank-you” team meetings for members of a team recognising a significant milestone or achievement: morning or afternoon tea.
 - Half-day meetings: morning or afternoon tea.
 - Full-day meetings or planning days: morning and afternoon teas and lunch.
 - Meetings, planning sessions and training sessions spanning multiple days: as for full-day meetings, and evening meals, if appropriate.
14. Guidelines for the maximum cost of catering:
- Morning or afternoon tea cost: up to \$10 per head, or \$15 if off-site.
 - Lunch cost: up to \$15 per head, or \$25 if off-site.
 - Evening meals: up to \$80 per head including non-alcoholic drinks.
15. Guidelines for team building events:
- PASAI’s contribution to team building events may include work time and may include an activity that is funded by PASAI.
 - Where PASAI does fund an activity the cost should not exceed \$25 per head.
16. Approval of the Secretary-General is required for all events involving the entire PASAI staff team.

SECTION VI – Seasonal and other employee functions and hospitality

17. The Chief Executive or the Secretary-General may host or sponsor other events that include employee hospitality; examples include a morning tea in conjunction with an all-staff meeting; and an employees’ lunch at the end of the year before the Christmas shutdown period. Guidelines as for other office and workgroup meetings apply.

SECTION VII – Functions and hospitality provided to external parties

18. Hospitality spending must have a clear business purpose, such as building or improving business relationships, representing the organisation, and reciprocating hospitality received.
19. When considering hospitality for external parties, you must ensure that:
- the nature and cost of the hospitality provided must be fitting for the occasion;
 - the number and seniority of PASAI employees and external party attendees is appropriate to, and representative of, the business purpose of the occasion; and
 - if alcohol is to be provided, the quantity and the ratio of food to alcohol is appropriate.
20. Hospitality provided to external parties up to a value of \$50 requires the prior approval of the Chief Executive. Such hospitality may include for example buying a coffee or a working lunch for an external business associate.
21. All other hospitality provided to external parties requires the prior approval of the Secretary-General.

SECTION VIII – Giving koha, honoraria, gifts and donations to external parties

22. All gifts, donations, honoraria, and koha made to individuals or organisations outside of PASAI must be approved in advance by the Chief Executive or the Secretary-General. Typically this will only be for:
 - koha or honoraria;
 - other culturally appropriate gifts or contributions;
 - external guest speakers offering their services for no consideration; and
 - an exchange of gifts at international conferences where PASAI is participating.
23. The cost must receive prior approval by the Chief Executive or the Secretary-General.
24. If PASAI is paying a “cash” koha to an individual, it will be subject to withholding tax. This requires a completed IRD form from the individual(s).
25. The value of such gifts should always be in proportion with the occasion.
26. The receiving of gifts is covered in the PASAI Charter under the Code of Conduct.

SECTION IX – Effective Date

27. The Policy is effective as of 26 February 2021.

SECTION X – Review Date

28. The Policy will be reviewed every two years from the last review date. The next review will be in February 2023.

SECTION XI – Issuer

29. The Issuer of this Policy is the Chief Executive for PASAI, under the approval of the Governing Board.

SECTION XII – Contact and Access

30. **Contact:** For questions relating to this Entertainment Policy, please contact the PASAI Secretariat at secretariat@pasai.org.
31. **Access:** The Policy can also be accessed at <http://www.pasai.org>

SECTION XIII – Related Sensitive Expenditure Policies

1. Code of Conduct - PASAI Charter
2. Part 2: Corporate Card Policy - Financial and Asset Management Policy
3. Part 3: Reimbursement Policy - Financial and Asset Management Policy
4. Part 3: Travel Policy - Governance and Operational Policy
5. Human Resource Policy