

**VERSION CONTROL**

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## **Conflict of interest**

### ***Purpose***

To assist trust members and employees of the cemetery trust to identify, declare and manage conflicts of interest.

### ***Principles***

The community has a right to expect that all cemetery trust members and employees will perform their duties in a fair and unbiased way, and that the decisions they make are not affected by self-interest, private affiliations, or the likelihood of personal gain or loss.

A cemetery trust member or employee has a conflict of interest when they have a personal or private interest that might compromise their ability to act in the public interest. A conflict of interest can exist even if no improper action results from it.

Conflicts of interest can be actual, perceived or potential as:

- an **actual** conflict of interest involves a direct conflict between a cemetery trust member's or an employee's current duties and responsibilities and existing private interests
- a **perceived** or apparent conflict of interest can exist where it could be perceived, or appears, that a cemetery trust member's or an employee's private interests could improperly influence the performance of their duties, whether or not this is in fact the case
- a **potential** conflict of interest arises where a cemetery trust member or an employee has private interests that could conflict with their official duties in the future.

Conflicts of interest are not wrong in themselves – conflicts often happen without anyone being at fault.

While conflicts of interest should be avoided wherever possible, if they are not identified, disclosed and managed effectively, they can cause cemetery trust members and employees to put private interests above the public interest, thereby compromising their work and creating a catalyst for serious misconduct and corruption.

This policy guideline is based on the understanding that conflicts of interest do occur in the normal course of business, and that identifying and disclosing such conflicts is an integral part of trust members' and employees' duties.

### ***Policy***

The cemetery trust requires that all conflicts of interest be:

- avoided wherever possible
- immediately discussed and reported
- recorded in a document signed by the person with the conflict and their immediate supervisor (for example, the chairperson, CEO, manager or supervisor). The document will set out the proposed steps to be taken to resolve or otherwise deal with the conflict
- resolved or otherwise dealt with as agreed in the signed document.

Areas of potential conflict of interest include, but are not limited to:

- **secondary employment.** Any trust member or employee engaging in paid or unpaid (voluntary) secondary employment should immediately notify their supervisor, whether or not a conflict may exist. This is the case whether the employment is ongoing or a one-off engagement. The supervisor will:
  - include a file note about the secondary employment on the trust member's or employee's personnel file

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- notify the HR manager about the trust member's or employee's secondary employment.
- **family involvement in organisations that have a commercial relationship with the cemetery trust.** Any trust member or employee with such a family involvement should immediately notify their supervisor, whether or not a conflict may exist.

According to the Australian Accounting Standards Board *Related party disclosures* (AASB 124), close members of the family of a trust member or employee include:

- that person's children and spouse or domestic partner
- children of that person's spouse or domestic partner
- dependants of that person or that person's spouse or domestic partner.
- **acceptance of gifts, benefits and/or hospitality from an organisation with a commercial relationship with the cemetery trust.** Refer to the policy guideline: *Gifts, benefits and hospitality*.

### ***Procedures***

#### **Trust members will:**

- upon commencement and annually, complete the Declaration of Private Interests Form (attached) and provide it to the chairperson and/or CEO
- discuss any other conflicts of interest, or possible conflicts of interest, with the chairperson as soon as the trust member becomes aware of it
- notify the chairperson in writing, making a full disclosure of all relevant information relating to the conflict and setting out the proposed steps to be taken to resolve or otherwise deal with the conflict
- adopt all necessary steps, at the discretion of the chairperson, that may reasonably be required to resolve or otherwise deal with the conflict.

#### **Employees will:**

- discuss any conflicts of interest, or possible conflicts of interest, with their immediate supervisor as soon as the employee becomes aware of a conflict, or possible conflict. As necessary, the supervisor may choose to discuss the issue with senior management
- set out in writing the proposed steps to be taken to resolve or otherwise deal with the conflict. This document is to be signed by the employee's immediate supervisor, with a copy kept by each person
- adopt all necessary steps, at the discretion of their supervisor, that may reasonably be required to resolve or otherwise deal with the conflict.

#### **Supervisors and chairpersons will:**

- provide a copy of this policy guideline to the person identifying the conflict or possible conflict
- agree in writing the necessary steps to be taken to resolve or otherwise deal with the conflict. This document is to be signed by the employee's immediate supervisor, or (where a trust member has a conflict) by the chairperson, with a copy kept by each person
- agree and record within the above document, a time by which the conflict will be resolved or otherwise dealt with
- at the agreed time by which the conflict was to be resolved or otherwise dealt with, review the conflict situation and record the results of that review, including any further action to be taken.

Where supervisors are notified of an employee's **secondary employment**, the supervisor will:

- record the information provided on a file note in the employee's personnel file and review the secondary employment situation at regular and agreed intervals. These reviews will also be recorded on file notes in the employee's personnel file.

## **Contact and communication**

Any queries about this policy should be directed to the Chief Executive Officer.

All trust members and employees are to be advised of the cemetery trust's *Conflict of interest* policy guideline at induction and during regularly scheduled training sessions.

Any trust member or employee who identifies an actual or possible conflict of interest will be provided with a copy of this policy by their supervisor or the chairperson.

## **Related policies**

Policy guideline: *Gifts, benefits and hospitality*

## **References**

Australian Accounting Standards Board *Related Party Disclosures* (AASB 124), 2009.  
 Code of Conduct for Victorian Public Sector Employees, 2006, State Services Authority.  
*Managing conflicts of interest in the public sector: Guidelines*, 2004, NSW Independent Commission Against Corruption (ICAC).  
*Conflict of interest policy framework*, 2009, State Services Authority.  
*Public Administration Act 2004*  
*Victorian Cemeteries and Crematoria Act 2003*

## **Document administration**

File location	Trust Policy Manual
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***Attachment – Declaration of Private Interests Form***

To be completed annually by trust members.

Declaration of Pecuniary Interests for xxxx Calendar Year  
for Trust Members and Senior Officers

Surname: \_\_\_\_\_ Other Names: \_\_\_\_\_

**Note:** If you completed a declaration last year and there has been no change in your interest, please tick the box opposite and sign this form.  No change to previous declaration

**Registerable Interests:**

(If insufficient room please attach sheet quoting question number and details)

1. The income source (See Note A) of any financial benefit (see Note B) which you received or were entitled to receive during any part of the return period:  
.....  
.....
2. The name of any company or other body in which you held office as director or otherwise during the return period:  
.....  
.....
3. The name or description of any company or other body in which you held a beneficial interest during the return period:  
.....  
.....
4. The name of any association or trade or professional organisation of which you are or were a member during the return period:  
.....  
.....
5. A concise description of any trust in which you hold a beneficial interest:  
.....  
.....
6. A concise description of any trust of which you are a trustee and which a member of your family (see Note C) holds a beneficial interest:  
.....  
.....
7. The address or description of any land in which you hold a beneficial interest (other than by way of security for a debt):  
.....  
.....
8. The source of any significant contribution in cash or kind to travel beyond Victoria undertaken by you during the return period (but not including contributions from public funds):

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- .....  
 .....  
 9. Any gift exceeding \$500 in value received by you from a person other than a relative by blood or marriage:  
 .....  
 .....  
 10. Any other substantial interest (whether of a pecuniary nature or not) held by you or a member of your family of which you are aware and which you consider might appear to raise a material potential conflict with your public duty:  
 .....  
 .....  
 11. Any criminal conviction, or financial or taxation dealing or any other matter that might render or be seen to render you unfit for this office:  
 .....  
 .....

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Signature of person making Declaration: .....

Signature of Witness: ..... Date ..... / ..... / .....

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**Note A “Income source” means:**

- Any person or body of persons with whom you entered into a contract of service or
- Held any paid office: or
- Any trade, vocation or profession engaged in by you.

**Note B “Financial Benefit” means:**

- The remuneration, fee or other pecuniary sum received by you in respect of any contract of service entered into or paid office held by you; and
- The total of all remuneration, fees or other pecuniary sums received by you in respect of any trade, vocation or profession engaged in by you.

**Note C “Family”** is to include spouse, de facto spouse, dependent children and other members of the household or family with closely connected interests to you, and requires disclosure of family interest in trusts, companies or other bodies in which you may not be a beneficiary or a trustee.

## **Gifts, benefits and hospitality**

### ***Purpose***

To assist trust members and employees of the cemetery trust to understand how best to manage any offers of gifts, benefits and/or hospitality.

### ***Principles***

The community believes that trust members and employees will perform their duties impartially. Accepting gifts can give the impression that a trust member or an employee might favour a particular person or organisation when making decisions or taking action. This may not be the intention of the gift giver or of the recipient, but impressions are important.

At its extreme, gift giving constitutes bribery. On the other hand, certain kinds of gift giving are an accepted part of business practice and social interaction in our society, creating simple goodwill. It is a matter of degree.

The size of the gift (and the type), the relationship between the giver and the receiver, the expectation of benefit, real or perceived, and the potential damage to public trust should the gift come to the attention of the wider community, must all be considered in deciding whether a particular gift is acceptable or not.

This policy guideline is based on the understanding that giving and receiving nominal gifts, benefits and hospitality are part of the normal course of business, and that their identification and disclosure is an integral part of trust members' and employees' duties.

### ***Policy***

#### **All gifts are to be discouraged.**

Do not solicit (or seek) gifts, benefits or hospitality.

Refuse all offers of gifts, benefits or hospitality that could reasonably be perceived as undermining the integrity or impartiality of the trust, trust members or employees.

Refuse all offers of gifts, benefits or hospitality from people or organisations about whom the trust is likely to do business with and/or make decisions involving tender processes or procurement.

The following must not be **given** or **received** under any circumstances:

- cash or personal cheques
- gifts that are obviously of more than a nominal value (if in doubt, decline the gift)
- personal use of free or heavily discounted accommodation or transportation
- payment of loans for purchase of personal property or services
- drugs or other controlled substances
- product or service discounts not available to the public.

In relation to giving product or service discounts, the Cemeteries and Crematoria Act states that: 'A cemetery trust must not waive or reduce any fees or charges that would otherwise be payable to it under this Act except on the grounds of extreme hardship or other special circumstance.' (Section 44)

If unsure how to respond to an offer of gifts, benefits or hospitality, trust members and/or employees must seek advice from their chairperson and/or supervisor respectively.

#### **Nominal gifts**

Typically, a nominal gift, benefit or hospitality is worth less than \$75.

Stationery, such as pens or pads handed out to everyone attending a conference, may be accepted.

Small gifts of appreciation such as chocolates or wine are generally acceptable if the gift is offered as thanks for a service and if declining the gift could cause embarrassment or offence.

Light refreshments (such as tea, coffee and snacks), or light meals shared in the course of a business meeting are generally acceptable if they are part of official business activities. In all cases, hospitality should be proportionate to the occasion.

In some cases, one person or company may offer several nominal gifts or benefits over the course of a calendar year. These may in fact end up amounting to a value no longer considered nominal. Where this is the case, all the gifts or benefits received from that person or company over the year should be recorded (retrospectively if necessary) in the gifts register.

#### **Functions, travel and accommodation**

Trust members and employees may receive offers of sponsored travel and accommodation to attend a conference or to participate in an industry event. Such offers should generally be declined because of the potential for a conflict of interest. However, if attendance at the conference or the industry event is considered to be in the cemetery trust's interest, then the trust should pay for the travel and accommodation instead.

Trust members and employees must consider whether there is a public benefit to attending private functions in an official capacity. Where there is no clear public benefit, the invitation should be declined. This is especially the case when attendance at the function could be perceived as an endorsement of a particular company or product.

#### **Procedures**

The trust maintains a gift register to record gifts, benefits and hospitality received and provided by trust members and employees:

- Gifts, benefits and/or hospitality **given** and **received** by the cemetery trust, and which exceeds \$75 in value, must be recorded in the gift register.
- Typically, a **nominal** gift, benefit or hospitality is worth less than \$75. Nominal gifts such as stationery, wine or chocolates (for example) need not be registered, but where there is any doubt about the value of a gift, benefit or hospitality, that item should be registered.
- Trust business meetings conducted over a shared meal worth, in total, more than \$75, must be recorded in the gift register. Such meals must be recorded regardless of whether:
  - the trust pays for everyone's meal
  - representatives of another organisation or company pays for everyone's meal
  - the cost of the meal is shared.
- Gifts, benefits or hospitality given to the trust with the intention that it is shared among trust members and/or employees (such as hampers or discounts), must be recorded in the gift register, where the estimated value is more than \$75.
- Gifts, benefits or hospitality given to the trust and then disposed of by sale, raffle, being given away or thrown away, must be recorded in the gift register, where the estimated value is more than \$75.
- Gifts, benefits or hospitality provided by the cemetery trust to people and/or organisations that are not trust members or employees – even where trust members or employees are also in attendance or also benefit – must be recorded in the gift register, where the estimated value is more than \$75.

Gifts, benefits and hospitality given to or received by the trust must be recorded within one week of the giving or receiving.

The information in the gifts register will be collated and reviewed by the trust members on a regular basis.

The gift register can be accessed by contacting the Chief Executive Officer. The Register will be located on the Trust's Network Server.

### **Contact and communication**

Any queries about this policy should be directed to the Chief Executive Officer.

All trust members and employees are to be advised of the cemetery trust's *Gifts, benefits and hospitality* policy at induction and during regularly scheduled training sessions.

### **References**

*Victorian Cemeteries and Crematoria Act 2003*

*Public Administration Act 2004*

Public Finance and Accountability Bill 2010

*Gifts, benefits and hospitality policy framework*, 2010, State Services Authority.

*Conflict of interest policy framework*, 2009, State Services Authority.

The Directors' Code of Conduct and Guidance Notes, 2006, State Services Authority.

Code of Conduct for Victorian Public Sector Employees, 2006, State Services Authority.

### **Document administration**

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## ***Appendix A. Examples***

### **Example 1: After hours functions**

The XYZ Memorial Company invited all of the trust's sales staff to a formal dinner and dance function. Although the function was not to be held during business hours, employees were invited because of their professional roles. The cost per person was clearly of more than a nominal value and the sales team politely declined to attend.

Alternatively, if there is a business reason for employees to attend, the cemetery trust could pay the price per head for the trust employees to attend.

### **Example 2: Ruffled gifts**

Every Christmas, one of the trust's suppliers has delivered a box of wine bottles, to be distributed amongst the employees. Each year, the trust conducts a raffle amongst the employees with the box of wine as the prize. The proceeds of the raffle are then donated to charity. The box of wine is listed on the gift register.

This year, the supplier is told, well before Christmas, that it is against trust policy to accept gifts. With courtesy and tact, the cemetery trust suggests that the supplier might instead donate the wine to charity. The supplier is happy to do so.

### **Example 3: Offers of travel**

Bruce, a trust member, is a friend of Carl, the owner of XYZ Memorial Company. XYZ supplies memorials throughout Australia. Carl lives interstate, near his factory. He invited Bruce to fly up for the weekend, to visit his family and the factory. Carl offered to pay for Bruce's airfare. Bruce regretfully declined the invitation and ensured his friendship with Carl was recorded as a potential conflict of interest.

### **Example 4: Function for funeral directors**

The cemetery trust wants to build on its relationships with local funeral directors. Trust member, Anna, suggests buying a table for the funeral directors at an industry conference dinner, but the chairperson appropriately advises that such action is inappropriate and too expensive. Instead, the cemetery trust organises, pays for and holds an educational seminar for the funeral directors. The seminar goes for a day and a light lunch is served. The seminar is recorded on the gift register.

### **Example 5: Nominal value**

Tony is a team supervisor. A grateful client gave him a hamper of baked goods to distribute among his team. Tony has no idea how much the hamper is worth, many of the goods seem to be homemade and he would be embarrassed to ask the client. Tony distributes the baked goods to his team members and records the hamper in the cemetery trust's gift register.

### **Example 6: Shared meals**

Several delegates from the cemetery trust attend an industry seminar. After the seminar, they share a light meal with local funeral directors. At the end of the meal, each person pays about \$15 each for their own meal. However, the total value of the shared meal is more than \$75. The meal is recorded in the gift register (because the register is also a record of hospitality).

## **Attending industry conferences**

### ***Purpose***

To assist trust members and senior managers of the cemetery trust to identify and select appropriate delegates to attend industry conferences.

To assist delegates to understand their role and responsibilities while attending the conference and upon their return.

To articulate the cemetery trust's policy regarding conference sponsorship.

### ***Principles***

Where there is a demonstrated benefit to the organisation, the trust will identify and select appropriate delegates to attend industry conferences.

### ***Policy***

#### **Selection of delegates**

The cemetery trust will use the following selection criteria to select delegates to attend industry conferences:

- net benefit to the organisation including: costs; professional development; industry intelligence; and relationship building
- net benefit to the delegate, including relevance of the conference to the delegate's professional role and development
- the ability and willingness of the delegate, upon their return, to share information gained at the conference with the cemetery trust.

The reasons for selecting all delegates will be documented and filed.

The senior managers, chairperson and/or CEO may at any time choose to send no delegates to a conference.

#### **Conference sponsorship**

From time to time, the cemetery trust may be asked by industry conference organisers to sponsor parts of a conference, for example by meeting the costs of an international keynote speaker.

It would be unusual for the cemetery trust to provide such sponsorship. Where it is provided, there needs to be a detailed business case to support it. Unless sponsorship offers demonstrable net benefit to the cemetery trust, the request should be declined.

### ***Procedures***

**Senior managers, CEOs and chairpersons will:**

- determine which, if any, conferences they should send delegates to in the course of the coming twelve months, and budget accordingly for the planned expenditure
- select delegates for conference attendance on the basis of the selection criteria described above
- notify delegates that they have been selected
- ensure selected delegates have:
  - the conference program, including dates and venue, and
  - a copy of the policy guidelines: *Attending industry conferences* (this policy); *Gifts, benefits and hospitality*; and *Professional expenses*.

**Delegates will:**

- confirm with the senior manager, CEO or chairperson their availability to attend the conference for which they have been selected
- agree with the senior manager, CEO or chairperson which conference sessions are considered the most important and strategic to attend. This is particularly important where sessions are run concurrently, or where the delegate is being sent for only part of the conference (for example, three days of a five-day conference)
- agree with the senior manager, CEO or chairperson how they will report back to the cemetery trust and share the information gained at the conference
- at the conference, represent the cemetery trust in a professional manner and adhere to the trust's codes of conduct
- meet all record-keeping requirements of the policy guidelines on *Gifts, benefits and hospitality and Professional expenses*
- on their return, report back to the cemetery trust and share the information gained at the conference, as agreed prior to departure. Reporting and information sharing will occur within eight weeks of the delegate's return.

### **Contact and communication**

Any queries about this policy should be directed to the Chief Executive Officer.

All trust members and employees will be advised of the cemetery trust's *Attending industry conferences* policy at induction and during regularly scheduled training sessions.

Conference delegates will be provided with a copy of this policy as soon as they have been selected by the cemetery trust.

### **References**

*Victorian Cemeteries and Crematoria Act 2003*

*Public Administration Act 2004*

Directors' Code of Conduct and Guidance Notes, 2006, State Services Authority.

Code of Conduct for Victorian Public Sector Employees, 2007, State Services Authority.

### **Document administration**

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## ***Appendix A. Examples***

### **Example 1: Attending a conference as a speaker**

The chief financial officer (CFO) of a cemetery trust has been invited to speak at an accounting conference. It will be a useful professional development exercise for her, as well as providing the opportunity to further build on her network of relationships.

The CFO looks at the rest of the conference agenda and decides there may be several useful sessions on the day she is scheduled to speak. The sessions on subsequent days do not seem so useful. She therefore seeks approval from the chairperson to attend the conference for a single day, arriving at the venue the night before. The chairperson approves and the CFO attends and speaks.

Conference registration fees are sometimes waived for speakers. But if required to do so by the conference organisers, the trust pays for single-day registration.

### **Example 2: Declining conference invitations**

The CEO of a cemetery trust has been invited to speak at an industry conference in New Zealand. The industry body running the conference offers to pay for the CEO's airfares and accommodation.

The CEO looks at the conference agenda and sees very little that may be of value to the cemetery trust. Much of the same ground was covered at a conference the chairperson attended last year. The CEO politely declines the invitation and recommends another speaker who may be interested.

## **Recognition of employees' contribution**

### ***Purpose***

To articulate the cemetery trust's policy regarding the recognition of employees' contribution to the organisation.

To guide trust members and senior managers of the cemetery trust on how to provide employees with forms of reward and recognition other than salary.

To assist trust employees to understand the policies regarding reward and recognition of their contribution to the trust.

### ***Principles***

Recognition of employees' contribution may or may not relate to performance.

All recognition of employees' contribution should:

- be considered in the context of the annual salary level paid
- be considered in the context of bonus schemes other than salary included in individual employment conditions
- reflect public sector practices
- relate to measurable success
- be applied consistently, objectively and equitably.

### ***Policy***

#### **Performance-related rewards**

The cemetery trust will consider the following selection criteria to determine whether a performance related reward should be made to an employee:

- the scope of the individual's contribution above their salaried conditions
- net benefit to the organisation of the individual's contribution
- the individual's salaried conditions
- whether or not performance has exceeded planned targets.

The cemetery trust will document and disseminate the agreed basis upon which performance-related rewards may be offered.

The CEO may recommend an employee to receive recognition for performance-related contributions to the trust. The final decision about performance-related rewards shall be the responsibility of the chairperson. The chairperson may at any time choose to provide no additional payment or in-kind reward.

Reasons for providing a performance -related reward must be documented. The documented reasons should then be appropriately filed – usually on the individual's personnel file.

A performance-related reward should not be calculated as a percentage of salary. Instead, the trust may offer three tiers of fixed amounts available for performance reward. For example, the three tiers of reward could be \$500, \$1,000 and \$2,000. The actual amounts are to be decided, in advance, by the trust members and senior managers.

#### **Rewards not directly related to performance**

Employees may receive a reward not related to their performance. Recognition for length of service is, for example, a common business practice.

Where the contribution relates to the length of service, the CEO or chairperson may nominate which lengths of service will be the subject of recognition. This recognition will be given to all employees eligible for it.

The cemetery trust will take regard of the following criteria to determine the appropriate value of any reward that recognises employee contributions that do not directly relate to performance:

- standard industry practice; and
- values that take into regard of the length of service and the value of any other reward for similar lengths of service.

Senior managers may recommend the value of any reward not directly related to performance. The final decision about the value of the reward rests with the CEO.

### **Incentive plans for sales employees**

The cemetery trust does not have an incentive or commission program for sales employees.

### ***Procedures***

#### **Performance-related employee contribution**

**Senior managers, CEOs and chairpersons** will:

- determine what performance-related rewards should be created, having regard to the salaried conditions of any role under consideration
- select the applicable roles that are eligible to receive the nominated performance-related reward
- set the range in dollar amount payable for each nominated role, with regard to the criteria about performance-related awards
- specify the circumstances under which additional payments can be made, with regard to the selection criteria detailed above.

#### **Employee contribution not directly related to performance**

**Senior managers, CEOs and chairpersons** will:

- determine the appropriate lengths of service for which a reward should be provided to an employee
- determine the value of the reward for each respective term of service, having regard to industry standards
- ensure that the value is in line with industry standards and applied for each term of service consistently.

### **Contact**

Any queries about this policy should be directed to the Chief Executive Officer.

All trust members and employees will be advised of the cemetery trust's *Recognition of employees' contribution* policy at induction and during regularly scheduled training sessions.

### **References**

*Victorian Cemeteries and Crematoria Act 2003*

*Public Administration Act 2004*

Public Finance and Accountability Bill 2010

*Executive remuneration for public entities in the broader public sector* - Government Sector Executive Remuneration Panel (GSERP)

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## ***Appendix A. Examples***

### **Example 1: Recognition of length of service**

Leon has worked for the cemetery trust for twenty years. All trust employees have their length of service celebrated at five-year intervals. Leon was rewarded after five years of service, again after ten years, once more at fifteen years, and will now be rewarded for his twenty years of service. Leon attends a celebratory dinner as a guest of the trust and formally receives a framed certificate.

### **Example 2: Exceptional performance**

Zoe in the finance area has reviewed the procurement processes and saved the trust a great deal of money.

The CEO has previously documented and distributed the conditions under which performance bonuses may be offered. The document was approved by the trust and countersigned by the chairperson.

According to the document, Zoe is eligible for a performance-related reward. The CEO therefore recommends a performance reward payment for Zoe, at the highest end of the previously agreed performance award scale. The chairperson agrees. Zoe receives the payment and Zoe's outstanding performance is celebrated within the organisation, ensuring others are aware that rewards are available for outstanding performance.

## **Professional expenses**

### ***Purpose***

To assist trust members and employees to understand the types of business expenses that can be claimed, and under what circumstances they may be claimed.

To articulate the cemetery trust's policy regarding the reimbursement of discretionary business-related expenses to the organisation.

### ***Principles***

Trust members and employees will be reimbursed for appropriately incurred and approved business-related expenditure.

### ***Policy***

#### **Claimed expenses must be reasonable and necessary**

All claimed expenses must be regarded as reasonable and necessary in the course of undertaking approved work:

- A claim for reimbursement is deemed 'reasonable' if the expense incurred was cost-effective having regard to the most economical option available and the nature and status of the work.
- An expense is deemed 'necessary' if it is unavoidably incurred in the course of authorised work.

#### **Preferred methods for incurring business-related expenses**

Wherever practical, business expenses are to be paid directly by the trust. The preferred method of the trust for incurring business-related expenses should be through mechanisms most closely integrated within the governance of the trust, including:

- purchase orders
- tax invoices
- trust-approved credit cards.

Sometimes though, it is necessary for a trust member or employee to meet an expense themselves and then claim reimbursement. This method of incurring business-related expenses should only be considered where the preferred methods are unavailable or impractical.

#### **Processes to claim and be reimbursed for business expenses**

The process to claim reimbursement for business expenses where the above payment methods were not available, or are impractical, must include clear guidance on the approvals required to achieve reimbursement. The reason for the expense must be clearly documented. Where possible, pre-approval by a manager should be encouraged.

The claims process and associated forms must provide information regarding:

- which types of expenses may be claimed
- the circumstances under which expenses may be claimed
- the types of supporting materials required to verify expenses
- timeframes for reimbursement.

## **Expenses related to travel**

The cemetery trust will provide specific guidance on the claims related to reasonable and necessary travel expenses incurred by employees during the exercise of their duties, including:

- travel by public transport:
  - The cost of public transport will be reimbursed based on the equivalent economy class fare. The claim requires evidence, such as taxi fare receipts, train, tram and/or bus tickets. Use of Cabcharge vouchers is preferable to claiming taxi expenses.
- travel by private car:
  - Employees are eligible for the payment of the approved kilometre rate specified by the Australian Taxation Office if:
    - employees gained prior approval to use their private vehicle on official business
    - a cemetery trust vehicle was not available and the travel was necessary
    - travel could not be more conveniently or economically arranged by using public transport.
- domestic and international travel:
  - All domestic and overseas travel is to be pre-approved by the appropriate senior person, with the necessary financial delegation and authority.
  - Applications for expenses relating to travel should, where possible and practical, be submitted at least four weeks prior to the proposed travel date, using the appropriate claim processes, and must include the itinerary, cost and purpose.
  - The procedure by which travel applications are approved is a matter for the trust to determine, but it should be in a form that will withstand public scrutiny.
  - The method of travel should be by the most economical and direct route.
  - The duration of overseas visits should be kept to a minimum, and be adequate to complete the aims of the visit.

## **Expenses related to meals and accommodation**

The trust will provide specific guidance on the claims related to reasonable and necessary meals, and accommodation expenses incurred by employees. The Department of Health's own guidelines are a useful reference source.

Employees working at a location other than their usual place of work for a single or part-day absence are eligible for reimbursement of their actual expenses for meals. Lunch expenses incurred during single or part-day absences are not to be normally reimbursed, unless the expense incurred was unavoidable in the circumstances.

Accommodation expenses must be limited to accommodation associated with any overnight absence. The trust may provide eligible employees with:

- reimbursement of actual expenses; or
- a fixed allowance.

## **Expenses related to attendance at conferences, training and other seminars**

The trust will provide specific guidance on claims related to reasonable and necessary expenses incurred as a result of approved conference participation.

Such guidance will, where possible, reference existing expense guidance for:

- travel
- meals
- accommodation.

Registration-related expenses for conference participation, training and seminars must at all times be reasonable and necessary in consideration of the employee's duties. Specifically:

- a senior manager or CEO must approve the registration expenses in advance
- registration expenses should only be incurred where the employee's participation will reasonably advance the interests of the cemetery trust
- the registration expenses being claimed must have a direct relationship with the employee's duties
- the reason for the registration expenses, and its business purpose, should be documented on the invoice, corporate card voucher and/or purchase order.

#### **Expenses related to business meetings conducted over a meal**

Where possible, proposals to incur meal expenses for business meetings should be initially discussed with senior management and approved, prior to any such meeting.

Guidelines on the applicable nature of meetings for which meal expenses may be claimed should be produced by the trust and include requirements that:

- the responsible manager must approve the expenses in advance
- meal expenses should only be incurred in meetings to advance the interest of the trust and where the meal expenses were not reasonably avoidable
- the meeting for which the expense is being claimed must have a direct relationship with the employee's duties
- the reason for the expenditure, and its business purpose, should be documented on the invoice, corporate card voucher and/or purchase order
- documentary evidence should also be maintained, indicating the number of guests and the number of employees
- the meal provided is commensurate with the status of the event or guests, and in accordance with community expectations.

#### **Applicable claim limits**

Claims for reimbursement must at all times reflect 'reasonable' rates. Specifically, the expense incurred must be cost-effective, having regard to the most economical option available and the nature of the expense.

For guidance on typical expense rates refer to the:

- Department of Health's *Personal and travelling expenses policy – Table of rates* (September 2009).

#### **Procedures**

**CEOs will:**

- present reports on all business-related expenses to the members of the trust each month
- maintain a suitable level of oversight of expenses with appropriate delegation to senior managers.

**Senior managers will:**

- approve only business-related expenses that are unavoidable
- where possible, ensure that approvals for business-related expenses are sought before the expenses are incurred.

**Employees will:**

- seek approval from their manager or supervisor prior to incurring expenses as a result of their duties
- submit claims using appropriate claim forms within one month of the event
- provide receipts (tax invoices) covering all expenses as evidence of the expenditure incurred
- reconcile any reimbursements against the actual expenditure incurred and return any additional sums.

## **Contact**

Any queries about this policy should be directed to the Chief Executive Officer.

All trust members and employees will be advised of the cemetery trust's *Professional expenses* policy at induction and during regularly scheduled training sessions.

## **References**

*Victorian Cemeteries and Crematoria Act 2003*

*Public Administration Act 2004*

Public Finance and Accountability Bill 2010

Department of Health's *Personal and travelling expenses policy* (September 2009)

Department of Health's *Personal and travelling expenses policy – Table of rates* (September 2009)

*Victorian public sector travel principles*, December 2006, Department of Premier and Cabinet

## **Document administration**

File location	Trust Policy Manual
Date policy adopted by the trust	28 June 2011
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## ***Appendix A. Examples***

### **Example 1: Appropriate expense claims**

Simon has identified a local seminar that directly relates to a program of work that his manager recently asked him to undertake. Simon brings the seminar to the attention of his manager, who agrees that they should attend.

Simon fills out an expenses claim form for the price of the seminar and includes the purpose for which he and his manager are attending the seminar on the registration invoice.

On the day of the seminar, Simon organises Cabcharge vouchers for travel between the office and the seminar.

### **Example 2: Inappropriate expense claims**

Every few months, Max, a trust employee, goes out for lunch with his friend John, a funeral director. It's a meeting they both enjoy and look forward to as a good opportunity to catch up on the news about work, mutual friends and family. Max pays the bill for both of them, keeping the receipt. He subsequently submits a claim to the trust to have the lunch expenses reimbursed.

Max's lunch was not a business meeting and it was not previously discussed with and approved by his manager. Max's reimbursement claim is not approved.