Hospitality approval framework

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Hospitality approval at UQ

Hospitality involves the use of UQ funds and resources and may give rise to employee benefits or attract public, stakeholder and government scrutiny regarding the appropriate use of those resources. As a result, hospitality is a high-risk activity that can present reputational, taxation, and financial risks.

Hospitality approval provides governance oversight of these risks and assurance that a hospitality activity or event is appropriate, reasonable, aligned with a legitimate UQ purpose, and capable of withstanding public scrutiny.

Table 1. Hospitality approval criteria

Assessment	Approval criteria
Reputational risk	Be satisfied that the hospitality activity or event is reasonable, proportionate and capable of withstanding public scrutiny.
Local hospitality or event requirements	Be satisfied that the hospitality activity or event complies with applicable local requirements and aligns with local priorities, controls and spending expectations.
Assessment integrity	Be satisfied that the assessment accurately reflects the proposed hospitality activity or event and has not been structured to circumvent taxation, approval or procedural requirements.
Tax treatment acceptance	Be satisfied that the entertainment outcome, including any resulting tax consequences, is reasonable and acceptable in the context of the activity or event's objectives.

Hospitality approval and expenditure approval

Hospitality approval and expenditure approval are separate approvals that serve different purposes:

- Hospitality approval: *Should UQ provide this hospitality under the circumstances?*
- Expenditure approval: *Can UQ spend the money?*

Hospitality Approval should be obtained before committing funds or incurring expenditure, allowing the hospitality activity or event to be appropriately assessed and any associated risks to be considered.

Expenditure Approval has separate requirements under the Outgoing Payments Procedure. While expenditure should not normally be approved without any required Hospitality Approval being in place, expenditure may still be declined where funding, budget, procurement or other financial requirements are not met even if the hospitality was approved.

To minimise the risk of Hospitality Approval being granted but Expenditure Approval subsequently being declined, Hospitality Owners must consult the relevant budget holder or financial delegate during the planning stage. At a minimum, this includes:

- agreeing on the hospitality budget (either annual or event-specific)
- confirming the chart string(s) to be used for expenditure
- identifying any funding restrictions, conditions or spending requirements that apply.

This early consultation helps ensure that both hospitality and expenditure requirements can be satisfied before costs are incurred.

Approval framework principles

Approval framework

Hospitality approvals apply a risk-based approach to ensure approval requirements are proportionate to the nature, risk profile and value of the hospitality activity, and provide appropriate oversight of reputational risks and potential private employee benefits.

The framework is supported by the following controls:

- risk-based approval requirements
- management-level approval limits
- self-approval tests
- conflict of interest management
- approval by an authorised manager within the reporting line
- role-based access
- audit trails and record keeping
- consistent application of approval requirements across UQ.

How approval requirements are determined

UniTask determines the required approval level by applying the following assessment process:

Purpose category → Hospitality category → Hospitality type → Risk rating → Commencing management level → Management level approval limits → Minimum management level → Hospitality Approver

This process ensures approval requirements reflect both the risk profile and total assessable hospitality cost of the activity.

Self-approval tests

To maintain independent review, UniTask applies two self-approval tests:

Participant involvement test

Assesses whether the approver is participating in the hospitality activity or event. This test restricts self-approval by Level 5 Senior Managers.

“But for" test

Assesses whether the hospitality would not have occurred but for the approver's participation, attendance or personal benefit. This test restricts self-approval where the approver has a direct interest in the hospitality activity or event. Senior Executives and Chief Executives are exempt.

Table 1. Hospitality self-approval matrix

Management level	Approval allowed if Participant test fails	Approval allowed if "but for" test fails
5. Senior Manager	No	No
4. Group Manager	Yes	No
3. Executive	Yes	No
2. Senior Executive	Yes	Yes
1. Chief Executive	Yes	Yes

Conflict of interest management

Where an actual, potential or perceived conflict of interest exists, UniTask enables the Hospitality Approver to escalate the request for independent review.

Escalated requests are assigned to the next eligible manager in the original approver's reporting line.

Note: Escalation does not reset if a request is returned and resubmitted.

Escalation may occur in the following circumstances:

1. Automatic escalation

Requests are automatically escalated where a self-approval test is not satisfied.

2. Manual escalation

An approver may escalate a request where they identify an actual, potential or perceived conflict of interest, or otherwise consider independent review to be appropriate.

When escalating a request, the Hospitality Approver must record the reason for the escalation. Escalation comments are subject to restricted visibility and are not disclosed to the Hospitality Owner or included in Reportal.

Risk rating hierarchy

Each hospitality type is assigned a risk rating based on factors such as:

- private employee benefit risk
- alcohol and recreation content
- reputational risk
- likelihood of public scrutiny

The risk rating determines the commencing management level.

Table 2. Risk rating hierarchy matrix

Risk rating	Hospitality type risk characteristics	Commencing management level
None	• Ordinary Course of Business (OCB) activity • Commercial, educational, research or service-delivery purpose • At least 50% cost recovery from external funding, sponsorship, registrations or ticket sales • Minimal hospitality governance or reputational risk	Auto-approved
Low	• Standard hospitality supporting a legitimate UQ purpose • Reasonable and proportionate cost • Limited or no alcohol • Recreation is incidental to the primary business purpose (corporate events only)	5. Senior Manager
Medium	• Premium hospitality or elevated hospitality spend • Potential employee benefit may arise • May include alcohol, accommodation or premium catering • Increased reputational or public scrutiny risk	4. Group Manager
High	• Recreation or entertainment is a significant component of the activity • Potential substantial private benefit to attendees • Hospitality exceeds what would ordinarily be required to support the business purpose • Higher reputational risk	3. Executive
Very High	• Recreation or entertainment is the primary purpose of the activity • Business purpose may be difficult to demonstrate • Includes activities such as corporate boxes, sporting events, hospitality suites and entertainment packages • Significant private benefit and reputational risk	2. Senior Executive
Highest	• Exceptional reputational risk • Limited business justification or unusually high cost • High likelihood of being perceived as providing a private benefit • Requires the highest level of organisational oversight	1. Chief Executive

Approval hierarchy

UniTask applies the approval hierarchy to determine the commencing management level associated with each hospitality type.

Table 3. UniTask approval hierarchy matrix

Hospitality type	Hospitality category	Risk rating	Commencing management level
Small standard corporate event	Corporate	Low	5. Senior Manager
Small premium corporate event	Corporate	Medium	4. Group Manager
Large standard corporate event	Corporate	Low	5. Senior Manager
Large premium corporate event	Corporate	Medium	4. Group Manager
Corporate recreation - tickets & private boxes	Corporate	High	3. Executive
Employee recreation - tickets & private boxes	Employee	Very High	2. Senior Executive
VC liquor cabinet restock (single hospitality)	Corporate	Highest	1. Chief Executive
Standard single working meals	Employee	Low	5. Senior Manager
Standard half-day or full-day working meals	Employee	Low	5. Senior Manager
Premium business meals	Employee	Medium	4. Group Manager
Standard single-day workshop (no accommodation)	Employee	Low	5. Senior Manager
Premium single-day workshop	Employee	Medium	4. Group Manager
Standard multi-day workshop or retreat (no accommodation)	Employee	Medium	4. Group Manager
Standard multi-day workshop or retreat (with accommodation)	Employee	High	3. Executive
Premium multi-day workshop or retreat	Employee	High	3. Executive
Standard awards & celebrations	Employee	Medium	4. Group Manager

Hospitality type	Hospitality category	Risk rating	Commencing management level
Premium awards & celebrations	Employee	High	3. Executive
Standard charity corporate event registration	Corporate	Low	5. Senior Manager
Premium charity corporate event registration	Corporate	Medium	4. Group Manager
Standard charity employee event registration	Employee	Medium	4. Group Manager
Premium charity employee event registration	Employee	High	3. Executive
Small standard employee event	Employee	Medium	4. Group Manager
Small premium employee event	Employee	High	3. Executive
Large standard employee event	Employee	Medium	4. Group Manager
Large premium employee event	Employee	High	3. Executive
Standard networking corporate event registration	Corporate	Low	5. Senior Manager
Premium networking corporate event registration	Corporate	Medium	4. Group Manager
Standard networking employee event registration	Employee	Medium	4. Group Manager
Premium networking employee event registration	Employee	High	3. Executive
Fee-for-service OCB event	Corporate	None	System Approved
Premium meals during OBT	Employee	Medium	4. Group Manager
Employee recreation during OBT	Employee	High	3. Executive
Standard professional development registration add-ons	Employee	Low	5. Senior Manager
Premium professional development registration add-ons	Employee	Medium	4. Group Manager

Management level approval limit matrix

Management-level approval limits define the maximum total assessable hospitality cost that may be approved at each management level for a given hospitality category.

Table 3. Management level approval limit matrix

Hospitality Type Risk Rating	Management Level	Corporate Approval Limit	Employee Approval Limit
Low	5. Senior Manager	**$ 4,000**	**$ 1,000**
Medium	4. Group Manager	**$ 24,000**	**$ 6,000**
High	3. Executive	**$ 72,000**	**$ 18,000**
Very High	2. Senior Executive	**$ 250,000**	**$ 125,000**
Highest	1. Chief Executive	**No limit**	**No limit**

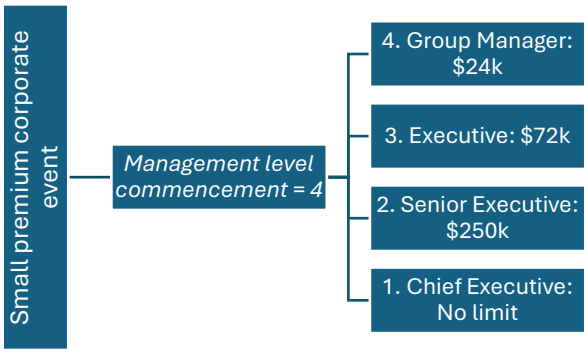
Minimum management level

The minimum management level is the lowest management position authorised to approve a hospitality request.

It is determined by applying:

- the commencing management level; and
- the applicable management-level approval limit.

Figure 1. Determination of minimum management level.



Assignment of Hospitality Approvers

Hospitality requests must be approved by an authorised manager within the hospitality owner's reporting line.

UniTask identifies the approver using the following hierarchy

Hospitality owner → Organisational unit → HR reporting line → First manager meeting the minimum management-level requirement → Hospitality approver

This ensures approval is undertaken by a manager with appropriate authority and organisational oversight.

Employee placement selection

Where a Hospitality Owner holds multiple employment positions, the position relevant to the hospitality activity must be selected in UniTask.

The selected position determines the organisational unit, reporting line and approval pathway.

Image 1. Employee selection of the relevant employment position.

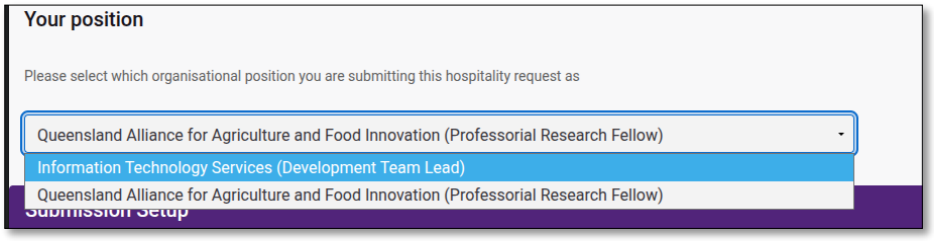


Image 2. Organisational unit populated based on selection.



Delegates

Where an authorised delegate has been assigned in HR, hospitality requests will be assigned to the delegate for action.

Any subsequent escalation continues through the original approver's reporting line.

Project note: inclusion of delegate functionality in the Phase 1 rollout is subject to the availability of integration services.

UniTask approval process

No approval required

Low-value assessable hospitality generally presents minimal hospitality risk. Requiring formal hospitality approval in these circumstances would create an administrative burden that is disproportionate to the level of risk.

While these costs still require assessment for taxation purposes, UniTask will not route these for Hospitality approval where all of the following criteria apply:

- total assessable hospitality cost is less than $150, and
- the hospitality category is not exclusively Alcoholic Beverages (that is, alcohol does not represent 100% of the total cost), and
- where alcohol is provided, the assessment determines alcohol is ***reasonable***.

The absence of a Hospitality Approval does not remove an employee's obligation to comply with the Hospitality Procedure or any applicable local requirements.

In addition, hospitality remains subject to expenditure approval in UniFi and ExpenseMe Pro. Monitoring and review of these expenses can also be undertaken through reporting, compliance, and assurance activities.

Approval required

Where Hospitality Approval is required, UniTask will determine the Minimum Management Level required to approve the request.

This is determined by:

1. identifying the Management Level Commencement for the applicable Hospitality Type using the Hospitality Approval Matrix (table 5)
2. applying the relevant approval threshold using the Approval Threshold Matrix (table 3)
3. determining the minimum management level authorised to approve the hospitality request.

The Hospitality Owner will be able to see the identified approver for their request and can choose to either submit the request for approval, which will route to the identified approver, or make further adjustments to reduce the cost/risks etc. This visibility is expected to influence behaviour by encouraging staff to consider hospitality risks and modify arrangements where appropriate.

Approver options

Following review of the request, the Hospitality Approver may:

- Approve
- Approve with conditions
- Request changes or additional information
- Decline
- Escalate the request to the next eligible approver

UniTask emails and reminders

When a request is assigned to a Hospitality Approver, UniTask will issue an email notification containing a link to the request.

If no action is taken, UniTask will issue two reminder notifications to support a target turnaround time of 10 calendar days (7 business days) from the date of assignment:

1. Reminder 1: 4 business days after assignment
2. Reminder 2: 7 business days after assignment

On leave, no delegate assigned

Where a hospitality approver is on leave and has not assigned an authorised delegate in HR, hospitality requests will remain pending until the approver returns. No automatic escalation will occur.

Given hospitality approvals operate at senior management levels, automatic escalation during periods of leave may result in requests being unnecessarily escalated to higher approval authorities.

Approvers who wish hospitality requests to continue to be processed during periods of leave should ensure an authorised HR delegate is established before commencing leave.

UniTask no action

Where no action has been taken by the assigned approver within 11 business days, UniTask will automatically reassign the request to the Hospitality Requester.

The Hospitality Requester, and the Hospitality Owner where they are different individuals, will receive an email notification advising that the request has been reassigned due to inactivity and requires further action.