

GIFTS, BENEFITS AND HOSPITALITY POLICY AND PROCEDURE

Human Resources

Parent Policy

Conduct and Compliance Policy

1 Preamble

This policy and procedure deals with the provision, or receipt, of official hospitality by Victorian Electoral Commission (VEC) employees, appointees and contractors¹, as well as circumstances in which employees, appointees and contractors are offered hospitality or gifts. In the provision or receipt of hospitality and/or gifts, transparency and probity need to be strictly observed.

The VEC is committed to and will uphold the following principles in applying this policy:

Public interest: individuals have a duty to place the public interest above their private interests when carrying out their official functions. They will not accept gifts, benefits or hospitality that could raise a perception of, or actual, bias or preferential treatment. Individuals must not accept offers from those about whom they are likely to make business decisions.

Accountability: individuals are accountable for:

- declaring all non-token offers of gifts, benefits and hospitality;
- declining non-token offers of gifts, benefits and hospitality, or where an exception applies under this policy, seeking approval to accept the offer; and
- the responsible provision of gifts, benefits and hospitality.

Individuals with direct reports are accountable for overseeing management of their direct reports' acceptance or refusal of non-token gifts, benefits and hospitality, modelling good practice and promoting awareness of the gifts, benefits and hospitality policy documentation.

Risk-based approach: the VEC, through its policy, processes and audit and risk committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed. Individuals with direct reports will ensure they are aware of the risks inherent in their team's work and functions and monitor the risks to which their direct reports are exposed.

This policy will guide all individuals as to what they need to do when considering whether to accept gifts, benefits and hospitality. It is underpinned by the integrity and impartiality values and principles specified in the *Public Administration Act 2004* and the Code of Conduct for Victorian Public Sector Employees of special bodies, and the VEC values of independence and accountability.

This policy can be updated and amended from time to time by the VEC at its absolute discretion. Employees will be notified of any changes.

2 Minimum accountabilities

The Victorian Public Sector Commission has a set of binding minimum accountabilities for the appropriate management of gifts, benefit and hospitality. These can be found at Schedule A.

¹ Note the application of clause 1.4 of the Code of conduct for Victorian public sector employees to the engagement of contractors. Contractors are only bound by the code if explicitly required by their contract for services.

3 Definitions

Word/Term	Definition
Asset register	Is the register of assets held or managed by VEC under the <i>Financial Management Act 1994</i> . Significant gifts accepted on behalf of the VEC should be recorded on the asset register.
Audit and Risk Committee	The primary objective of the Committee is to assist the Electoral Commissioner in fulfilling the VEC's responsibilities as they relate to the accounting, operational practices and controls of the Commission.
Benefits	Are preferential treatment, privileged access, favours or other advantages offered. They may include invitations to sporting, cultural or social events, access to discounts and loyalty programs, or promises of a new job. While their value may sometimes be difficult to quantify in dollars, they may be highly valued by the intended recipient and therefore used to influence their behaviour.
Bribes	Money or other inducements given or promised to employees to corruptly influence the performance of their role. Bribery of a public official is an offence punishable by up to ten years imprisonment.
Business Associate	an external individual or entity which the organisation has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.
Conflicts of interest	Occur when an employee's private interests conflict with their public duty. Employees have a duty to always resolve a conflict in the public interest, not their own. This may mean that they decline a gift or transfer the gift to the VEC's ownership if this is identified as being in the public interest.
Gifts	<p>Are free or discounted items, intangible benefits or hospitality exceeding common courtesy that are offered to employees in association with their work. Gifts may also be provided by the VEC, for example, a visiting delegation from another Commission. They may be enduring, such as a work of art, or consumables, such as a box of chocolates. They range in value from nominal to significant and may be given for different reasons.</p> <p>Gifts include anything which could be included in the definition of hospitality and specifically includes:</p> <ul style="list-style-type: none"> • gifts of money; • gifts in kind, such as free accommodation, travel or entertainment, whether for the employee personally or for members of their family; • gifts in the form of tokens of good will, souvenirs, mementos or symbolic items.
Gifts register	Is a register of declarable gifts, benefits and hospitality. It records the date an offer was made, information about the donor and recipient, the nature of the offer, its estimated value and how it was handled. Executive services maintain the register, which is reviewed by the VEC's audit and risk committee annually. It is maintained in an electronic format to enable search and analysis, the register is protected from unauthorised changes.
Hospitality	Is the friendly reception and entertainment of guests, ranging from offers of light refreshment at a business meeting to restaurant meals and sponsored travel and accommodation. Hospitality may be offered to a VEC employee. It may also be

	<p>provided by public sector organisations in three situations:</p> <ul style="list-style-type: none"> ▪ <u>'Official State hospitality'</u> is that which is hosted directly by an elected official and not a public sector organisation. This may include some diplomatic, consular and ceremonial activities, state contributions to the Australian system of honours and awards and the conduct of community cabinets. This type of hospitality is exempt from this policy framework. ▪ <u>'Official hospitality'</u> refers to the hosting of diplomatic and foreign government officials, community representatives and/or people from the private and academic sectors by public sector organisations, and state-sponsored events. The persons attending these events are usually from organisations other than those within the Victorian public sector although public sector employees may attend to accompany a Departmental secretary, Statutory Appointee or executive and/or Minister and liaise with attendees. ▪ <u>'General' hospitality'</u> is usually that provided by public sector organisations, often in the workplace and often involving internal stakeholders or fellow public sector employees. General hospitality can be provided for a range of purposes, from providing sustenance at a lengthy meeting through to celebrating achievements. Modest hospitality includes light refreshments such as tea or coffee offered as a courtesy, and light meals such as sandwiches served at a business meeting held over meal times. It also extends to more generous forms of hospitality such as catered meals at functions, meals at restaurants, and may include the provision of alcohol. Sometimes recipients of general hospitality may be external stakeholders or business partners.
Hospitality expenditure	Refers to any expenditure for the purpose of providing official entertainment.
Host	Is the person, office holder or organisation which authorises, organises and pays for an event. Responsibilities of a public sector host include initiating the event and approving decisions, for example in relation to cost, selecting invitees, ensuring the event runs smoothly and meets its objectives, and facilitating relationships between invitees.
Lobbyists	Communicate with public officials to influence government decision-making, including the making or amendment of legislation, the development or amendment of a government policy or program, the awarding of a government contract or grant, or the allocation of funding.
Official business	Is work that is consistent with a public sector organisation's functions and objectives, and an employee's role. A departmental Secretary may be asked to accompany a Minister on official business. Senior staff may be asked to attend the official opening of a government sponsored project or to take part in a study tour of institutions to develop government policy. These activities constitute official business, do not have a private benefit and would not ordinarily be recorded as a reportable gift.
Public ledger	Records transactions on the public account. If an organisation decides to sell a gift it has accepted then the proceeds must be recorded on the public ledger.
Reportable gifts	Are those gifts that must be recorded on the VEC gift register. At minimum, reportable gifts, benefits and hospitality offers that exceed a nominal value of \$50 (non-token). The gifts may have been offered to an employee directly or extended to

	them as a guest of their partner or other close relation.
Value	Is the estimated or actual value of a gift in Australian dollars. It is also the cumulative value of gifts offered by the same individual or organisation within a 12-month period. Significant gifts may warrant independent valuation. Irrespective of dollar value, a gift offer that could create a reasonable perception that an employee could be influenced must be refused.
Venues	Are locations used for official and general hospitality. They vary and can include physical spaces such as Government House, departmental and agency meeting rooms, public facilities such as town halls, and private facilities such as hotels and reception centres.

4 Scope

This policy applies to all VEC employees, appointees and contractors.

5 Management of the provision of gifts, benefits and hospitality

Official hospitality

The VEC will only incur any gift or hospitality expenditure where the reason for expenditure is publicly justifiable as a legitimate and reasonable use of public funds and can be demonstrated to facilitate the conduct of public business or the advancement of VEC objectives.

Gifts, benefits and hospitality may be provided to welcome guests, facilitate the development of business relationships, and to further public sector business outcomes.

When deciding whether to provide gifts, benefits or hospitality or the type of gift, benefit or hospitality to provide, individuals must ensure:

- any gift, benefit or hospitality is provided for a business reason in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities;
- that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations (the 'HOST' test at **Table 1** is a good reminder of what to think about in making this assessment); and
- it does not raise an actual, potential or perceived conflict of interest.

VEC employees in attendance at official hosted functions must demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

The number of employees attending official functions should be restricted to those employees whose duties directly relate to the event.

Expenditure on minor gifts for protocol or of a public relations nature is acceptable where such gifts conform to the VEC's functions and would be considered acceptable in accordance with community expectations.

Approvals and Documentation

Submissions to the relevant Manager for hospitality expenditure and/or reimbursement are to include the following details:

- internal and external attendees including names, position title and organisation;
- estimated cost for the hospitality;
- purpose of the hospitality; and

- nature of the hospitality.

Documentary evidence should be maintained indicating the number of guests and the number of employee in attendance. The reason for the expenditure and its business purpose should be documented on the invoice and purchase order.

General hospitality

For a range of reasons, the VEC may occasionally provide catered activities for employees. These include:

- as part of a larger staff-related event, for example a training course, workshop or planning day or extension of the activity through or into a hospitality function that is integral to the proper public purpose of the event; and
- to recognise an organisational or individual staff achievement (for example the successful completion of a major electoral event, or the retirement of a long-standing member of staff).

Catering an event for employees can be an effective means of celebrating achievements or promoting particular behaviours and is consistent with common business practice. In deciding whether the organisation should pay for all, some, or none of the costs associated with the staff event, the following should be considered:

- the extent to which the event will contribute to organisational objectives by, for example, reinforcing particular values or motivating staff;
- whether there have been multiple recent events that would result in perceptions of excess should further events be funded; and
- the need to balance the positive benefits of public recognition with community expectations in relation to modest and prudent expenditure by public officials.

The VEC may recognise significant staff achievements and provide token gifts as part of:

- reward and recognition programs or events; and
- celebrating length of service milestones and/or retirements.

A token gift, such as a card and/or flowers, may also be sent to staff when hospitalised or in the event of a death in their immediate family or sent to family members in the event of their death.

Celebrations of events such as birthdays, marriages or the birth of children should not be funded using public monies.

Unacceptable expenditure

Hospitality expenditure is unacceptable in the following circumstances:

- expenditure for the attendance of employee's families at official functions, except where their presence is necessary for the success of the function;
- reimbursement of personal expenditure associated with attendance at unofficial or social functions such as farewells and retirement functions;
- expenditure for VEC activities where their primary purpose is the advancement of social interests; and
- membership fees of social and recreational clubs (excluding professional organisations).

Provision of alcohol

Decisions relating to the provision of alcohol must be made on a case by case basis, and approval is required by the Electoral Commissioner. The following must be observed where alcohol is to be served at a work-related event:

- compliance with the *Occupational Health and Safety Act 2004*, the OHS Policy and OHS Management System and the Code of Conduct for Victorian Public Sector Employees of Special Bodies.
- events should be held at a time which minimises the risk of VEC employees returning to work impaired by alcohol
- the provision of alcohol should be incidental to the overall level of hospitality provided.
- employees must not be impaired by alcohol at work or when representing the VEC.

Fringe Benefits Tax

Hospitality costs may be subject to Fringe Benefits Tax (FBT). Employees should endeavour to minimise this liability and seek guidance from the Finance team on the applicability of FBT prior to incurring expenditure.

Table 1: HOST test

H	Hospitality	To whom is the gift or hospitality being provided? Will recipients be external business partners, or employees of the host organisation?
O	Objectives	For what purpose will hospitality be provided? Is the hospitality being provided to further the conduct of official business? Will it promote and support government policy objectives and priorities? Will it contribute to staff wellbeing and workplace satisfaction?
S	Spend	Will public funds be spent? What type of hospitality will be provided? Will it be modest or expensive, and will alcohol be provided? Will the costs incurred be proportionate to the benefits obtained?
T	Trust	Will public trust be enhanced or diminished? Could you publicly explain the rationale for providing the gift or hospitality? Will the event be conducted in a manner which upholds the reputation of the public sector? Have records in relation to the gift or hospitality been kept in accordance with reporting and recording procedures?

6 Management of offers of gifts, benefits and hospitality

This section sets out the process for accepting, declining and recording offers of gifts, benefits and hospitality. Any exceptions to this process must have the prior written approval of the Commissioner.

Token offers

A token offer is an offer of a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the individual. It may include promotional items such as pens and note pads, and modest hospitality which would be considered a basic courtesy, such as light refreshments offered during a meeting.

Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the VEC as influencing an individual raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50. If token offers are made often by the same person or organisation, the cumulative value of the offers over a 12 month period, or the perception that they may influence the recipient, may result in the offers becoming non-token.

Individuals may accept token offers of gifts, benefits and hospitality without approval however are still required to declare gift on the VEC register.

All token offers, whether accepted or declined, need to be recorded. Employees need to complete the [Token Gifts, Benefits and Hospitality Register Template](#) when they receive an offer of a gift, benefit or hospitality for a token amount (up to the value of \$50) and email this to [Executive Services](#).

Individuals are to refuse all offers (excluding token hospitality, such as sandwiches over a lunchtime meeting):

- made by a current or prospective supplier; or
- made during a procurement or tender process by a person or organisation involved in the process.

Requirement for refusing non-token offers

Individuals should consider the GIFT test at **Table 2** and the requirements below to help respond to a non-token offer.

Individuals are to refuse non-token offers:

- likely to influence them, or be perceived to influence them, in the course of their duties or raise an actual, potential or perceived conflict of interest;
- by a person or organisation about which they will likely make a decision (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing);
- likely to be a bribe or inducement to make a decision or act in a particular way;
- that extend to their relatives or friends;
- with no legitimate business benefit;
- of money, or used in a similar way to money, or something easily converted to money;
- where, in relation to hospitality and events, the organisation will already be sufficiently represented to meet its business;
- where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions;
- made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector agencies; and
- made in secret.

If an individual considers they have been offered a bribe or inducement, the offer must be reported to the Commissioner or Deputy (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

Table 2: GIFT Test

The GIFT test contained in the gifts, benefits and hospitality policy framework by the Victorian Public Sector Commission (VPSC) provides useful guidance in deciding whether to accept or decline a gift, benefit or hospitality.

G	Giver	Who is providing the gift, benefit or hospitality and what is their relationship to me? Does my role require me to select contractors, award grants, or determine policies? Could the person or organisation benefit from a decision I make?
I	Influence	Are they seeking to gain an advantage or influence my decisions or actions? Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or valuable non-token offer? Does its timing coincide with a decision I am

		about to make?
F	Favour	Are they seeking a favour in return for the gift, benefit or hospitality? Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months? Would accepting it create an obligation to return a favour?
T	Trust	Would accepting the gift, benefit or hospitality diminish public trust? How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?

7 Reporting Gifts and Hospitality

Declaring and recording gifts and hospitality

All non-token gifts, benefits or hospitality offered to, either received or declined by, employees, appointees or contractors are to be reported to the employee's manager via the [Gifts, Benefits and Hospitality Declaration Form](#). Once the form is completed a soft-copy and signed scanned copy of the form is provided to [Executive Services](#).

All gifts and hospitality offered or received by employees, appointees or contractors will be recorded in the Register by Executive Services. Details will include:

- date offered;
- offered to (name of individual);
- description of the gift, benefit or hospitality;
- estimated or actual value
- offered by (name and organisation);
- cumulative value of offers made
- whether the individual making the offer is a business associate
- reason for the offer
- if accepted is this a potential conflict of interest
- business benefit
- decision regarding the offer
- approvals
- name of person who added the item to the register (executive services).

The Register excluding names and all token gifts, will be published on the VEC internet page on a quarterly basis to strengthen public confidence in the integrity and impartiality of the public sector. The register will be provided to the Audit and Risk committee on an annual basis.

8 Consequences of breaching the policy

A breach of this policy may constitute a breach of the:

- Victorian Public Sector Code of Conduct
- *Public Administration Act 2004* in relation to misconduct

In some circumstances, accepting a gift or benefit may constitute a breach of sections 175–179 of the *Crimes Act 1958*. This is an indictable offence that attracts a maximum penalty of ten years imprisonment.

Instances of breaches of this policy, the Code of Conduct, and/or occupational health and safety policies may result in formal disciplinary action being taken in accordance with the VEC's misconduct policy and procedure.

9 Roles and responsibilities

Individual responsibilities

- Report any offers of gifts, benefits and hospitality where you believe it is an attempt to induce favoured treatment (bribe or inducement) to your Branch Manager immediately.
- Complete the [Gifts, Benefits and Hospitality Declaration Form](#) when you receive an offer of a gift, benefit or hospitality for a non-token amount (value exceeds \$50) and provide to your manager for approval. Once signed, email a soft copy and the scanned signed copy to [Executive Services](#).
- Complete the [Token Gifts, Benefits and Hospitality Register Template](#) when you receive an offer of a gift, benefit or hospitality for a token amount (up to value of \$50) and email this to [Executive Services](#).

Manager responsibilities

- Support employees to determine whether a gift or benefit may be accepted by completing the Gifts, Benefits and hospitality declaration.
- Encourage an environment where employees can raise their concerns, by creating safe and effective mechanisms for discussing ethical dilemmas.
- Communicate and establish awareness of the policy and the need for compliance.

Executive Services

- Ensure records are kept of accepted gifts, benefits and hospitality in accordance with policy requirements and that such records are subject to scrutiny by the VEC's Audit and Risk Committee.
- Publish the register on a quarterly basis on the VEC internet site.
- Monitor the accumulative value of token gifts, benefits and hospitality and alert employees when the accumulative value is \$50 at which time this would be considered a non-token gift.

Audit and Risk Committee

As part of the annual review of the Financial Management Compliance Framework, the Finance Manager will review the policy and Register of gifts and hospitality, and provide a report to the Audit Committee as to;

- transparent reporting of accepted gifts, benefits and hospitality,
- evidence of attempts to improperly influence the decisions or actions taken by employees,
- confirmation from the VEC Executive Management Group that to the best of their knowledge all items have been recorded and evaluated relating to improper influence.

The Audit and risk Committee can then resolve to approve the issue of the annual attestation.

Commissioner

Following the review of the annual gifts, benefits and hospitality register by the Audit and Risk Committee, the Electoral Commissioner is required to sign and date an attestation to the operation, review, promulgation and scrutiny of gifts, benefits and hospitality policy and process.

The signed attestation is sent to the Victorian Public Sector Commission and a copy to the Audit and Risk Committee.

Schedule A

Minimum accountabilities

Public officials offered gifts, benefits and hospitality:

1. Do not, for themselves or others, seek or solicit gifts, benefits and hospitality.
2. Refuse all offers of gifts, benefits and hospitality that:
 - are money, items used in a similar way to money, or items easily converted to money;
 - give rise to an actual, potential or perceived conflict of interest;
 - may adversely affect their standing as a public official or which may bring their public sector employer or the public sector into disrepute; or
 - are non-token offers without a legitimate business benefit.
3. Declare all non-token offers (valued at \$50 or more²) of gifts, benefits and hospitality (whether accepted or declined) on their organisation's register, and seek written approval from their manager or organisational delegate to accept any non-token offer.
4. Refuse bribes or inducements and report inducements and bribery attempts the Commissioner or Deputy (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

Public officials providing gifts, benefits and hospitality:

5. Ensure that any gift, benefit and hospitality is provided for a business purpose in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities.
6. Ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.
7. Ensure that when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

Heads of public sector organisations:

8. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.
9. Establish and maintain a register for gifts, benefits and hospitality offered to public officials that, at a minimum, records sufficient information to effectively monitor, assess and report on these minimum accountabilities.

² Except where a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school receives an offer from or on behalf of a parent, guardian, carer, or student intended to express appreciation of the person's contribution to the education of a student or students, in which case non-token includes any offer worth more than \$100.

10. Communicate and make clear within the organisation that a breach of the gifts, benefits and hospitality policies or processes may constitute a breach of binding codes of conduct and may constitute criminal or corrupt conduct, and may result in disciplinary action.
11. Establish and communicate a clear policy position to business associates on the offering of gifts, benefits and hospitality to employees, including possible consequences for a business associate acting contrary to the organisation's policy position. This must take into consideration any whole of Victorian Government supplier codes of conduct.
12. Report at least annually to the organisation's audit committee on the administration and quality control of its gifts, benefits and hospitality policy, processes and register. This report must include analysis of the organisation's gifts, benefits and hospitality risks (including repeat offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.
13. Publish the organisation's gifts, benefits and hospitality policy and register on the VEC's public website. The published register should cover the current and the previous financial year. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.

10 Policy and procedure endorsement

Date approved:	March 2013	Date Policy will take effect:	Existing	Date of Next Review:	November 2019
Approved by:	Exexecutive Management Group			Doc Ref:	D13/3361[v2]
Custodian title:	Executive Services				
Author:	Human Resources				
Responsible branch	Finance				
Supporting documents, procedures & forms of this policy:	Gifts, Benefits and Hospitality Declaration Form VEC Gifts, Benefits and Hospitality Register Token Gifts, Benefits and Hospitality Register Template Code of Conduct Policy D15/11699[v2] Conduct and Compliance Policy D13/3394[v2] Code of Conduct for Victorian Public Sector employees of Special Bodies Conflict of Interest policy Work-related events and social functions policy D13/3360[v2] Protected Disclosure Policy Misconduct policy and procedure D13/3359[v2] Grievance Policy Review of Action policy and procedure				
References & Legislation:	Financial Management Act 1994 Freedom of Information Act 1982 Public Administration Act 2004 Protected Disclosure Act 2012 Gifts, Benefits and Hospitality Policy Framework – Victorian Public Sector Commission Occupational Health and Safety Act 2004				
Audience:	All VEC employees, appointees and contractors.				

11 Version control and change history

Version Control	Date Effective	Approved By	Amendment
1	March 2013	Management Group	Policy approved and in effect
2	November 2016	Executive Management Group	Policy reviewed to ensure alignment to the new VPSC framework and standards.

