

Gifts, Benefits and Hospitality

Category:	Governance	Policy Number:	PRO120.3
Reviewer:	Executive Director Finance, Risk and Governance	Revision:	003
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1. Purpose

- 1.1 The purpose of this procedure is to:
- outline HealthShare Victoria's¹ (HSV) position on:
 - responding to offers of gifts, benefits and hospitality; and
 - providing gifts, benefits and hospitality.
 - ensure that stakeholders have a high degree of trust and confidence in HSV and its procurement practices. Specifically, this includes:
 - building business and community confidence in the integrity of HSV procurement processes;
 - encouraging and enabling purchasers and supplier businesses to deal with each other on the basis of mutual trust and respect;
 - improve market engagement process and procurement outcomes.
- 1.2 This procedure has been developed in accordance with requirements outlined in the minimum accountabilities for the management of gifts, benefits and hospitality issued by the Victorian Public Sector Commission, requirements under Instruction 3.4.11 supporting the Standing Directions 2018 under the *Financial Management Act 1994* and supports behaviour consistent with the Code of Conduct for Victorian Public Sector Employees (VPSC Code of Conduct).
- 1.3 All employees are required under clause 1.2 of the VPSC Code of Conduct to comply with this procedure.
- 1.4 Details of the policy statement to support the application of the Gifts, Benefits and Hospitality Procedure is referenced within the **POL120 Code of Conduct Policy**.

2. Application

- 2.1 This procedure applies to all employees engaged by HSV including all members of HSV Board and Committees, employees, contractors, secondees, employees from other organisations working at HSV, and any other stakeholders engaged by HSV to perform a service – herein referred to as 'Employee'.

3. Definitions

Benefit	preferential treatment, privileges, favours or other advantage intended to impart a reciprocal benefit or favourable decision.
Business Associate	an individual or body that HSV has, or plans to establish, some form of business relationship with, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.
Conflict of Interest	<p>is a situation in which an Employee has a competing professional or personal interest which could make it difficult to impartially carry out their duties. A Conflict of Interest may Actual, Potential or Perceived. Essentially, they refer to the existence or perception of divided loyalties. A Conflict of Interest exists when it is likely that Employee has an actual, perceived or potential opportunity to, or be seen to, favour their own interest, or the interest of any third party (related or otherwise), to the detriment of HSV.</p> <ul style="list-style-type: none"> Actual Conflict of Interest is a set of established circumstances (interests) that detract from the Employee fulfilling their obligation to HSV. Perceived Conflict of Interest is a set of circumstances which may be seen to compromise the interests of HSV by diminishing the fairness and competitiveness of the HSV procurement process. Potential Conflict of Interest is a set of established circumstances where actual conflict may result if one or more future known events occur.

¹ HealthShare Victoria is a trading name of Health Purchasing Victoria an independent public entity incorporated under the *Health Services Act 1988* (Vic).

Employee	is a person who is directly employed or otherwise engaged by HSV as a contractor or who is a statutory director of the HSV Board or Board sub-committee.
Gift	free or heavily discounted items or services, intangible benefits or hospitality exceeding common courtesy offered directly or indirectly to or for the direct or indirect benefit of HSV employees in connection with HSV work.
Hospitality	the friendly reception and entertainment of guests. Hospitality can range from offers of light refreshment at a business meeting to restaurant meals and sponsored travel and accommodation. This excludes the provision of meals that may be accompanied to the attendance of conferences or training programs.
HSV	HealthShare Victoria a trading name for Health Purchasing Victoria an independent public entity incorporated under the <i>Health Services Act 1988 (Vic)</i> .
Nominal Value	the material value of gifts, benefits or hospitality offered; individually and/or as a collective e.g. a series of events; and at a defined threshold (currently less than Au\$50). Note: Irrespective of dollar value, a gift, benefit or hospitality offered that may create a reasonable perception that an employee could be influenced must be refused.
Legitimate Business Benefit	a gift, benefit or hospitality may have a legitimate business benefit if it furthers the conduct of official business or other legitimate goals of HSV, the public sector or the State.
Token offer	a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy) e.g. pens, note pads or light refreshments during a meeting. Token offers must be of Nominal Value (less than \$50).
Non-token offer	a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than a Nominal Value (\$50 are non-token offers to be recorded on the 'Gift and Benefits Register').
Value	the estimated or actual value of a gifts, benefits or hospitality in Australian dollars, including the cumulative value of gifts, benefits or hospitality offered by the same individual or organisation within a 12-month period.

4. Procedures

- 4.1 HSV Employees must always act with integrity, impartiality and honesty.
- 4.2 Employees must not accept gifts, benefits or hospitality that may create or is perceived to create a Conflict of Interest, bias or preferential treatment.
- 4.3 Other than items of a Nominal Value, Employees must decline gifts, benefits or hospitality unless there is a legitimate business benefit.
- 4.4 HSV is committed to and will uphold the principles of impartiality and accountability when applying this procedure.

4.5 Token Offers

- a. Token offers may be accepted without approval or declaration on the 'Gifts and Benefits Register', as long as the offer does not create a conflict of interest or lead to reputational damage.
- b. Token offers must be refused (excluding token hospitality, such as sandwiches over a lunchtime meeting) made by a current or prospective supplier or by anyone involved in a procurement or tender process.

4.6 Non-Token Offers

- a. Employees should consider the GIFT test at Appendix 1 and the requirements below to assist with responding to all non-token offers of gifts, benefits or hospitality.
- b. Employees should only accept non-token offers if:
 - i. There is a legitimate business reason for acceptance e.g. it is offered in the course of the employees' official duties, related to the employees responsibilities and has a benefit to HSV, the public sector or the State; and
 - ii. It does not raise an actual, potential or perceived conflict of interest or have the potential to bring the employee, HSV or the public sector into disrepute.
- c. Employees should refuse non-token offers:

- i. Likely to influence them, or be perceived to influence them, in the course of their duties or raise and actual, potential or perceived conflict of interest.
 - ii. By a person or organisation about which they will likely make a decision.
 - iii. Likely to be a bribe or inducement to make a decision or act in a particular way.
 - iv. That extend to their relatives or friends.
 - v. With no legitimate business benefit.
 - vi. Of money, or used in a similar way to money, or something easily converted to money.
 - vii. Where in relation to hospitality an event HSV will already be sufficiently represented at to meet its business needs.
 - viii. Where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions.
 - ix. Made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector agencies; and
 - x. Made in secret.
- d. Employees are required to obtain written approval from their manager prior to accepting all offers of non-token gifts, benefits or hospitality greater \$50.
 - e. Offers may be made where there is no opportunity to seek written approval from your manager prior to accepting e.g. a wrapped gift that is later identified as being a non-token gift. In this instance, approval must be sought from your manager as soon as practicable and within five business days.
 - f. Where the gift would likely bring the employee or HSV into disrepute, the gift should be returned. If it represents a conflict of interest for the employee, the gift should be returned, or ownership transferred to HSV to mitigate the risk.

4.7 Repeat Offers

- a. Receiving multiple offers (token or non-token) from the same person or organisation can generate a stronger perception that the person or organisation could influence you. Employees should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

4.8 Employee Responsibilities

- a. HSV Employees will:
 - i. record all non-token offers, whether accepted or declined on the 'Gifts and Benefits Register' as soon as practicable.
 - ii. seek written approval from their Manager before accepting all offers of non-token gifts, benefits or hospitality greater \$50 (where possible) and record the offer on the 'Gifts and Benefits Register' as soon as practicable.
 - iii. immediately report all offers of Gifts, Benefits or Hospitality greater than \$50 to their Manager where it is not possible to obtain Manager approval prior to accepting a non-token offer and ensure all offers of non-token gifts or benefits are recorded on the 'Gifts and Benefits Register' as soon as practicable;
 - iv. under no circumstances accept money or other gifts, benefits, hospitality or any other gratuity for themselves, family member or other associate;
 - v. not solicit gifts, benefits, hospitality or any other gratuity for themselves, family member or other associate;
 - vi. refuse all offers of gifts, benefits, hospitality or other gratuity that could be reasonably perceived as undermining the integrity and impartiality of HSV or themselves;
 - vii. refuse all offers of gifts, benefits, hospitality or other gratuity from people or entities regarding whom they are likely to make decisions, or otherwise place themselves in a compromised position;
 - viii. seek advice from their Manager if unsure about how to respond to an offer of a gift, benefit or hospitality including money;
 - ix. declare any matter which they believe has or may undermine the impartiality or independence of their judgement or actions.

4.9 Provision of Gifts, Benefits and Hospitality

- a. Gifts, benefits and hospitality may be provided when welcoming guests, to facilitate development of business relationship, further public sector business outcomes and to celebrate achievements.
- b. When deciding whether to provide gifts, benefits or hospitality or the type of gift, benefit or hospitality to provide, the employee must ensure:
 - i. any gift, benefit or hospitality is provided for a business reason that furthers the conduct of official business or other legitimate HSV goals;

- ii. any costs are proportionate to the benefits obtained for HSV and the State and would be considered reasonable in terms of community expectations (consider Appendix 2 HOST test when making an assessment); and
- iii. It does not raise an actual, potential or perceived conflict of interest.
- c. Employees should contain costs involved with providing gifts, benefits and hospitality wherever possible. The following questions should be considered when deciding the type of gift, benefit or hospitality to provide:
 - i. Will the cost of providing the gift, benefit or hospitality be proportionate to the potential benefit?
 - ii. Is an external venue necessary or does HSV have facilities to host the event?
 - iii. Is the proposed catering or hospitality proportionate to the number of attendees?
 - iv. Will providing the gift, benefit or hospitality be viewed by the public as excessive?

4.10 Reporting and Compliance

a. Reporting

- i. Employees must report breaches of these procedures to their line manager as soon as possible. Line managers must immediately report breaches of these procedures to their Executive Director (ED)/ Director and the ED Finance, Risk and Governance. Any reported breaches are held in confidence and following the requirements of **PRO140.2 Public Interest Disclosure Procedure**.
- ii. All HSV employees shall complete an annual attestation confirming that they have complied with the spirit and intent of this Procedure. In addition, HSV employees must complete the Gifts and Benefits Register as soon as practicable after an offer or a gift, benefit or hospitality has been made.
- iii. In order to review the operation of this Procedure, the ED Finance, Risk and Governance shall report gifts and benefits received or offered to HSV Employees at least annually to the Finance, Audit and Risk Management Committee (FARMC).

b. Compliance

- i. These procedures must be followed by all Employees. Employees are expected to comply with both the spirit and intent of the **PRO120.1 Financial Code of Practice** and these procedures.
- ii. Non-compliance with these procedures may constitute a breach of the **POL120 Code of Conduct Policy** and VPSC Code of Conduct and may result in disciplinary action being taken by HSV against the Employee. Such action may include (but is not limited to) termination of employment.
- iii. HSV has a responsibility to annually publish the details of the Gifts, Benefits and Hospitality Register on its external website.

5. Appendices

- 5.1 Appendix 1: GIFT test
- 5.2 Appendix 2: HOST test

6. Related Documents

- 6.1 POL120 Code of Conduct Policy
- 6.2 PRO120.1 Financial Code of Practice
- 6.3 PRO140.2 Public Interest Disclosure Procedure

7. References

- 7.1 Financial Management Compliance Framework
- 7.2 Code of Conduct for Victorian Public Sector Employees
- 7.3 Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide

Appendix 1: GIFT Test

G	Giver	<p>Who is providing the gift, benefit or hospitality and what is their relationship to me?</p> <ul style="list-style-type: none"> Does my role require me to select suppliers, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?
I	Influence	<p>Are they seeking to gain an advantage or influence my decisions or actions?</p> <ul style="list-style-type: none"> Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or a valuable non-token offer? Does its timing coincide with a decision I am about to make?
F	Favour	<p>Are they seeking a favour in return for the gift, benefit or hospitality?</p> <ul style="list-style-type: none"> 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	<p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <ul style="list-style-type: none"> How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?

Appendix 2: HOST Test

H	Hospitality	<p>To whom is the gift or hospitality being provided?</p> <ul style="list-style-type: none"> Will recipients be external business associates, or individuals of the host organisation?
O	Objectives	<p>For what purpose will hospitality be provided?</p> <ul style="list-style-type: none"> 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	<p>Will public funds be spent?</p> <ul style="list-style-type: none"> What type of hospitality will be provided? Will it be modest or expensive, and will alcohol be provided as a courtesy or an indulgence? Will the costs incurred be proportionate to the benefits obtained?
T	Trust	<p>Will public trust be enhanced or diminished?</p> <ul style="list-style-type: none"> 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?