

MPR-016 Gifts, Benefits and Hospitality Procedure

RELATED POLICY	SCS-018 Gifts, Benefits and Hospitality Policy		
TRIM Reference:	D19/169657	Due for Review:	October 2020
Responsible Officer:	Manager Governance and Risk		

Purpose

This procedure explains the actions to be taken in relation to the giving and receiving of gifts, benefits and hospitality to and from any external party.

Scope

This procedure applies to all gifts, benefits or hospitality offered to, or received by Councillors and Council staff from external sources, and to any gifts, benefits or hospitality offered by Council, Councillors and Council staff to external entities or individuals.

Procedure

1. RECEIPT OF GIFTS, BENEFITS AND HOSPITALITY

When deciding on whether to accept an offer, individuals should first consider if the offer could be perceived as influencing them in the performance of their duties, or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest or reputational risk will be created. Similarly, the acceptance of regular or repeated offers of smaller gifts can be perceived as creating a conflict of interest or reputational damage. If by accepting an offer you are creating any possibility for an actual or perceived conflict of interest and/or reputational damage, the gift should be politely declined.

Apply Gifts, Benefits and Hospitality Policy when being offered any gifts, benefits or hospitality. If there is any concern about rejecting the offer, then consider the 'GIFT' test below to help guide your decision about whether to accept or decline the offer.

Figure 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? Does it pass the 'front page of the newspaper' test?

1.1. Recording token offers of gifts, benefits and hospitality

Token offers generally do not need to be declared and recorded in the register if:

- they are of inconsequential or trivial value (commonly less than \$20);
- acceptance would not create a conflict of interest or lead to reputational damage; and
- are not offered on a regular basis.

Where you would feel more comfortable making a declaration that you have either been offered and declined, or offered and accepted a token offer, follow the procedure outlined below in section 2.

1.2. Recording non-token offers of gifts, benefits and hospitality

All non-token offers of gifts, benefits and hospitality received or declined must be recorded on a Gifts, Benefits and Hospitality Form (appendix two). Complete and progress the form in accordance with the relevant process outlined in section 3 of this procedure. The form must be submitted to Governance within 14 days of the offer.

The business reason for accepting a non-token offer is recorded in the register and includes sufficient detail that relates the acceptance the offer with the individual’s work functions and the benefit to Council. The following are examples of acceptable and unacceptable levels of detail required when recording offers (accepted or declined) on the Gifts, Benefits and Hospitality form:

Unacceptable

- Networking.
- Maintaining stakeholder relationships.
- Accepting free admission or tickets to a Council permitted event other than for a legitimate business purpose or related permit requirement, i.e. food safety, health and safety, waste management inspection etc.

Acceptable

- Scenario 1 – The individual is responsible for evaluating and reporting on the outcomes of the Council’s sponsorship of Event A. Individual attended Event A in an official capacity and reported back to Council on the event.
- Scenario 2 – The Mayor and CEO are invited to an event within the Surf Coast Shire to represent the organisation.
- Scenario 3 – An individual is presented a gift to a visiting international delegation. The delegation presented the individual with a cultural item worth an estimated \$200. Declining the gift would have caused offence. The gift was therefore accepted on behalf of Council.

1.3. Process

Staff

Value	Roles and Responsibilities
Token offers i.e. \$20 or less	Individuals may generally accept token offers without approval or declaring the offer on Council’s register, as long as the offer does not create a conflict of interest or lead to reputational damage.
Non-token offers i.e. \$20 to \$100	<p>This applies to all accepted or declined non-token offers.</p> <p>Staff member</p> <ul style="list-style-type: none"> • Complete a Gift, Benefits and Hospitality form and submit to manager • Formally acknowledge the donor <p>Manager</p> <ul style="list-style-type: none"> • Review and complete form and forward to General Manager for consideration <p>General Manager</p> <ul style="list-style-type: none"> • Determine compliance in accordance with the policy • Inform staff member of decision (retain, decline, allocate or return) • Finalise form and submit to Governance for updating of the register

Value	Roles and Responsibilities
	For gifts received by the CEO, the Mayor will complete the Gifts, Benefits and Hospitality form.
More than \$100	<p>This applies to all accepted or declined non-token offers.</p> <p>Staff member</p> <ul style="list-style-type: none"> Complete a Gift, Benefits and Hospitality form and submit to manager Formally acknowledge the donor <p>Manager</p> <ul style="list-style-type: none"> Review and complete form and forward to General Manager for consideration <p>General Manager</p> <ul style="list-style-type: none"> Review and complete form and forward to CEO for consideration <p>CEO</p> <ul style="list-style-type: none"> Determine compliance in accordance with policy Inform staff member of decision (retain, decline, allocate or return) Finalise form and submit to Governance for updating of the register <p>For gifts received by the CEO, the Mayor will sign the Gifts, Benefits and Hospitality form.</p>

Councillors

Value	Roles and Responsibilities
Token offers i.e. \$20 or less	Councillors may generally accept token offers without approval or declaring the offer on Council's register, as long as the offer does not create a conflict of interest or lead to reputational damage.
Non-token offers i.e. more than \$20	<p>This applies to all non-token offers accepted or declined.</p> <p>Councillor</p> <ul style="list-style-type: none"> Complete Gift, Benefits and Hospitality form and submit to Mayor Formally acknowledge the donor <p>Mayor</p> <ul style="list-style-type: none"> Sign form and forward to CEO for consideration <p>CEO</p> <ul style="list-style-type: none"> Determine compliance in accordance with policy Inform Councillor/Mayor of decision (retain, decline, allocate or return) Finalise form and submit to Governance for updating of the register

2. PROVISION OF GIFTS, BENEFITS AND HOSPITALITY

This section sets out the requirements of Council, Councillors or staff when providing gifts, benefits and hospitality to others.

2.1. Requirements when providing gifts, benefits and hospitality

Gifts, benefits and hospitality may be provided when welcoming guests to facilitate the development of business relationships, to further Council's business outcomes and to celebrate achievements.

When deciding whether it is necessary to provide gifts, benefits or hospitality, or on the type of gift, benefit or hospitality to provide, individuals must ensure that:

- any gift, benefit or hospitality is provided for a business reason which furthers the conduct of official business or other legitimate organisational goals and promotes and supports Council's policy objectives and priorities;

- any costs are proportionate to the benefits obtained for Council, and would be considered reasonable in terms of community expectations (the ‘HOST’ test at Figure 2 is a good reminder of what to think about in making this assessment);
- it does not raise an actual, potential or perceived conflict of interest; and
- when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

Figure 2. HOST test

H	Hospitality	To whom is the gift or hospitality being provided? <ul style="list-style-type: none"> • Will recipients be external business associates, or individuals of the host organisation?
O	Objectives	For what purpose will hospitality be provided? <ul style="list-style-type: none"> • Is the hospitality being provided to further the conduct of official business? • Will it promote and support Council’s policy objectives and priorities? • Will it contribute to staff wellbeing and workplace satisfaction?
S	Spend	Will Council funds be spent? <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	Will public trust be enhanced or diminished? <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 Council? • Have records in relation to the gift or hospitality been kept in accordance with reporting and recording procedures?

2.2. Containing costs

Individuals should contain costs involved with providing gifts, benefits and hospitality wherever possible. The following questions may be useful to assist individuals to decide on the type of gift, benefit or hospitality to provide:

- Will the cost of providing the gift, benefit or hospitality be proportionate to the potential benefits?
- Is an external venue necessary or does the organisation have facilities to host the event?
- Is the proposed catering or hospitality proportionate to the number of attendees?
- Does the size of the event and number of attendees align with intended outcomes?
- Is the gift symbolic, rather than financial, in value?
- Will providing the gift, benefit or hospitality be viewed by the public as excessive?

Definitions

Term	Definition
<i>Benefit</i>	Benefits include preferential treatment, privileged access, favours or other advantage offered to an individual. They may include invitations to sporting, cultural or social events, access to discounts as a result of a person’s employment or position, loyalty programs and promises of a new job. The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual’s behaviour.
<i>Conflict of interest</i>	A Councillor or staff member has a conflict of interest when they have a personal or private interest that might compromise their ability to act in the public interest as set out in the Local Government Act 1989. A conflict of interest can exist even if no improper action results from it.

Term	Definition
	Conflicts may be: <ul style="list-style-type: none"> Actual: There is a real conflict between an employee’s public duties and private interests. Potential: An employee has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk. Perceived: The public or a third party could reasonably form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future.
<i>External party</i>	Individual person or entity that is not an employee or Councillor of the Surf Coast Shire Council.
<i>Gift</i>	Gifts are free or discounted items or services and any item or service that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery or expensive pens), low value (e.g. a small bunch of flowers), consumables (e.g. chocolates) and services (e.g. painting and repairs).
<i>Hospitality</i>	Hospitality is the friendly reception and entertainment of guests. Hospitality may range from light refreshments at a business meeting to expensive restaurant meals and sponsored travel and accommodation.
<i>Money</i>	Includes cash, cheques, money orders, travellers’ cheques, direct deposits, shares, vouchers or items which can be easily converted to cash, including gift vouchers and credit notes.
<i>Register</i>	A register of all declarable gifts, benefits and hospitality, including those declined. Maintained by the governance department.
<i>Token offer</i>	A gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient. They include promotional items such as a pen, note pad, or key ring, and modest hospitality that would be considered a basic courtesy, such as light refreshments during a meeting. Token offers are those that are worth \$20 or less.
<i>Non-token offer</i>	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 \$20 are non-token offers and must be declared through the Gifts, Benefits and Hospitality form and recorded in the Gift, Benefits and Hospitality Register.
<i>Value</i>	The face value or current estimated retail value.

References

To be read in conjunction with SCS-018 Gifts, Benefits and Hospitality Policy.

Document History

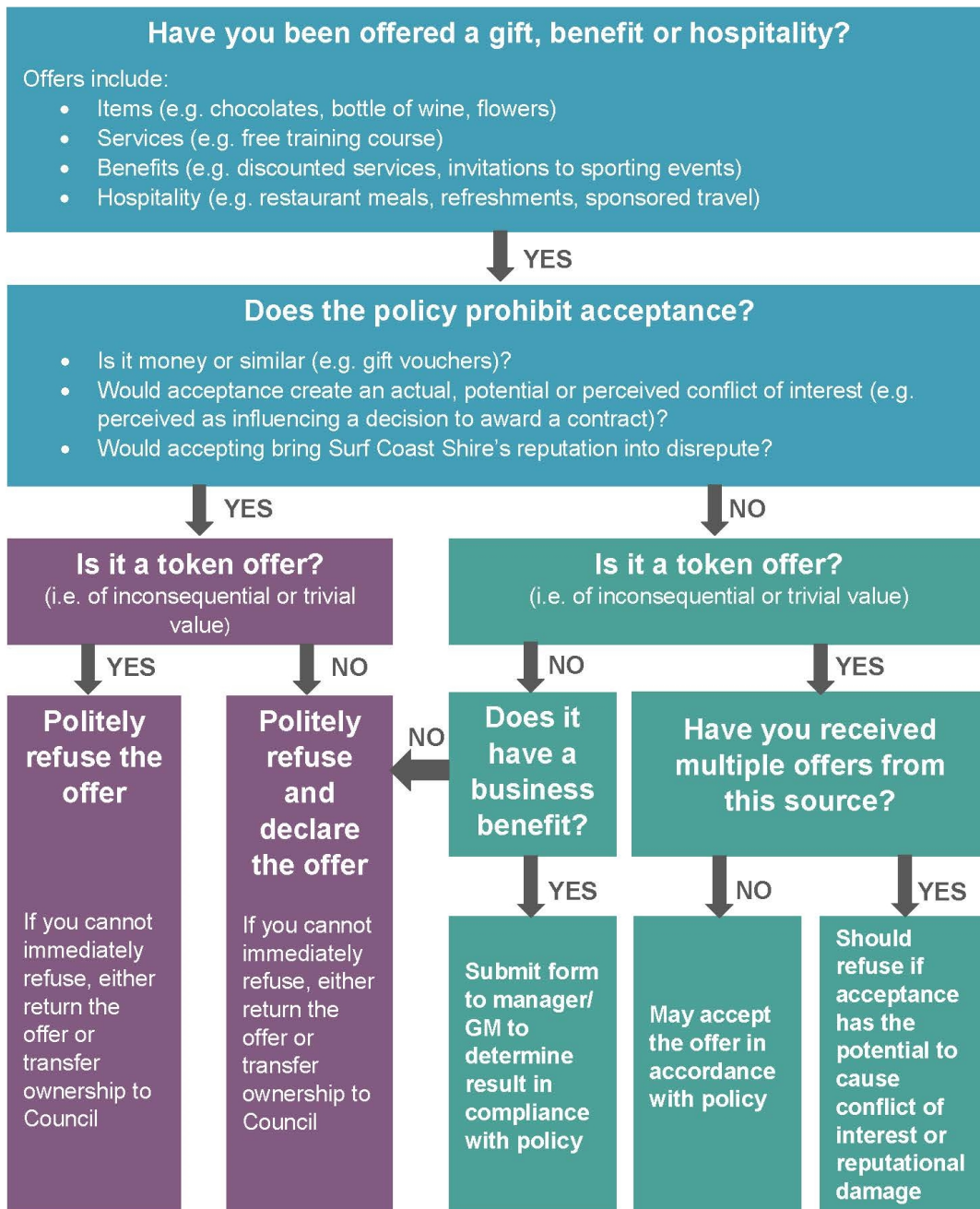
Version	Document History	Approved by – Date
1	Created and first adoption	EMT – 27 November 2019

Appendix One: Flowchart



HOW TO RESPOND TO OFFERS OF GIFTS, BENEFITS AND HOSPITALITY

As a general principle Council, Councillors and staff should, where possible, decline any offer of gifts, benefits or hospitality in a way that does not cause offence.



Appendix Two: Surf Coast Shire Gifts, Benefits and Hospitality Form

GIFT, BENEFITS AND HOSPITALITY FORM

Please forward completed form to Governance for registration



Details – Recipient to complete											
*Name of recipient		*Position title									
*Name of donor (Agency / Organisation)		Offer declined or accepted?	Declined <input type="checkbox"/> Accepted <input type="checkbox"/>								
Donor Address											
Relationship of donor to recipient											
*Description of gift, benefit or hospitality offered											
Describe the business reason for gift, benefit or hospitality (refer Policy section 5)											
*Estimated value		*Date of offer									
Donor acknowledged?	Yes <input type="checkbox"/> No <input type="checkbox"/>										
Previous gifts	Similar gifts from the donor in past year?	Yes ^{#1} <input type="checkbox"/> No <input type="checkbox"/>									
		^{#1} If yes provide details below (date / nature of gift, value)									
	<table border="1"> <thead> <tr> <th>Date</th> <th>Nature of gift</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Date	Nature of gift	Value							
Date	Nature of gift	Value									
Probity Statement - <i>To my knowledge the donor is not currently subject to any tender, permit application processes, or matters under consideration, for which the offer of this gift, benefit or hospitality may be perceived as exercising a beneficial interest over any Councillor or staff member, including myself.</i>											
Conflict of Interest Statement – <i>I declare that to the best of my knowledge the offer, and where applicable the acceptance, of this gift, benefit or hospitality does not raise an actual, potential or perceived conflict of interest or have the potential to bring the Surf Coast Shire Council into disrepute.</i>											
Recipient's signature		Date									

Treatment of Gifts Received
 Where not declined, all gifts remain the property of Council unless otherwise determined. The Mayor (Councillors) and/or the Chief Executive Officer (Councillors or Council staff) shall make a determination on the retention, use or allocation of any items or services received.

*Gift Allocation (in instances where gift was not able to be declined) – Manager / GM / CEO / Mayor to complete in accordance with Policy			
<input type="checkbox"/> Gift to be retained and pooled for staff use	<input type="checkbox"/>	Gift is to be returned to donor	
<input type="checkbox"/> Gift to be retained by recipient	<input type="checkbox"/>	Other (explain below)	
Manager name (please print) and comment (if applicable)			
Manager signature		Date	
General Manager name (print) and comment (if applicable)			
General Manager signature		Date	
CEO comment (if applicable)			
CEO signature		Date	
Mayor comment (if applicable)			
Mayor signature		Date	
Statement - <i>The personal information requested on this form is being collected by Council for the purpose of maintaining Council's Gift, Benefit and Hospitality Register. The personal information will be used solely by Council for this primary purpose or directly related purposes. The employee understands that the personal information provided is for these purposes and that they may apply to Council for access and/or amendment of the information</i> *shows the information that will be publicly displayed in the register available on Council's website			