



The Kilmore & District Hospital



Policy

Title:

Gifts, Benefits and Hospitality Policy

Owner:	Chief Executive Officer	Risk Code:	Low
Department:	Executive Services		
Endorsing Committee:	Executive Management	Date:	4 December 2019
Ratifying Committee	Audit & Enterprise Risk	Date:	11 December 2019

Purpose:

To ensure that Board members, volunteers and employees of The Kilmore and District Hospital (TKDH) do not seek or accept gifts, benefits or hospitality for services performed in connection with their official duties, in accordance with the Victorian Public Sector Commission *gifts, benefits and hospitality policy framework*.

This policy states TKDH position on:

- responding to offers of gifts, benefits and hospitality; and
- providing gifts, benefits and hospitality.

This policy is intended to support individuals and the TKDH to avoid conflicts of interest and maintain high levels of integrity and public trust.

Target Audience:

All workplace participants including executives, board members, employees, contractors, consultants and any individuals or groups undertaking activity for or on behalf of the TKDH.

Definition:

Employee refers to TKDH staff, volunteers, board members and contractors

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. small bunch of flowers), consumables (e.g. chocolates) and services (e.g. painting and repairs). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities.

Ceremonial gifts

Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally.

Benefits include the preferential treatment, privileged access, favours or other advantage offered to an employee. They include invitations to sporting, cultural or social events, access to discounts and 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.

Hospitality is the friendly reception and treatment of guests. It is hospitable to offer light refreshments in the course of a business meeting or as part of a conference program. Hospitality can range from offers of light refreshment at a business meeting to restaurant meals and sponsored travel and accommodation.



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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 their employer's ownership if this is identified as being in the public interest.

Bribes are money or other inducements given or promised to employees to corruptly influence the performance of their role.

Interested parties are persons with either direct or indirect interest in the organisations activities and include patients, residents, clients & their families, contractors and tender applicants.

Token Offer is an offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12 month period).

Non-Token Offer is an offer of 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 \$50 are non-token offers and must be recorded on a gift, benefit and hospitality register.

Register is a record, preferably digital, of all declarable gifts, benefits and hospitality. Guidance regarding the information that should be recorded is provided in the Policy Guide.

Policy:

This policy has been developed in accordance with requirements outlined in the *Minimum accountabilities for managing gifts, benefits and hospitality* issued by the Victorian Public Sector Commission (see below and Appendix A)).

TKDH 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 do 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 gifts, benefits and hospitality policies and processes.



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Integrity: Individuals strive to earn and sustain public trust through providing or responding to offers of gifts, benefits and hospitality in a manner that is consistent with community expectations. Individuals will refuse any offer that may lead to an actual, perceived or potential conflict of interest.

Risk-based approach: TKDH through its policies, processes and Audit and Enterprise Risk Board Subcommittee 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.

The right of a number of interested parties, such as patients, to offer gifts or benefits to employees, volunteers and contractors of TKDH is acknowledged. Employees of TKDH are remunerated to perform specified roles and responsibilities; and gifts and gratuities of any nominal value from interested parties are discouraged.

TKDH employees shall not seek or accept gifts, benefits or hospitality for services performed in connection with their official duties. If employees are pressured to accept gifts of value, the matter should be discussed with the Department Manager or Director.

No gift, benefit or hospitality shall be accepted if intended to influence a decision(s) about how work is undertaken, contracts let or goods purchased, or if it could reasonably be perceived as such. An offer of such a gift, benefit or hospitality should be politely declined and any unsolicited gift promptly returned. The Chief Executive Officer (CEO), Executive employees and other members of the management group have an important role to play in modelling the behaviour they expect of their employees. Resolution of disputes arising from this policy is the responsibility of the CEO.

The Audit and Enterprise Risk Management Committee will receive a report at least annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of TKDH's gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.

Minimum accountabilities

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

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.

Conflict of interest and reputational risks

When deciding whether to accept an offer, individuals should first consider if the offer could be perceived as influencing them in performing their duties, or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest or reputational risk exists.

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 that would be considered a basic courtesy, such as light refreshments during a meeting.



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The minimum accountabilities state that token offers cannot be worth more than \$50.

Individuals may generally accept token offers without approval or declaring the offer on TKDH's register, as long as the offer does not create a conflict of interest or lead to reputational damage.

Donations - Patients/residents/clients or relatives may wish to express their thanks for care provided. Should this occur, donations to TKDH are welcomed, and donors should be directed to TKDH Reception where an official receipt will be issued.

Tokens, mementoes and small gifts of appreciation - stationery such as pens or pads handed out to everyone attending a conference or made available by sales representatives and the like may generally be accepted where such items are inexpensive and not intended to gain any influence or favour.

Small gifts of appreciation such as a box of chocolates, bottle of wine or flowers - these gifts are generally acceptable if the appreciation is being shown for a service provided, and declining the gift could cause embarrassment or offence.

Modest hospitality - light refreshments such as tea or coffee offered in the course of a business meeting or while delivering home based services may be accepted. These will have been offered as a courtesy and to make the guest feel welcome. Similarly light refreshments such as finger food at an opening ceremony or sandwiches at a conference may be accepted. In all cases the hospitality should be proportionate to the occasion. Modest hospitality offered as part of official business is not a reportable gift.

Substantial hospitality - substantial hospitality such as restaurant meals, sporting tickets/corporate boxes, travel and accommodation invariably exceed the nominal threshold of \$50 and must always be recorded in the Gifts/Benefits Register. In deciding whether or not to accept substantial hospitality, particular care must be taken to ensure that no actual or perceived conflict of interest exists.

Declining Gifts:

Non-token offers

Individuals can only accept non-token offers if they have a legitimate business benefit. All accepted non-token offers must be approved in writing by the individual's manager or organisational delegate, recorded in the gifts, benefits and hospitality register and be consistent with the following requirements:

- it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, their <organisation> or the public sector into disrepute; and
- there is a legitimate business reason for acceptance. It is offered in the course of the individual's official duties, relates to the individual's responsibilities and has a benefit to the <organisation>, public sector or the State.

Individuals may be offered a gift or hospitality where there is no opportunity to seek written approval from their manager prior to accepting. For example, they may be offered a wrapped gift that they later identify as being a non-token gift. In these cases, the individual must seek approval from their manager within five business days.

Where the gift would likely bring you or the organisation into disrepute, the organisation should return the gift. If it represents a conflict of interest for you, the organisation should either return the gift or transfer ownership to the organisation to mitigate this risk.

Employees involved in purchasing goods and services - some employees perform roles that necessarily call for greater scrutiny. Employees involved in purchasing goods and services must not accept gifts from contractors/suppliers, particularly when a tender has been advertised.



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Gifts and hospitality that do not have an organisational benefit - employees are required to consider whether there is an organisational benefit in attending private functions in an official capacity. Where there is no clear organisational benefit, the invitation is to be declined. This is especially the case when attendance at the function could be perceived as an endorsement of the company or product.

Money, jewellery or items of sentimental or intrinsic value - Employees **must not** accept gifts of money, jewellery or items appearing to have intrinsic or sentimental value. Where patients / residents / clients are incapable of understanding a staff member's refusal to accept a gift, e.g. a dementia sufferer, these may be accepted and passed onto the Department Manager for safekeeping and return to the patients/residents/clients or their family. These incidents must always be documented.

Repeat offers - 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. Individuals should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

The GIFT Test:

The GIFT test is a good reminder of what to think about when deciding whether to accept or decline a gift, benefit or hospitality. Take the GIFT test and when in doubt ask your manager.

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 or suppliers? Could the person or organisation benefit from a decision I make?
I	Influence	Are they seeking to influence my decisions or actions? Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy, a token of appreciation or highly valuable? 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 I feel if the gift, benefit or hospitality became public knowledge? What would my colleagues, family, friends or associates think?

Ownership of gifts offered to individuals

Non-token gifts with a legitimate business benefit that have been accepted by an individual for their work or contribution may be retained by the individual where the gift is not likely to bring them or TKDH into disrepute, and where their manager or Director has provided written approval. Employees must transfer to TKDH official gifts or any gift of cultural significance or significant value.

Ceremonial gifts

Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are the property of the organisation, irrespective of value, and should be accepted by individuals on behalf of TKDH. The receipt of ceremonial gifts should be recorded on TKDH's register but this information does not need to be published online.

Refer to Schedule B for the Gifts, Benefits and Hospitality Flow Chart.



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Management of the provision of gifts, benefits and hospitality

Providing Gifts:

As a general rule gifts to staff will not be provided by the organisation. The Departmental Director can approve the provision of a token offer to staff to acknowledge circumstances such as:

- The birth of a baby.
- Significant illness requiring hospitalisation.
- Death of an immediate family member (partner / child / parent).
- Extended period of personal leave

Individual departments may wish to take up a collection for staff members celebrating other events ie. wedding, birthday, resignation etc. This will be monitored by the Departmental Managers.

Departmental Managers/Coordinators may arrange a morning / afternoon tea farewell to recognise the resignation of any staff member.

Hospitality provided by TKDH

TKDH may provide hospitality to stakeholders, as part of our functions. When offered hospitality individuals should consider the requirements of the minimum accountabilities.

Accepted hospitality offered by TKDH as part of official business does not need to be declared or reported, where the reason for the individual's attendance is consistent with TKDH's functions and objectives and with the individual's role.

The HOST Test

The HOST test is a good reminder of what to think about when deciding whether to provide hospitality or a gift to employees or stakeholders. Take the HOST test and when in doubt ask your manager.

H	Hospitality	To whom is the gift or hospitality being provided? Will recipients be external business partners, or employees' members of the host organisation?
O	Objectives	For what purposes will the hospitality be provided? Is the hospitality being provided to further the conduct of official business? Will it promote and support TKDH objectives and priorities? Will it contribute to employees' well-being and satisfaction?
S	Spend	Will TKDH 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 and less than 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 TKDH? Have records in relation to the gift or hospitality been kept in accordance with the reporting and recording procedures?



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Reporting Gifts/ Benefits:

Declaring and recording gifts - reportable gifts include any gifts of more than the nominal value (token offer) of \$50 whether they are accepted or not.

The details of the offer of such gifts are to be recorded by the employee on a Gifts and Benefits Declaration Form including the decision taken to accept or decline the gift.

The details are then transferred to the Gifts and Benefits Register which is maintained by the Manager Finance and Supply Services. Significant gifts with a value in excess of \$1,000 are also recorded on the assets register if it is a capital item or piece of equipment.

The Gifts and Benefits declaration and register are to be reviewed annually by the TKDH Audit and Enterprise Risk Board Subcommittee.

Breaches

Disciplinary action consistent with the relevant industrial instrument and legislation, including dismissal, may be taken where an individual fails to adhere to this policy. This includes where an individual fails to avoid wherever possible or identify, declare and manage a conflict of interest related to gifts, benefits and hospitality in accordance with TKDH's Financial Code of Practice.

Actions inconsistent with this policy may constitute misconduct under the *Public Administration Act 2004*, which includes:

- breaches of the binding Code of Conduct for Victorian Public Sector Employees or the Code of Conduct for Directors of Public Entities, such as sections of the Code covering conflict of interest, public trust and gifts and benefits; and
- individuals making improper use of their position.

TKDH will communicate its policy on the offering and provision of gifts, benefits and hospitality to contractors, consultants and other business associates. Those identified as acting inconsistently with this policy may be subject to contract re-negotiation, including termination.

Speak up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within TKDH may not have been declared or is not being appropriately managed should speak up and notify their manager or Director. Individuals who believe they have observed corrupt conduct in their colleagues may also make a protected disclosure directly to the Independent Based-based Anti-corruption Commission (IBAC).

TKDH will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who speak up in good faith.

A conflict of interest resulting from the acceptance of a gift, benefit or hospitality is not always clear to those who have them. Individuals who are unsure about accepting a gift, benefit or hospitality, or the application of this policy, should ask their manager or Director for advice.



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Key Related Documents:

Gifts and Benefits Declaration Form
 Gifts and Benefits Register
 Gifts, Benefits and Hospitality Flowchart
 TKDH Code of Conduct
 Financial Code of Practice
 Protected Disclosure (Whistleblower)

Key Legislation, Acts & Standards:

- Code of conduct for Directors of Victorian public entities 2016
- Code of conduct for Victorian public sector employees 2015
- Minimum accountabilities for the management of gifts, benefits and hospitality (*see Instructions supporting the Standing Directions of the Minister for Finance*)
- *Public Administration Act 2004*

References:

Heathcote Health Gifts, Benefits and Hospitality Policy
 Victorian Public Sector Commission's *Gifts, benefits and hospitality policy guide* (July 2018)
<https://vpssc.vic.gov.au/resources/gifts-benefits-and-hospitality-resource-suite/>

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Accreditation Standards:



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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 more) 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 to the head of the public sector organisation or their delegate (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.
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.



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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 organisation's public website (applies only to organisations with an established website). The published register should cover the current and the previous financial year.



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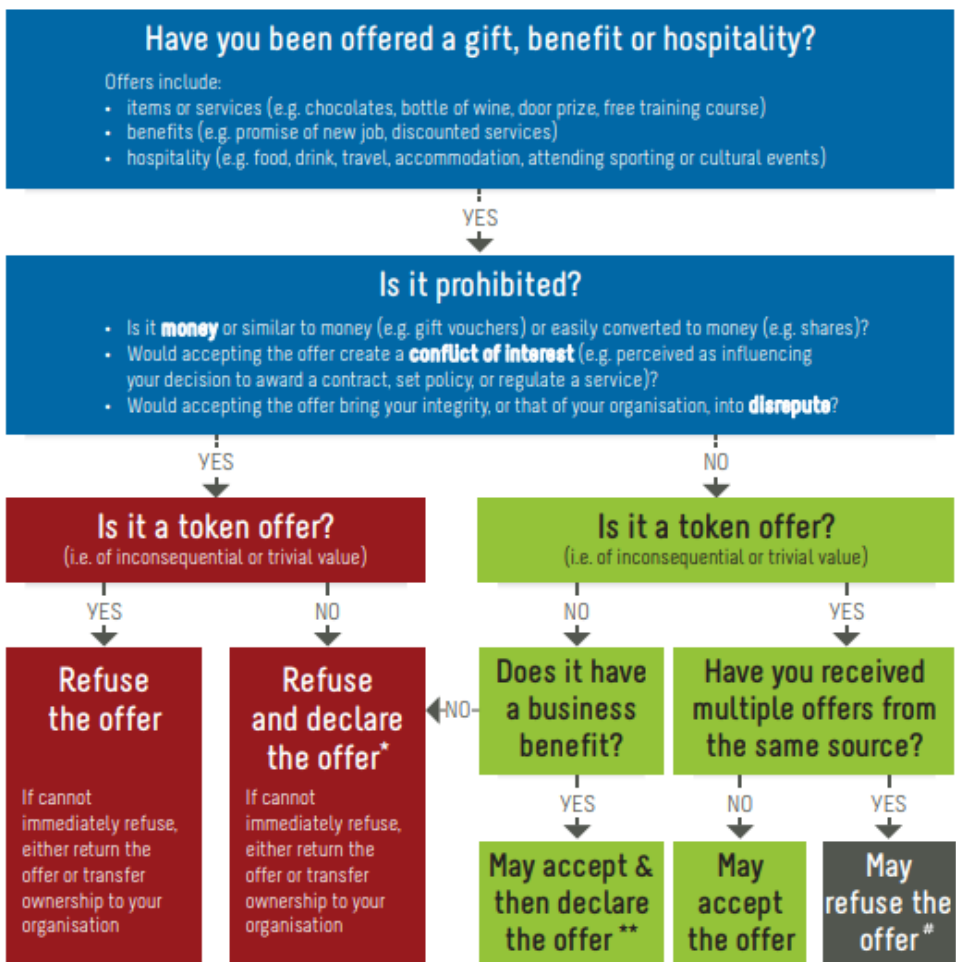
Title:

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Schedule B: Gifts, Benefits and Hospitality Flow Chart

RESPONDING TO GIFTS, BENEFITS AND HOSPITALITY

Public officials do not seek offers of gifts, benefits and hospitality.



* Generic, bulk event invitations that are declined (e.g. spam email offers) do not need to be declared.
 ** Hospitality from Victorian public sector organisations does not need to be declared.
 # More than one token offer may be accepted. However, care should be taken to ensure that multiple offers are not used as a device to avoid offers being recorded on the register.

<https://vpsc.vic.gov.au/gifts-benefits-hospitality/>

