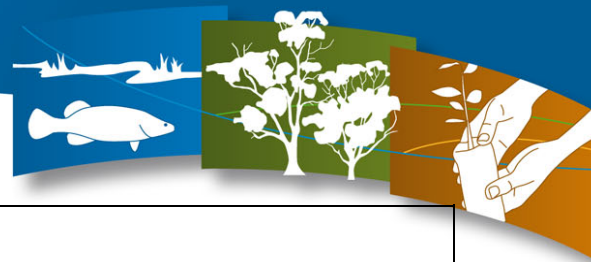


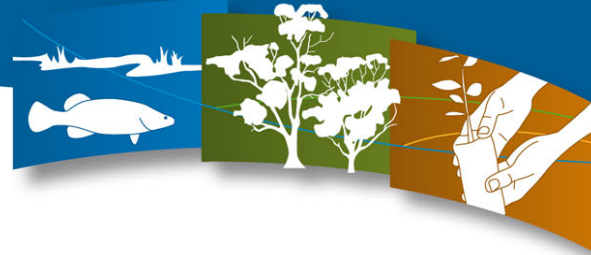
Policy FIN115



Policy Title:	Gifts, Benefits and Hospitality Policy		
Policy Number:	FIN115	SharePoint	NCCMA-69-403
Effective Date:	November 2018	Next Review Date:	November 2019
Purpose:	Sets out the North Central CMA standards and procedures for responding to gift offers.		
Scope:	All staff, executives, NRMCA and board members, including “in house’ contractors and consultants.		
Training Assumption	Induction and annual refresher training		
Legislative Context (if relevant):	<i>Public Administration Act 2004</i> <i>Financial Management Act 1994</i> (Standing Directions 2016 (3.4.11.1)) Vic Premiers Circular No 2012/02		
References:	Code of Conduct for Victorian Public-Sector Employees (VPSC); Directors’ Code of Conduct Gifts, Benefits and Hospitality Policy Framework - Victorian Public Sector revised April 2012 Attestation by Public Entities (completed annually by Chairperson) DELWP Model Policy		
Approved by:	CEO (major changes to be approved by the Audit Committee - with an annual review of Policy and the Gift/Hospitality Register by the NCCMA Audit Committee)		
Documents superseded by this document:	DM: #41333 Gifts, Benefits and Hospitality Policy DM: #NCCMA-69-255 FIN118 Hospitality		
Relevant forms:	NCCMA- 69-618 – Gift, Benefits & Hospitality Declaration Form Template NCCMA-59-2587 – Gift, Benefits & Hospitality Register		
Key Words:	Gift, benefits, hospitality		

Review Date	Amendments
November 2015	Inserted in section 9 a clause regarding standing agenda item at board meetings
September 2016	Update to comply with VPSC Gifts, Benefits & Hospitality Policy Framework Update Policy to reflect change in FMCF Standing Directions 2016
March 2017	Update to comply to direction to update in line with DELWP Model Policy (NCCMA-85-1101) Audit 172 (18 th April 2017)
May 2018	Update to Policy in regard to gift to staff for a “Life Event”

Policy FIN115



INTRODUCTION

The North Central CMA endeavours to conduct its business with impartiality and integrity whilst striking a balance between the responsible use of public resources and the benefits that may be delivered to us and ultimately to the community that we serve. At times gifts, benefits and hospitality may be offered to Board members and staff in the course of conducting this business. Consequently, a Board member or employee must not accept gifts, benefits or hospitality that may be likely to affect or could reasonably be perceived to affect, their performance of NCCMA business.

This policy is not intended to restrict networking opportunities that benefit North Central Catchment Management Authority through meeting with stakeholders, members of the community or other partners or groups.

1. Scope

This policy sets out the agency's standards and procedures for responding to gift offers. It applies to all board members and employees (i.e. senior executives and other staff, including 'in house' contractors and consultants).

2. Aim

The aim of this policy is to minimise gift offers made to, and accepted by, board members and employees. This helps to protect and promote public confidence in the integrity of the agency.

Gift offers are discouraged and must never be accepted unless there is clear justification, consistent with the prohibitions in this policy, to do so.

3. Key principles and accountabilities

The key principles are:

- **Obligations:** board members and employees act in accordance with their respective obligations and with good public-sector governance practice (see item 16).
- **Public interest:** board members and employees act in the public interest, in compliance with this policy.
- **Culture of integrity:** the agency fosters a culture of integrity. Board members and employees are supported to raise any unresolved gifts issues.
- **Risk-based:** the agency's risks in relation to gift offers are assessed, managed, and monitored.
- **Processes:** the agency's procedures are transparent and accountable. Processes are in place to ensure that board members and employees are aware of the requirements of this policy and how to comply with it.

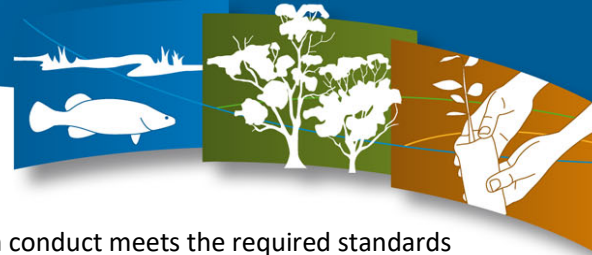
Consistent with DELWP model policy

The agency's policy is consistent with the DELWP model policy on Gifts, benefits and hospitality – responding to gift offers, which is published by the Department of Environment, Land, Water and Planning ('DELWP').¹

¹ The DELWP model policy is designed specifically for DELWP portfolio agencies. It should be used rather than the generic model policy issued by Victorian Public-Sector Commission ('VPSC'). The DELWP model policy incorporates:

- the binding *Minimum accountabilities for managing gifts, benefits and hospitality* ('Minimum accountabilities'), which are located in the *Gifts, Benefits and Hospitality Framework* ('the Framework') issued by the VPSC;
- other obligations in the *Public Administration Act 2004* ('PAA'), the *Code of Conduct for Directors of Victorian Public Entities* ('Directors' Code of Conduct') and the *Code of Conduct for Victorian Public-Sector Employees*; and
- good public-sector governance practice.

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Accountabilities

Board members and employees are responsible for ensuring that their own conduct meets the required standards of integrity. They place the public interest above their own interests when carrying out their official duties. This includes declaring all gift offers in accordance with this policy and refusing prohibited gifts (item 5).

The chair, the chief executive officer ('CEO'), and employees with direct reports are responsible for being aware of, and monitoring, the risks inherent in their team's work and functions. They model good practice and promote awareness of this policy and related processes.

4. Definitions

4.1 Gift offer

A gift offer is anything of monetary or other value that is offered by an external source (organisation or individual) to a board member or employee as a result of their role with the agency. It includes free/discounted:

- **items or services**, for example, items such as a Christmas hamper, desk calendar, box of chocolates, bottle of wine, commemorative object, or 'door prize' at a function; services such as tree-logging or house painting.
- **benefits** such as preferential treatment, privileged access, favours or other advantages or intangibles, for example, access to a discount or loyalty program, or the promise of a new job.
- **hospitality that exceeds common courtesy**. 'Hospitality' is the friendly reception and treatment of guests. It includes offers of food, drink, travel, accommodation, events or activities (e.g. sporting, social, industry, arts, entertainment, or other events/activities). 'Common courtesy' is polite, basic and modest. It does not raise a conflict of interest. Whether an offer exceeds common courtesy depends on the circumstances (i.e. what is offered, by whom, to whom, when and why).

Example – does not exceed common courtesy

The following offers do not exceed common courtesy. They are **not a gift offer** and do not need to be disclosed under this policy:

- a cup of coffee at another organisation's premises;
- a modest working lunch, such as sandwiches and pastries, at another organisation's premises;
- a cup of coffee at a café (unless there is a conflict of interest).²

Example – gift offer

The following offers exceed common courtesy. They are a **gift offer** and must be disclosed under this policy:

- a 'fine dining and wines' working lunch at another organisation's premises;
- an offer to pay for a working lunch at a café;
- an offer of a free spot at an industry golf day.³

Direct or indirect

A gift offer may be direct or indirect. It may be made directly to a board member or employee or indirectly via an offer to their relative or close associate, including:

- a member of their immediate family (e.g. spouse, partner, child, grandchild, parent, sibling);
- a regular member of their household (whether or not they are related); or
- another close associate (e.g. friend, business associate, other relative).

2. For example, there is a conflict of interest if it is offered by a stakeholder with an interest in a policy decision that the person is likely to make or can influence. Note that all conflicts of interest must be refused - see item 5, 'Prohibited gifts'.

3. Note that in these examples the gift offered is inconsistent with community expectations and must be refused - see item 5, 'Prohibited gifts'.

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Is the gift offer 'token' or 'reportable'?

A gift offer that is made by an external source is either 'token' or 'reportable':

- **Token** – the gift offer is trivial and inconsequential. The **combined total** of offers to the board member or employee from that source in the last 12 months **does not exceed \$50**.
- **Reportable** – the gift offer exceeds the token value OR is of cultural, historic or other significance.

Example – exceeds token value

If a board member or employee is offered a \$20 bottle of wine three times by the same source in 12 months, the 3rd offer makes a cumulative total of \$60. This exceeds the \$50 threshold. The 3rd offer is therefore reportable, *even if none of the offers are accepted*. What counts is the total offered in the last 12 months.

Example – other significance

A gift offered by a visiting delegation, such as a delegation from another country, is reportable, regardless of its monetary value. Even if it is not cultural or historic significance. It is of 'other' significance.

4.2 Conflict of interest

A 'conflict of interest' is a conflict between a board member's or employee's public duty to act in the best interests of the agency and their private interests (financial or non-financial). A conflict exists whether it is:

- **real** – it currently exists;
- **potential** – it may arise, given the circumstances; or
- **perceived** – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the person's performance of their duty to the agency, now or in the future.

4.3 Bribe

A 'bribe' is an offer of money or other inducement made with the intention to corruptly influence a board member or employee in the performance of their duties. Bribery or attempted bribery of a public official is a criminal offence.

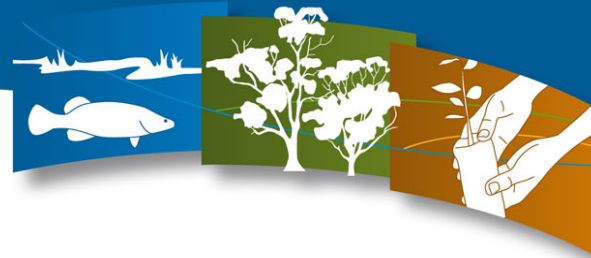
4.4 Legitimate business reason (benefit)

A 'legitimate business reason' is a business purpose that furthers the official business or other legitimate goals of the agency, public sector, or State.

4.5 Responsible person

The 'responsible person' is the person whom the board member or employee notifies of any gift offers they receive; notifies of suspected bribery attempts; and seeks advice from about this policy and how to comply.

	Responsible Person
Employee	Line Manager
Board member or CEO	Chair
Chair	Deputy chair <i>[or if none exists: 'board member appointed by the board']</i> . Where appropriate, the chair should also seek advice from the Minister and/or DELWP.



5. Prohibited gifts

A board member or employee must refuse any gift offer that:⁴

- is **money** or is similar to money (e.g. gift vouchers) or easily converted into money (e.g. shares);
- is a **conflict of interest** (real, potential or perceived) – e.g. is offered by an external source with an interest in a decision that the board member or employee is likely to make or can influence, including in relation to:
 - procurement of goods or services;
 - tender processes;
 - awarding of a grant or sponsorship;
 - setting of policy;
 - enforcement, licensing or regulation; or
 - contracts;
- could in any other way create a **reasonable perception** that it is offered to influence, or could influence, the judgement of the board member or employee (i.e. how he/she acts, or fails to act, now or in the future);
- is inconsistent with **community expectations**; or
- could in any other way bring their **integrity**, or that of the agency, into disrepute.⁵

If it is a reportable gift offer (item 9), it must also be refused unless there is a '**legitimate business reason**' to accept it.⁶

5.1 Gift offers of hospitality

To ensure compliance with the above requirements, board members and employees must be particularly cautious about accepting gift offers of hospitality (i.e. food, drink, travel, accommodation, events or activities). Gift offers of hospitality are often inconsistent with community expectations. There is also a high risk of conflict of interest. In such cases, the gift offer must be refused even if there is a legitimate business reason to accept.⁷

In particular, note that:

High risk events and activities

Invitations to attend or participate in a sporting, social, 'industry', arts, entertainment, or other event or activity are high risk. Examples of gift offers that must be refused include:

- attend as a guest in a corporate box at the football or at a car or horse racing event;
- attend a concert or theatre event;
- attend an industry golf day or play golf at a reduced fee;
- be 'shouted' a meal at a restaurant; or
- accept complimentary or discounted tickets for a family member to attend the tennis.

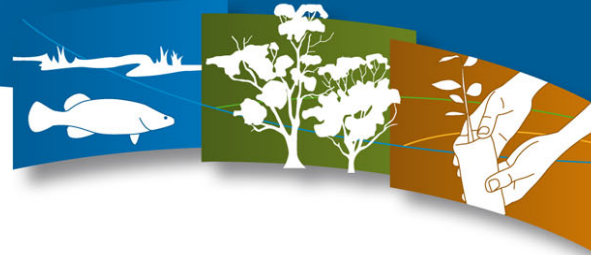
4 Consistent with Minimum accountability 2.

5 For example, if accepting the gift offer could be perceived as endorsement of a product or service.

6 Note that the following are not a 'legitimate business reason':

- 'It would have been impolite to refuse';
- 'Refusal would offend' (except in compelling circumstances that are in the public interest. These almost never exist for gift offers of hospitality and rarely exist for other gift offers.);
- 'Networking'
- 'Maintaining stakeholder relationships'.

7 Consistent with para 6.2.2 of the Framework.



- **Conferences and familiarisation tours**

Gift offers in relation to conferences or familiarisation tours (e.g. sponsored attendance, participation, travel, or accommodation) must be declined unless there is:

- **clear justification**, such as where the invitation is issued by a government department, or the event is funded by DELWP, or, depending on the circumstances, the offeror is a peak body; and
- **prior written approval** that sets out clear reasons is specifically granted by the CEO (for employees) or the responsible person (for the chair, board members, and CEO). The signed and dated approval must be attached to the gift offer declaration form (item 10) and noted in the gifts register (item 11).⁸

- **Recording prohibited gift offers**

To assist the agency to monitor the frequency and nature of prohibited gift offers, it is essential that all such offers are disclosed in accordance with the requirements for token (item 8) or reportable (item 9) gift offers.

- **Misuse of position**

Accepting a prohibited gift offer may constitute misuse of a board member's or employee's position, a breach of this policy and/or a breach of the relevant code of conduct, and may result in disciplinary action. In addition, if the gift was offered with the expectation of something in return, such as preferential treatment, accepting it may constitute a bribe (item 6) or other form of corruption and lead to criminal prosecution.

6. Attempts to bribe

A board member or employee who receives a gift offer that he/she believes is an attempted bribe must refuse the offer. He or she must:

- immediately notify the responsible person and lodge a gift offer declaration form (item 10), so that their refusal can be properly recorded; or
- report the matter to the Independent Broad-based Anti-Corruption Commission (IBAC) as a protected disclosure.⁹

A board member or employee who believes that another board member or employee may have solicited or been offered a bribe which the other person has not reported must either notify the responsible person or report the matter to IBAC as a protected disclosure.

The CEO must have processes in place to ensure that he or she is notified when a responsible person becomes aware of a bribery issue. The CEO must notify IBAC of any matter which he/she believes on reasonable grounds may be corrupt conduct or, if appropriate, notify the police of a suspected offence.¹⁰

7. Ban on soliciting gifts

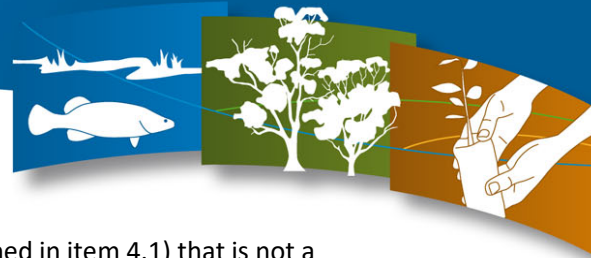
Board members and employees must not solicit gifts for themselves or anyone else, in any form. To do so may constitute misuse of their position, a breach of this policy and/or a breach of the relevant code of conduct and may result in disciplinary action. It may also constitute corruption and lead to criminal prosecution.¹¹

⁸ The agency is the owner of the sponsored travel and accommodation, etc. (item 9). Approval is given for the board member or employee to utilise the gift at the agency's behest – see 'Public interest approval' in item 9.2

⁹ Note that if a matter is referred to IBAC or the police there may be legal implications which necessitate variation to the usual record-keeping processes in items 8 to 11.

¹⁰ Consistent with Minimum accountability 4.

¹¹ Consistent with Minimum accountability 1.



8. Token gift offers

A board member or employee who is offered a gift of **token value** (as defined in item 4.1) that is not a prohibited gift (item 5) may:

- refuse the gift offer; or
- accept the gift offer and retain the gift as their own.

Disclosing token gift offers

Regardless of whether a token gift offer is accepted, it must be disclosed as soon as practicable to the responsible person. The board member or employee who receives the offer must send an email to the responsible person that sets out:

- the date of the offer;
- the source (organisation or individual) of the offer;
- what was offered and why;
- that it was a token offer, including an estimate of:
 - the value of the gift offered; and
 - the combined value of all gifts offered to them from that source in the last 12 months;
- whether it was a prohibited gift (item 5) and, if so, why; and
- whether the offer was accepted or refused.

A gifts declaration form (item 10) does not need to be completed. Nor does the gifts register (item 11).

Example – acceptance of token gift

'On 16 July 2017, I received a gift offer from Berringer and Co. of a bottle of wine. It was offered to me as a thank you for presenting at their annual education forum, which I did as part of my official duties. I estimate the value of the bottle of wine to be \$30. I estimate the combined total of gift offers I have received from this source in the last 12 months to be \$45. I consider this to be a token gift offer. It was not a prohibited gift offer. I accepted the offer.'

Example – refusal of token gift

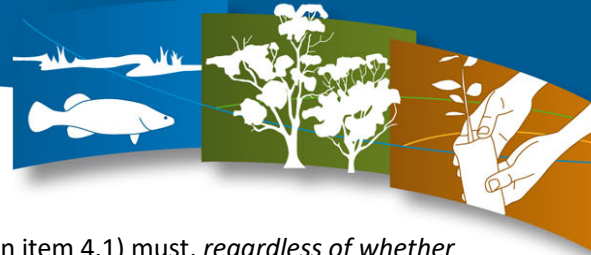
'On 13 December 2017, I received a gift offer from Murks and Co. of a desk calendar. It was offered as 'a Christmas good will gift'. I estimate the value of the desk calendar to be \$20. I estimate the combined total of gift offers I have received from this source in the last 12 months to be \$45. It was a prohibited gift as it is a conflict of interest - Murks is a prospective tenderer about whom I am likely to make or can influence a decision. I refused the offer and explained why to the rep.'

Keeping track of token gift offers

The board member or employee disclosing the token gift offer and the responsible person must each retain a copy of the email. An email record:

- assists the board member/employee to fulfil their responsibility to keep track of whether offers made to them by that source exceed a combined value of \$50 in the last 12 months (i.e. the reportable threshold); and
- assists the responsible person to monitor the risks inherent in their team's work and functions.¹²

¹² A responsible person may decide to maintain a spreadsheet with an overview of token gift offers disclosed to them by email. This will assist in monitoring risks and compliance with this policy (item 13).



9. Reportable gift offers

A board member or employee who is offered a **reportable** gift (as defined in item 4.1) must, *regardless of whether the gift is accepted*:

- verbally disclose the offer to the responsible person as soon as practicable; and
- within five working days of the offer, sign and lodge a properly completed gift offer declaration form (item 10). A gift offer must not be accepted if it is a prohibited gift (item 5).

9.1 Ownership of reportable gifts

A board member or employee who accepts a reportable gift does so **on behalf of the agency**. The agency is the owner of the gift.

9.2 Dealing with accepted gifts

The CEO must have processes in place for the receipt and use or disposal of reportable gifts by the agency. As part of these processes:

- **Gifts of cultural, historic or other significance**

Consideration should be given to donating gifts of cultural, historic or other significance to an appropriate public institution, such as the Melbourne Museum, State Library, or National Gallery of Victoria.

- **Donating other reportable gifts**

Consideration should be given to donating other reportable gifts, or the proceeds of their sale, to a non-profit organisation or public institution.¹³

- **'Public interest' approval for use of gift by board member or employee**

Occasionally, it will be in the **public interest** for approval to be given for a board member or employee to use a reportable gift 'as their own' at the behest of the agency.

Applications for 'public interest approval' will be determined by the board (for board members and the CEO) or the CEO (for employees) in accordance with the following criteria:

- approval is required to avoid the person being in breach of this policy through no fault of their own;
- prior written approval has been granted, in accordance with item 5.1 of this policy, for sponsored hospitality to be accepted in relation to a conference or familiarisation tour; or

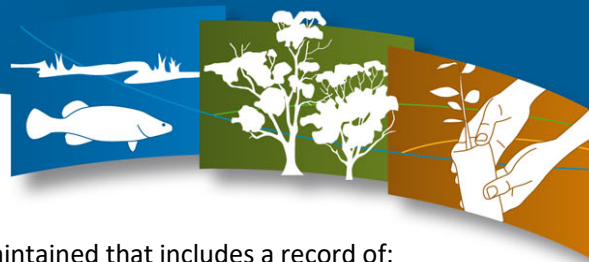
The reason(s) for any public interest approval that is granted must be well documented, attached to the gift offer declaration form, and recorded in the gifts register.

10. Gift offer declaration form

The gift offer declaration form is set out in **Appendix 1** of this policy. The CEO must have processes in place for the lodging and processing of gift offer declaration forms.¹⁴

¹³ Consistent with Minimum accountability 3.

¹⁴ Note that completed declaration forms must be retained in accordance with the *Public Records Act 1973*.



11. Gifts Register

A *Register of responses to reportable gift offers* ('gifts register') must be maintained that includes a record of:

- all **reportable** gift offers and responses (based on completed gift offer declaration forms); and
- if the gift offer was accepted, how the gift will be used or disposed of by the agency.

The gifts register template is set out in **Appendix 2**.

The CEO must have processes in place for ensuring that the register is up-to-date; is protected from unauthorised changes; and is published on the agency's external website (see item 11.1).¹⁵ This includes designating employee position(s) whose occupant(s) manage these functions.

In addition:

- **Employees**

The CEO must ensure that employees are provided with regular reminders of the need to lodge gift offer declaration forms (see item 14.2).

- **Board members**

At the start of each board meeting, the chair must ask all board members present to state whether their entries in the gifts register are complete and correct. If there are no changes, the minutes will note that:

'All board members present confirmed that their entries in the *Register of responses to reportable gift offers* are complete and correct'

If changes are declared, these will be noted in the minutes, together with the board member's undertaking to lodge a gift offer declaration form (item 10) within five working days.

11.1 Publishing of gifts register on external website

A copy of the gifts register that complies with privacy obligations (see next item) must be published on the agency's external website. It should be updated at least every six months. Entries should remain on the website for at least the current and previous financial year.¹⁶

12. Privacy protection

The CEO must have processes in place to ensure that the agency complies with the *Privacy and Data Protection Act 2014* when collecting, using, and disclosing personal information in relation to gift offers (token and reportable). This includes ensuring that:

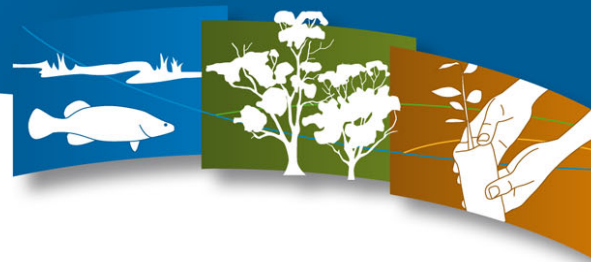
- identifying information is deleted from the copy of the gifts register that is published on the agency's external website, as set out in **Appendix 2**; and
- a *Privacy collection statement - gift offers* is published on the website that is consistent with the template statement issued by DELWP.¹⁷

¹⁵ Consistent with Minimum accountability 9.

¹⁶ To assist readers, the 'de-identified' copy of the gifts register should be located with the privacy collection statement (item 12) and copy of this policy and guidance for external stakeholders (item 14.5) on the website.

¹⁷ DELWP's template *Privacy collection statement - gift offers* is available from www.delwp.vic.gov.au/onboard.

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13. Monitoring compliance

The administration and quality control of the agency's policy and processes, including the gifts register and gift offer declaration forms, must be subject to regular scrutiny.¹⁸

Annual report by CEO to Audit committee

The CEO must provide a report at least annually to the Audit committee that includes the matters set out in **Appendix 3** in relation to:

- risk analysis;
- steps taken to improve compliance; and
- recommendations for improvement.

Annual report by Audit committee to board

The Audit committee must submit a report at least annually to the board that takes into account the CEO's report and includes any other information or recommendations that the Audit committee chooses to include.

14. Promoting and improving compliance

To promote and improve compliance with this policy:

14.1 Business rules

The CEO must have suitable business rules, processes, and record-keeping requirements in place for the practical implementation of this policy.¹⁹

14.2 Induction and refresher training – board members and employees

The chair (for board members and the CEO) and the CEO (for employees) must ensure that all board members and employees receive **induction training** and annual **refresher training**, including:

- information about the aim, principles, accountabilities, and requirements of this policy;
- practical guidance on how to comply with it (e.g. where to obtain gift offer declaration forms, how to refuse a gift without giving offence, etc.); and
- advice that a breach of this policy may constitute a breach of a binding code of conduct and may result in disciplinary action and, in the case of corrupt conduct, criminal prosecution.²⁰

A copy of the agency's policy and related practical guidance must be provided to each board member and employee when they commence their term of appointment/employment. Updates to the policy and related guidance must be provided as soon as practicable after they occur.²¹

Summary flow chart

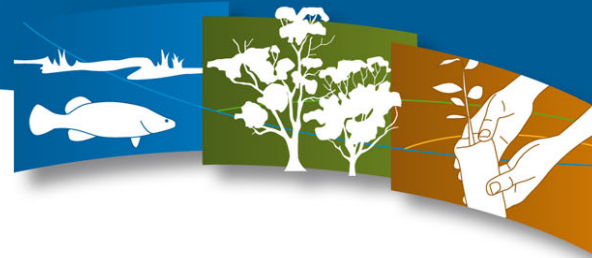
To assist employees and board members, a flowchart of how to respond to gift offers is set out in **Appendix 4**.

¹⁸ Consistent with Minimum accountability 12.

¹⁹ Consistent with Minimum accountability 8.

²⁰ Consistent with Minimum accountability 10.

²¹ Consistent with paras 5.2.1 and 5.2.3 of the Framework.



14.3 Gifts hub – board members and employees

The CEO must designate an employee position whose occupant manages (or acts as) a ‘Gifts hub’ to provide responsible persons and other board members and employees with a central point from which to obtain expert advice and guidance materials.

14.4 Contracts for ‘in house’ contractors and consultants

All contracts for ‘in house’ contractors and consultants (including those engaged through an employment agency) must explicitly state that the contractor or consultant is bound by this policy and by the Code of Conduct for Victorian Public-Sector Employees.²²

14.5 External stakeholders (tenderers, suppliers, external contractors, etc.)

All contracts for suppliers and external contractors must ensure that the contract can be revoked (or renegotiated) by the agency if the supplier or external contractor offers a prohibited gift to a board member or employee.²³

The CEO must have processes in place to ensure that external stakeholders have ready access to information that explains the prohibitions and restrictions in this policy. This includes ensuring that:

- an up-to-date copy of this policy is published on the agency’s external website;²⁴ and
- suitable guidance material is:
 - included in information packages for prospective tenderers and suppliers;
 - provided directly to all suppliers and external contractors, with regular reminders thereafter; and
 - published on the agency’s website.^{25 26}

14.6 Remedial action

The CEO must have processes in place to ensure that patterns of frequent or prohibited gift offers are identified and, where appropriate, **remedial action** is taken - e.g. a letter is sent to the source of the offers explaining why such offers must not be made.

²² This includes the contracts for all contractors or consultants who:

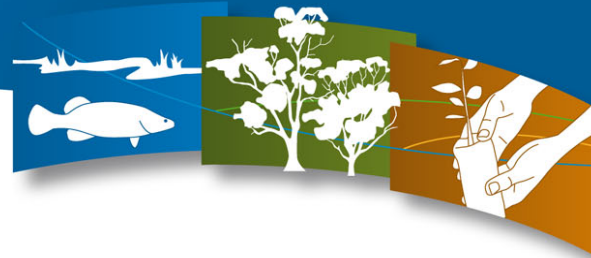
- supervise employees of this agency;
- undertake work similar in nature to the work undertaken by employees of this agency at a premises or location generally regarded as a workplace of this agency; and/or
- use or have access to the agency’s resources or information not normally accessible or available to the public.

²³ Consistent with para 5.1.4 of the Framework.

²⁴ Consistent with Minimum accountability 13.

²⁵ Information to external stakeholders should, where appropriate, also make reference to any applicable whole of Victorian government supplier codes of conduct.

²⁶ Consistent with Minimum accountability 11.



15. Providing gifts, travel or hospitality

A board member or employee will only provide gifts, travel or hospitality on behalf of the organisation if it is clearly in the **public interest** to do so – i.e. a reasonable business expense (as defined in item 4 of this policy). All expenditure will be recorded and reported in accordance with whole of government financial management, accounting and reporting requirements.

Further to these requirements:

Providing gifts

The Authority will at times 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, such as a card and/or flowers, may be sent to family members to acknowledge an employee's contribution to the workplace in the event of their death.

Gifts must be approved by the CEO or delegated Authority before purchase.

Gifts to external individuals or organisations will normally be symbolic, rather than financial, in value.

Gifts to board members or employees (e.g. to recognise significant work achievements or service milestones) will be token (\$50 or less). Personal celebrations (e.g. birthdays) will not be funded using public monies. In recognising personal life events (e.g. birth of a child, marriage, death of partner/child), the North Central CMA Board recognises and appreciates the contributions by staff and as such will fund these events up to the amount of \$75 or less. The North Central CMA Board acknowledges that this amount is in-excess of the token amount recommended by the DELWP Model Gift, Benefits and Hospitality Policy.

Providing hospitality (hosting)

A board member or employee who extends or receives hospitality will demonstrate professional conduct at all times and will uphold his/her obligation to extend a duty of care to other participants.

The requirements apply to both:

- **official hospitality** - hosting official guests (e.g. community representatives, people from the private or academic sector); and
- **internal (general) hospitality** - hosting functions, often in the workplace, for members of the Victorian public sector, (e.g. board meetings, staff meetings, lunch at a workshop, a retirement function for a long-standing staff member, a celebration to mark a major work milestone).

Providing hospitality (catered functions for staff)

The Authority may occasionally provide catered activities for employees. These include:

- a staff-related event, for example a training course, workshop, planning day seminar or conference; and
- to recognise an organisational or individual staff achievement (for example the successful completion of a project or the retirement of a long-standing member of staff).

Catering an event for staff 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, they should consider:

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- 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.

16. Culture of integrity

It is essential that board members, employees, and external stakeholders are supported to raise queries and issues about gift offers, including queries and issues relating to their own conduct or that of others.

Assistance with making decisions

A board member or employee who is uncertain how to comply with this policy should seek advice from their responsible person. They can also seek advice from the Gifts hub (item 14.3). This does not abrogate their responsibility to make the right decision.

Possible breach of this policy

A board member or employee who may have breached this policy must immediately notify the responsible person and remedy any breach.

Speaking up

A board member or employee who believes that another board member/employee may have breached this policy must:

- approach the other person, to give them the opportunity to notify the responsible person and remedy any breach; or
- notify the responsible person directly.

If the matter involves corruption or serious misconduct, the board member or employee can choose to instead report the matter to IBAC as a protected disclosure.²⁷

Decisive action, including possible disciplinary action, will be taken against any board member or employee who discriminates against or victimises a person who speaks up in good faith about a possible breach of this policy.

²⁷ Making a 'complaint' to IBAC under the *Protected Disclosures Act 2012* gives legal protection to the person making it that their identity will remain confidential and they will be protected from reprisals.

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17. Obligations and good practice

Board members and employees must act in accordance with their respective obligations and with good public-sector governance practice, including:

- the establishing Act, being the CALP Act;
- the *Public Administration Act 2004* ('PAA');²⁸
- binding codes and accountabilities issued by the Victorian Public-Sector Commission, in particular:
 - Code of Conduct for Directors of Victorian Public Entities ('Directors Code of Conduct');
 - Code of Conduct for Victorian Public-Sector Employees; and
 - Minimum accountabilities for managing gifts, benefits and hospitality (numbers 1 to 4 and 8 to 13);²⁹
- government policy;
- any directions, guidelines and/or statements of obligation or expectation issued by the Minister; and
- all other laws and obligations that bind the agency.³⁰

18. Regular review of this policy

The board will review this policy on an annual basis or more frequently, if required, to keep up-to-date with changes to laws, government policy, etc. This policy should be consistent with the most recent version of the DELWP model policy.³¹

19. Related policies

Board policies on:

- Conflict of Interest
- Board Protocol Statement
- Code of conduct.

20. Further information

For further information see the Gifts, benefits and hospitality support module in the Governance guides and resources section of DELWP's governance website, **On Board** (www.delwp.vic.gov.au/onboard). It includes the DELWP model policies and DELWP guidance notes, plus direct links to this topic on the VPSC website.

²⁸ Making a 'complaint' to IBAC under the *Protected Disclosures Act 2012* gives legal protection to the person making it that their identity will remain confidential and they will be protected from reprisals.

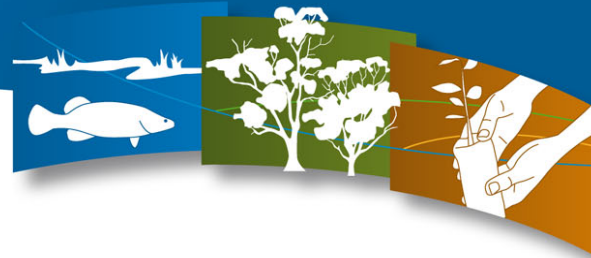
²⁹ In particular:

- s 7: public sector values (i.e. integrity, impartiality, accountability, respect, responsiveness, human rights, leadership);
- s 79: 'duties of directors' (board members);
- s 13A: requirement to provide information to the Secretary of DELWP;
- s 81(1)(b): duty to inform the minister and the Secretary of DELWP of major risks to agency;
- s 81(1)(g): requirement to have an adequate gifts policy in place for board members.

³⁰ The minimum accountabilities are incorporated into DELWP's model policy, which this agency's policy is consistent with.

³¹ For example, the requirement in the 'Instructions supporting the Standing Directions of the Minister for Finance 2016' for agencies which are subject to the *Financial Management Act 1994* to have policies and procedures in place in relation to gifts, benefits and hospitality – see Instruction 2.1(i) and Direction 3.4(e). See item 3 of this policy, including footnote 1.

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Appendix 1 – Gifts, Benefits & Hospitality Declaration Form

Declaration made by recipient of a reportable gift , benefit or hospitality offer

Date offered: *[insert]*

Offered to: *[insert name and position title/number]*

Offered by: *[insert name, title and organisation]*

Reason gift was offered:

Description of gift:

Estimated value of gift: \$

First time offer OR **previous offer(s)** received from this source (individual or organisation) in the last 12 months

Estimated cumulative value of gifts offered by this source (individual or organisation) in the last 12 months: \$

Do you believe that the gift may be of cultural, historic or other significance? Yes No

The gift offer was: **declined** OR **accepted on behalf of organisation**

If the gift was accepted, are you applying for **transfer** of ownership to yourself in the public interest? Yes No

Outcome of gift, how was it distributed:

Signature of board member or employee:

Date:

Noted by 'responsible person' (line manager):

Noted

Signature:

Name:

Role:

Date:

Gifts Register updated (by finance)

Updated

Signature:

Name:

Role:

Date:

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Responding to gift offers – (1) Model policy

A	B	C	D	E	F	G	H	I	J	K	L	M
Entry no.	Date gift offered	Offeror	Offeror number	Prohibited gift? If so, why?	Board member or employee to whom the gift was offered	Description of gift offered	Cultural, historic or other significance?	Est. value of this offer	Est. combined value	Was the gift accepted or declined? If accepted, record the legitimate business reason (benefit).	If the gift was accepted: (1) How is it to be used/disposed of? (2) Who authorised this decision?	Any relevant: (1) Comments (2) Remedial action.
01/17	9.12.16	Takem Pty Ltd John Smith, Marketing officer (Supplier)	55	Prohibited gift: Conflict of interest. Offered by supplier about whom employee is likely to make or can influence a decision.	Anita Green Senior Purchasing Officer (Employee)	Christmas hamper	No	\$70	\$85	Declined	Not applicable	'Explained was prohibited gift as I am a purchasing officer. Directed supplier to info on website.' (Anita Green)
02/17	20.4.17	Water Steady Pty. Ltd Alex Hutton, Director (Industry stakeholder)	63	Prohibited gift: COI. Offered by industry stakeholder with interest in policy decision board is to make (outcome of green paper).	Charles Pink Board member (Board member)	Lunch at a cafe	No	\$45	\$70	Declined	Not applicable	'AH wanted to discuss green paper "over lunch at Mimi's, my shout'. (Charles Pink)
03/17	10.5.17	South Pacific Nations Sustainability Alliance Lyn Tan, Head of delegation (Visiting international delegation)	64	No.	Francine Gold Chair (Board member)	Wall clock made of sustainably harvested timbers sourced from South Pacific.	Yes.	\$500	\$500	Accepted. Reason: hosting delegation improves international relations for State.	(1) Donated to XYZ institution. (2) Andrea Fennel, CFAO	'Gift received as thank you for escorting visiting international delegation' (Francine Gold)

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Responding to gift offers – (1) Model policy

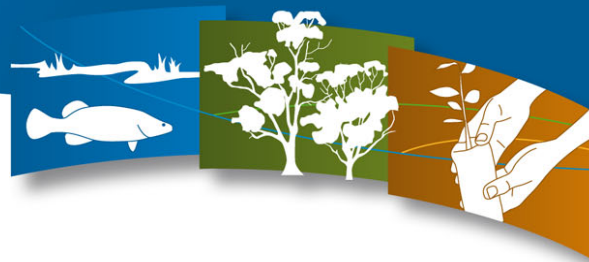
A	B	C	D	E	F	G	H	I	J	K	L	M
Entry no.	Date gift offered	Offeror	Offeror number	Prohibited gift? If so, why?	Board member or employee to whom the gift was offered	Description of gift offered	Cultural, historic or other significance?	Est. value of this offer	Est. combined value	Was the gift accepted or declined? If accepted, record the legitimate business reason (benefit).	If the gift was accepted: (1) How is it to be used/disposed of? (2) Who authorised this decision?	Any relevant: (1) Comments (2) Remedial action.
04/17	9.7.17	Takem Pty Ltd Andrea Honey, Marketing officer (Supplier)	55	Prohibited gift: Conflict of interest. Offered by supplier about whom employee is likely to make or can influence a decision.	James Fry Manager, Purchasing (Employee)	Free ticket to 'Office of the Future' trade exhibition (where offeror has a stand).	No	\$65	\$65	Declined	Not applicable	'Explained prohibited gift. (James Fry) 'Supplier has pattern of prohibited offers. Suggest remedial action' (Bob Ng – responsible person) Remedial action: letter sent to CEO on 28.5.16
05/17	12.9.17	Birchup Ltd Sandra Sutton, Managing Director (Industry stakeholder, commercial interests)	32	Prohibited gift: Reason 1 – COI. Stakeholder with interest in decisions executive can influence. Reason 2 – Inconsistent with community expectations Reason 3 – No legitimate business purpose.	John Black CEO (Executive)	Attendance for two at AFL Grand Final in corporate box.	No	\$450	\$450	Declined	Not applicable	'Explained prohibited gift. Sent guidance materials by email dated 14.9.16' (John Black)

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Responding to gift offers – (1) Model policy

A	B	C	D	E	F	G	H	I	J	K	L	M
Entry no.	Date gift offered	Offeror	Offeror number	Prohibited gift? If so, why?	Board member or employee to whom the gift was offered	Description of gift offered	Cultural, historic or other significance?	Est. value of this offer	Est. combined value	Was the gift accepted or declined? If accepted, record the legitimate business reason (benefit).	If the gift was accepted: (1) How is it to be used/disposed of? (2) Who authorised this decision?	Any relevant: (1) Comments (2) Remedial action.
06/17	10.9.17	Green Growth Forums Sally Bower, Director, Education (Not for profit. Regional collective of environment agencies)	44	Prohibited gift: No legitimate business reason to accept.	Jan Baker Executive Director, Sustainable Growth Division (Employee)	Box of chocolates	No	\$25	\$55	Declined	Not applicable.	'Gift offered for presenting at 2 nd forum this year. Accepted token gift (\$30 bottle of wine) for 1 st presentation. Explained could not accept this offer as exceeds \$50 reportable threshold without 'legitimate business benefit'. (Jan Baker)



Appendix 3 – Annual report to Audit committee

The CEO's annual report to the Audit committee (item 13) must, at a minimum, include the following information:

A. Risk analysis

Sources, type, and targeting of gift offers (patterns and anomalies)

Reportable gifts: an analysis of patterns and anomalies in the gifts register, including an overview of:

- (i) *Gifts offered*: the types and value range of gifts offered, in particular:
 - main sources (organisations and individuals) of high value and/or frequent offers;
 - which areas of the agency and which positions (chair, board member, CEO, other employee positions) were subject to high value and/or frequent offers; and
 - patterns in areas identified by the Audit committee for high scrutiny (e.g. tendering and procurement).
- (ii) *Prohibited gifts*: the level, nature and sources of prohibited gifts offers.
- (iii) *Acceptance of gifts*: the total number, value, and percentage of gift offers accepted v. refused.
- (iv) *Use and disposal*: how the agency used or disposed of the gifts it received.
- (v) *Bribes*: any reports of suspected bribery attempts.

Token gifts: to the extent, if any, that the Audit committee requires, an analysis of token gift offers - e.g. some or all of (i) to (iii) above - in particular, prohibited token gift offers.

Level of compliance with policy

An overview of the estimated level of compliance with this policy, including:

- (i) Whether there are fewer entries in the gifts register than would reasonably be expected given the size and functions of the agency.
- (ii) Based on research conducted (e.g. surveys and focus groups with board members and employees; random and targeted spot checks with current/recent suppliers and external contractors, etc.), the estimated level of failure to:
 - disclose reportable gifts by lodging a gift offer declaration form;
 - disclose token gifts by emailing the responsible person;
 - refuse prohibited gifts.

B. Steps taken to improve compliance (risk mitigation measures)

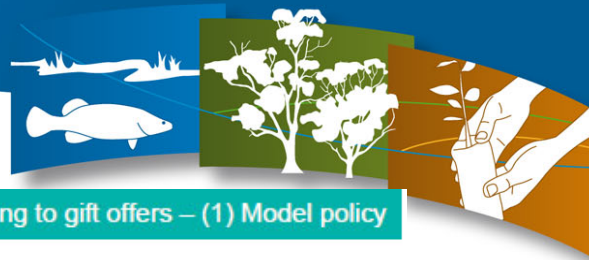
An overview of steps taken in the last year to improve compliance with this policy, including:

- (i) substantive changes to business rules, processes and record-keeping requirements;
- (ii) activities to promote awareness of, and improve compliance with, this policy, noting who the activities were directed to (i.e. board members, employees and/or external stakeholders);
- (iii) remedial action taken to address patterns of frequent or prohibited gift offers (e.g. letters to offers'); and
- (iv) progress in implementing any recommendations made to, and accepted by, the Audit committee and/or board.

C. Recommendations (future improvements)

New recommendations, if any, for:

- (i) improving compliance with this policy; and/or
- (ii) updating this policy and related business rules, processes and record-keeping requirements.



Appendix 4 - Flowchart

