

POLICY STATEMENT

This policy states the Central Highlands Rural Health position on:

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

This policy is intended to support individuals and Central Highlands Rural Health to avoid conflicts of interest and maintain high levels of integrity and public trust.

Central Highlands Rural Health has issued this policy to support behavior consistent with the Code of Conduct for Victorian Public Sector Employees, (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

TARGET AUDIENCE

This policy applies to all workplace participants including: executives, board members, employees, and any individuals or groups undertaking activity for or on behalf of Central Highlands Rural Health.

POLICY PRINCIPLES

Central Highlands Rural Health (CHRH) is required, under the Standing Directions of the Minister for Finance issued by the Department of Treasury and Finance (2016) to enact a policy which ensures that gifts, benefits and hospitality are managed in accordance with a clear framework which is compliant with the requirements of the Victorian Public Sector Commission's (VPSC) *Gifts, Benefits and Hospitality Policy Framework*.

This policy has been developed in accordance with requirements outlined in the minimum accountabilities for the management of gifts, benefits and hospitality issued by the Victorian Public Sector Commission.

Central Highlands Rural Health is committed to and will uphold the following principles in applying this policy:

Impartiality - 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 reasonable 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: Central Highlands Rural Health, through its policies, processes and audit committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed. Individuals with direct reports will ensure they are aware of the risks inherent in their team's work and functions and monitor the risks to which their direct reports are exposed.

MINIMUM ACCOUNTABILITIES

Under the *Instructions supporting the Standing Directions of the Minister for Finance 2016*, the Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefits 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. Any exceptions to this process must have the prior written approval of the Chief Executive Officer or his/her delegate.

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.

Requirement for refusing offers

Employees must refuse **all** offers of gifts, benefits or hospitality from people or organisations about whom they are likely to make decisions involving¹:

- Tender processes, including managing a contract once the tender process has ceased
- Procurement
- Enforcement
- Licensing, or regulation
- Awarding of grants, sponsorship or funding allocations to agencies or organisations.

Individuals should consider the GIFT test at Figure 1 and the requirements below to help decide whether to refuse an offer. Individuals are to refuse offers:

- likely to influence them, or be perceived to influence them, in the course of their duties or that raise an actual, potential or perceived conflict of interest;
- could bring them, CHRH or the public sector into disrepute;
- made by a person or organisation about which they will likely make or influence a decision (this also applies to processes involving grants, sponsorship, regulation, enforcement or licensing), particularly offers:
 - made by a current or prospective supplier;
 - made during a procurement or tender process by a person or organisation involved in the process.
- likely to be a bribe or inducement to make a decision or act in a particular way;

¹ Extract from former HHS Gifts, Benefits and Hospitality Policy

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- that extend to their relatives or friends;
- of money, or used in a similar way to money, or something easily converted to money;
- where, in relation to hospitality and events, the organisation will already be sufficiently represented to meet its business needs
- where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions;
- made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector organisations; or
- made in secret.

Figure 1. GIFT test

G	Giver	Who is providing the gift, benefit or hospitality and what is their relationship to me? 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	Are they seeking to gain an advantage or influence my decisions or actions? Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or a valuable non-token offer? Does its timing coincide with a decision I am about to make?
F	Favour	Are they seeking a favour in return for the gift, benefit or hospitality? Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months? Would accepting it create an obligation to return a favour?
T	Trust	Would accepting the gift, benefit or hospitality diminish public trust? How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?

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

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.

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 the Central Highlands Rural Health register, as long as the offer does not create a conflict of interest or lead to reputational damage.

If token offers are made often by the same individual or organisation, the cumulative value of the offers may result in the offers becoming non-token.

Individuals may accept token offers of gifts, benefits and hospitality without approval but must declare the offer on the gift register. The following are exceptions of token gifts that do not have to be declared²:

² Extracted from former KDH Gifts, Benefits and Hospitality Policy

- Modest donations of flowers, chocolates, fruit bowls and similar items from patients or families.
- Token hospitality offered at meetings and training courses, such as light refreshments
- Gifts of stationary or insignificant value received at training courses and conferences.

Individuals must not accept token offers if they fall within the categories of offers to be refused as outlined below, regardless of value.

Declaration of Gifts valued greater than \$50

Any offer of gifts, benefits or hospitality by any person or organisation external to CHRH with a value over \$50, must be declared and recorded on the CHRH gift register and are considered '*Non-token Offer*'. These must be declared whether accepted or not.

All gifts of money must be declared. The CEO will determine if the funds will be distributed to staff to fund a staff function, or if the funds will be donated to the hospital.

Non-token offers

Individuals can only accept non-token offers if

- they have a legitimate business benefit.
- Acceptance has been approved in writing by the CEO, the CFO, the COO or the CNO.
- The gift is recorded in the gifts, benefits and hospitality register
- it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, CHRH 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,
- It relates to the individual's responsibilities
- has a benefit to Central Highlands Rural Health, the 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.

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Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in the Central Highlands Rural Health gifts, benefits and hospitality register. The business reason for accepting the non-token offer must be recorded in the register with sufficient detail to link the acceptance to the individual's work functions and benefit to Central Highlands Rural Health, public sector or State.

Individuals should consider the following examples of acceptable and unacceptable levels of detail to be included in the Central Highlands Rural Health register when recording the business reason:

Unacceptable: "Networking"

"Maintaining stakeholder relationships"

Acceptable: "Individual is responsible for evaluating and reporting outcomes of the CHRH's sponsorship of Event A. Individual attended Event A in an official capacity and reported back to CHRH on the event."

"Individual presented 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 accepted, written approval was subsequently obtained for the gift, which became CHRH's property."

PROCEDURE FOR DECLARING GIFTS

Declaration forms will be stored on the Intranet and on Prompt. Staff should forward completed declaration forms to the Executive Assistant for the CEO. The Executive Assistant will compile the Gifts, Benefits and Hospitality register on an annual basis. CHRH will ensure that relevant privacy requirements are met when recording and publishing the register, and will restrict access to completed declaration forms to the Executive Assistant and the CEO.

The Central Highlands Rural Health Audit and 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 Central Highlands Rural Health gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements. The public register will contain a subset of the information detailed in the Central Highlands Rural Health internal register.

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 Central Highlands Rural Health into disrepute, and where their manager or organisational delegate has provided written approval. Employees must transfer to CHRH official gifts or any gift of cultural significance or significant value.

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.

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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 Central Highlands Rural Health. The receipt of ceremonial gifts should be recorded on the Central Highlands Rural Health register but this information does not need to be published online.

Hospitality provided by Victorian public sector organisations

Victorian public sector organisations may provide hospitality to stakeholders, as part of their functions. When offered hospitality by a Victorian public sector organisation, individuals should consider the requirements of the minimum accountabilities.

Accepted hospitality offered by a Victorian public sector organisation as part of official business does not need to be declared or reported, where the reason for the individual's attendance is consistent with the Central Highlands Rural Health functions and objectives and with the individual's role.

MANAGEMENT OF THE PROVISION OF GIFTS, BENEFITS AND HOSPITALITY

This section sets out the requirements for providing gifts, benefits and hospitality.

Figure 2. HOST test

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

Requirements for providing gifts, benefits and hospitality

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

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

- any gift, benefit or hospitality is provided for a business reason that furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities;
- that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations (the 'HOST' test at Figure 2 is a good reminder of what to think about in making this assessment); and
- it does not raise an actual, potential or perceived conflict of interest.

Containing costs

Individuals should contain costs involved with providing gifts, benefits and hospitality wherever possible, and should comply with the financial probity and efficient use of resources guidance outlined in the Code of Conduct for Victorian Public Sector Employees and/or the Code of Conduct for Directors of Public Entities. 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?

AUTHORISING OFFICER AND ORGANISATIONAL DELEGATE

This policy is issued under the authority of the Audit and Risk Committee and is subject to annual review.

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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 the Central Highlands Rural Health Conflict of Interest Policy.

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*, and/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.

For further information on managing breaches of this policy, please contact the CEO or CFO.

Central Highlands Rural Health 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 Central Highlands Rural Health may not have been declared or is not being appropriately managed should speak up and notify their manager, the CEO or CFO. 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).

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

CONTACTS FOR FURTHER INFORMATION

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 the CEO or CFO for advice.

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LEGISLATION AND STANDARDS

- Minimum accountabilities for the management of gifts, benefits and hospitality (*see Instructions supporting the Standing Directions of the Minister for Finance*)
- the Central Highlands Rural Health Conflict of Interest Policy
- *Public Administration Act 2004*
- Code of Conduct for Victorian Public Sector Employees
- Code of Conduct for Victorian Public Sector Employees of Special Bodes
- Code of Conduct for Directors of Victorian Public Entities
- Victorian Public Sector Commission's Gifts, Benefits And Hospitality Policy Guide

DEFINITIONS

Term, acronym or abbreviations	Definition
Gifts	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.
Hospitality	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.
Legitimate business benefit	A gift, benefit or hospitality may have a legitimate business benefit if it furthers the conduct of official business or other legitimate goals of the public sector organisation, the public sector or the State.
Public official	Public official has the same meaning as section 4 of the <i>Public Administration Act 2004</i> and includes, public sector employees, statutory office holders and directors of public entities.
Public register	A public register is a record, preferably digital, of a subset of the information contained in a register, for publication as required by the minimum accountabilities. Guidance regarding the information that should be published is provided in the Policy Guide.
Register	A 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.
Token offer	A token offer is a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy). The minimum accountabilities state that token offers cannot be worth more than \$50. This does not apply to a person employed under the <i>Education and Training Reform Act 2006</i> in a Victorian government school, who receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case it cannot be worth more than \$100.
Non-token offer	A non-token offer is 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 nontoken offers and must be recorded on a gift, benefit and hospitality register (except for specific offers received by a person employed in a Victorian government school, as defined under 'token offer').[Public sector organisations may also choose to set their threshold for non token offers at a value less than \$50.]

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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 more³) 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.
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.

³ Except where a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case non-token includes any offer worth more than \$100.

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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