	Title:	Recognition of Gifts, Benefits & Hospitality NCN		
	Risk rating:	Low		
Document Type:	Guideline	Department:	Corporate	
Author/Reviewed by:	Jacque Phillips	Chief Executive Officer		
Committees:	Executive Committee		Date	18.05.2021
	Finance Board Sub Committee		Date	26.05.2021

Purpose:

This guideline states NCN Health position on:

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

NCN Health receive gift bequests and donations from local community and other funding sources from time to time.

The Voluntary amalgamation agreement states that all gift bequests and donations from a local community are allocated to the nominated or applicable NCN Health campus within that community.

This guideline is intended to support individuals and NCN Health to avoid conflicts of interest and maintain high levels of integrity and public trust.

NCN Health has issued this guideline 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 guideline.

Target Audience:

This guideline applies to all workplace participants. For the purpose of this guideline, this includes: executives, board members, individuals, contractors¹, consultants and any individuals or groups undertaking activity for or on behalf of NCN Health

Definitions:

Business associate

an individual or body that the public sector organisation has, or plans to establish, some form of business relationship with, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.

Benefits

include preferential treatment, privileged access, favours or other advantage offered to an individual. They may include invitations to sporting, cultural or social events, access to discounts 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.

Ceremonial Gifts

are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are usually provided when conducting business with official delegates or

¹ Note the application of clause 1.4 of the Code of conduct for Victorian public sector employees to the engagement of contractors and consultants. Contractors and consultants are only bound by the code if explicitly required by their contract for services.

representatives from another organisation, community or foreign government.

Conflicts of interest

Actual conflict of interest: There is a real conflict between an employee’s public duties and private interests.

Potential conflict of interest: an employee has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.

Perceived conflict of interest: the public or a third party could form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future.

Gifts

are free or discounted items or service 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) and 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 guideline is not prohibited under the minimum accountabilities.

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

gifts, benefits and 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 State.

Public official

has the same meaning as under section 4 of the *Public Administration Act 2004*. This includes:

- public sector employees;
- statutory office holders; and
- directors of public entities.

Public register

is a record, preferably digital, or 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 Guideline Guide.

Register


is a record, preferably electronic, of all declarable gifts, benefits and hospitality.

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.

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.

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Guideline:

This guideline 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 section 4 below).

NCN Health is committed to and will uphold the following principles in applying this guideline:

Public interest: individuals have a duty to place the public interest above their private interests when carrying out their role with NCN Health. 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 guideline, 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.

Risk-based approach: NCN 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

The Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefit and hospitality.


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 delegate.

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

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 raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50. If token offers are made often by the same person or organisation, the cumulative value of the offers, or the perception that they may influence the recipient, may result in the offers becoming non-token.

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Individuals may accept token offers of gifts, benefits and hospitality without approval or declaring the offer on the NCN HEALTH register. For example a box of chocolates as a token of thanks.

Individuals are to refuse all offers (excluding token hospitality, such as sandwiches over a lunchtime meeting):

- made by a current or prospective supplier;
- made during a procurement or tender process by a person or organisation involved in the process.

Requirement for refusing non-token offers

Individuals should consider the GIFT test at **Table 1** and the requirements below to help respond to a non-token offer.

Individuals are to refuse non-token offers:

- likely to influence them, or be perceived to influence them, in the course of their duties or raise an actual, potential or perceived conflict of interest;
- by a person or organisation about which they will likely make a decision (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing);
- likely to be a bribe or inducement to make a decision or act in a particular way;
- that extend to their relatives or friends;
- with no legitimate business benefit;
- 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. Sponsorship approved by the CEO or delegate to attend an event is excluded where it involves education and training to the benefit of the organization;
- 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 agencies; and
- made in secret.

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


Recognition

NCN Health seeks to recognize all donors who support our Health Service.

Acknowledgement

- All donations are acknowledged with a receipt.
- NCN Health will personally acknowledge donations individually over \$50 through a letter of appreciation.
- The nature of the donation will determine the manner of recognition.
- It is recognized that benefactions of a significant value and generosity may warrant special acknowledgement. This is agreed on a case by case base to respect the donor wishes.

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Consent

Consent to publicly acknowledge receipt of donations will be acquired from the donor.

Request for Anonymity

In the instance where a donor does not seek public recognition by name and specifically requests anonymity, confidentiality and privacy will be maintained.

Naming Opportunities

Whilst the Board does not favour naming rights of buildings, areas or equipment, naming rights may be considered at the discretion of the Board for any donor who provides total initial funding of a capital project or item.

Conditional Donations

NCN Health does not accept conditional donations that are inconsistent with relevant legislation, regulations and standards. Donations will not be accepted if the donor wishes to place any restrictions or limitations on their use or disposal that are inconsistent with organisation values and strategy. Disposal will take place without reference to the donor.

Process

- NCN Health retains the right to determine the manner of acknowledgement as deemed appropriate by the CEO or Board of Directors.
- Electronic media in the form of a website and/or digital display will be kept to record and acknowledge gifts of \$2,000 or greater towards the establishment of NCN Health.
- The GIFT & BEQUEST REGISTER will be maintained by the Executive Assistant who will record all gifts to the value of \$50 and above.
- It is to be recognized by all parties that once a gift is accepted by NCN Health, that gift becomes the sole property of the Health Service. Where the Health Service operational needs lead to a change in the use of a particular item rendering it unsuitable or inappropriate, the Board of Directors retains the right to replace or dispose of the said item without reference to the donor.
- The decision on which materials or funds are accepted will be made by the CEO in consultation with the Board.
- Where it is necessary to decline a donation, reasons for declining will be explained to the prospective donor.

Request for use of Health service grounds

From time to time there may be requests to use NCN Health grounds to facilitate a memorial action. This could include things such as spreading of ashes, planting of trees or gardens, purchase of outdoor furniture, bird baths, fountains etc, with or without the use of plaques.

Such requests are generally not supported unless there are exceptional circumstances and will require authorization by the Board.

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Table 1. GIFT test

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

Requirements for accepting non-token offers

There will be some exceptions where there is a legitimate business reason for accepting a non-token offer. All accepted non-token offers **must** be approved in writing by the individual's manager or CEO, 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, NCN Health or the public sector into disrepute (the 'GIFT' test at **Table 1** is a good reminder of what to think about in making this assessment); 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 NCN Health, 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.

Recording non-token offers of gifts, benefits and hospitality

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

Individuals should consider the following examples of acceptable and unacceptable levels of detail to be included in NCN Health's register when recording the business reason:

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Unacceptable: “Networking”
 “Maintaining stakeholder relationships”

Acceptable: “Individual is responsible for evaluating and reporting outcomes of NCN Health’s sponsorship of Event A. Individual attended Event A in an official capacity and reported back to NCN Health 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 NCN Health’s property.”

NCN Health’s Finance and Audit Management Committee will receive a report at least annually on the administration and quality control of the gifts, benefits and hospitality guideline, processes and register. The report will include analysis of NCN Health’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.

Ownership of gifts offered to individuals

Non-token gifts accepted by an individual for their work or contribution may be retained by the individual where their manager or CEO has provided written approval. Employees must transfer to NCN Health official gifts or any gift of cultural significance or significant value (over \$50).

Management of the provision of gifts, benefits and hospitality

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

Requirements for providing gifts, benefits and hospitality

Gifts, benefits and hospitality may be provided to welcome guests, 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 in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government guideline 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 **Table 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.

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Table 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 guideline 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?


Containing costs

Individuals should contain costs involved in the provision of gifts, benefits and hospitality wherever possible. The following questions may be useful to assist individuals to decide 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?
- Will providing the gift, benefit or hospitality be viewed by the public as excessive?

NCN Health will ensure:

- Compliance with the Instrument of Delegation;
- Approval process for catering for internal and external events is followed;
- reward and recognition programs are open and transparent;
- requirements regarding recording and reporting on the provision of gifts, benefits and hospitality in accordance with their requirements under the *Financial Management Act 1994*].

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Authorising Officer and organisational delegate

This guideline is issued under the authority of CEO and is subject to annual review.

The organisational delegate is CEO.

Breaches

Disciplinary action consistent with the relevant industrial instrument and legislation, including dismissal, may be taken where an individual fails to adhere to this guideline. 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 NCN HEALTH's Conflict of interest guideline.


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

- breaches of the binding *Code of conduct for Victorian public sector employees*, such as sections of the Code covering conflict of interest (section 3.7), public trust (section 3.9) and gifts and benefits (section 4.2); and
- individuals making improper use of their position.

For further information on managing breaches of this guideline, please contact Director People & Culture.

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

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Speak up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within NCN Health may not have been declared or is not being appropriately managed should speak up and notify their manager or CEO.

NCN 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 the acceptance of a gift, benefit or hospitality, or the application of this guideline, should ask their manager or CEO or delegate for advice.

Key Aligned Documents:

Related guideline, legislation and other documents


- Minimum accountabilities for the management of gifts, benefits and hospitality
- NCN Health' Conflict of Interest guideline
- Board of Management – Recognition of Gift Bequests
- Grievance Procedure

Key Legislation, Acts and Standards:

- *Public Administration Act 2004*
- Code of conduct for Victorian public sector employees 2015
- Code of conduct for Directors of Victorian public entities 2016
- Victorian Public Sector Commission's *Gifts, benefits and hospitality guideline framework & Guide*.

Appendices:

Appendix 1: Declaration Form

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This declaration form supports NCN HEALTH's Gifts, benefits and hospitality guideline. Employees must declare all non-token offers of gifts, benefits and hospitality (whether accepted or declined) on and seek written approval from their manager or organisational delegate to accept any non-token offer.

Individual to complete	
1. Declaration date	
2. Name, position and unit/division	
Details of the gift, benefit or hospitality	
3. Date offered	
4. Describe the gift, benefit or hospitality offered	
5. Estimated or actual value	
6. Offered by (name of individual/organisation making the offer)	
7. Is the person or entity making the offer a business associate of the organisation (Y/N)? If yes, describe the relationship between them and the organisation. If no, describe the relationship between you and the person or organisation making the offer.	
8. Reason for making the offer	
9. Would accepting the offer: a) create an actual potential or perceived conflict of interest exist (Y/N); or b) bring you, the organisation or the public sector into disrepute (Y/N)? (If either is answered YES, then the offer must be declined in accordance with the minimum accountabilities)	<i>Detail of conflict of interest:</i>
10. Is there a legitimate business benefit to the organisation, public sector or State for accepting the offer, i.e. does it meet the following: a) it was offered during the course of the your official duties (Y/N); and b) it relates to your official responsibilities (Y/N); and c) it has a benefit to the organisation, public sector or State (Y/N). (If NO then offer must be declined, and if YES then the business benefit must be detailed, in accordance with the minimum accountabilities).	<i>Detail of business benefit:</i>
11. I accepted the offer YES / NO	<i>Signature</i> <i>Date</i>

Manager to complete	
1. Name, position and unit/division	
2. Relationship to employee	
Complete if individual declined offer	
3. I have reviewed this declaration form and submitted it for inclusion on the organisation's gifts, benefits and hospitality register.	Signature: Date:
Complete if individual accepted offer	
4. I have reviewed this declaration form and, confirm that, to my knowledge, accepting this offer: <ul style="list-style-type: none"> a) does not raise an actual, potential or perceived conflict of interest for the individual or myself; and b) will not bring the individual, myself, the organisation or the public sector into disrepute; and c) will provide a clear business benefit to the organisation, the public sector or the State. 	Signature: Date:
5. Detail decision regarding ownership of tangible offers (e.g. specify whether employee retained gift; transferred to organisation's ownership; returned to offer or; donated to charity etc.)	
<i>Completed form to be submitted for inclusion on the organisation's gifts, benefits and hospitality register.</i>	