

# Gifts, benefits & hospitality policy

## 1 Purpose

This policy states VAGO's position on:

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

It 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 (VPSC), under the *Instructions supporting the Standing Directions of the Minister for Finance 2016*.

## 2 Application

This policy applies to all VAGO staff including contracted-in staff and covers both external and internal offers of gifts, benefits and hospitality.

## 3 Principles

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

VAGO has issued this policy to support behaviour consistent with the *Code of Conduct for Victorian Public Sector Employees of Special Bodies* and/or the *Code of Conduct for Directors of Victorian Public Entities* (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

## 4 Requirements

### *Receiving gifts, benefits and hospitality*

The offer and acceptance of gifts and benefits may create a conflict of interest between an employee's private interests and their public duty and can pose a risk to VAGO's integrity and public reputation.

Therefore it is not appropriate to offer or receive gifts, benefits or hospitality that could reasonably be perceived to affect the independent and impartial performance of an employee's official duties.

All staff are encouraged to adopt a "Thanks is enough" approach when responding to offers of gifts, benefits or hospitality. This approach means that a simple thank you is all staff need from businesses associates, suppliers or conference organisers to show their appreciation.

As part of mitigating risk for VAGO and individual auditors, it is recommended is that staff 'err on the side of refusing' when gifts or benefits are offered. There should be a presumption that the benefit is declined.

Where staff receive a gift or benefit that has a business purpose and cannot be declined, and the value is of a non-token level (\$50 and above), the gift or benefit can be transferred to VAGO. Depending on the nature of the gift or benefit it may then be passed on to the VAGO Social Club.

Under no circumstances will any employee, for themselves or others, solicit a gift or benefit in relation to, or reasonably connected with, their official duties.

VAGO staff are to refuse:

- bribes and inducements, and to report attempts to the Auditor-General (or delegate) and to Victoria Police.
- all offers of gifts, benefits or hospitality that could be reasonably perceived as undermining the integrity and impartiality of VAGO or themselves.
- all offers of gifts, benefits or hospitality from people or organisations about whom individuals are likely to make decisions involving:
  - the process of, or in connection to, an audit
  - tender processes
  - procurement
  - enforcement
  - licensing
  - regulation.
- all offers of money or items easily converted to money such as vouchers and gift cards.
- offers of personal benefits, where there is no business need or benefit, such as offers of discounts on products, travel or accommodation and tickets or free admittance to sporting, cultural or entertainment events.

#### *Exemptions*

A ticket or invitation to an *official business event*, as well as a *'quid pro quo'* arrangement, such as flights and accommodation offered in exchange for a presentation, are acceptable if they are for strengthening stakeholder relationships, promoting the role of VAGO and its outputs, or to build requisite sector/industry knowledge.

The Auditor-General has pre-approved the acceptance of reward points earned through government purchases or travel and, as such, these do not need to be declared on the [Gifts, Benefits & Hospitality Register](#). These reward points cannot be used for personal travel.

When deciding whether to accept a gift, a benefit or hospitality, use the GIFT test in the [Procedure for Accepting, Declining or Providing, Gifts Benefits & Hospitality](#) to guide your decision making.

If unsure about how to respond to an offer of a gift, benefit or hospitality, seek advice from a manager or other appropriate organisational delegate.

#### *Providing gifts, benefits and hospitality*

Gifts or hospitality are only to be provided for a business purpose in that they further the conduct of official business or other legitimate organisational goals, or promote and support VAGO policy objectives and priorities.

Staff are to ensure:

- any gift, benefit or 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 VAGO policy objectives and priorities.

- any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.
- when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

When deciding to provide hospitality use the HOST test in the [Procedure for Accepting, Declining or Providing Gifts, Benefits & Hospitality](#) to guide your decision-making.

#### *Recording and approval of gifts, benefits and hospitality*

Gifts, benefits and hospitality offered to employees, whether accepted or declined, that are valued at over \$50 must be recorded on the [Gifts, Benefits & Hospitality Register](#), and where possible, should be recorded and approved prior to acceptance.

The following offers do not need to be declared:

- declined and unanswered generic offers (for example a generic invitation to a 'free' seminar hosted by a business associate)
- services included as part of a contract / service agreement with a supplier (for example, writing coaching training provided through a fee for service arrangement)
- benefits provided to a member of a professional organisation (for example, a professional development webinar offered to a member of a professional organisation).

Offers from public sector agencies need to be declared given VAGO's role in auditing public sector agencies. This element differs from the VPSC requirements.

Gifts, benefits and hospitality provided to external parties that are valued at over \$50 must be recorded on the [Gifts, Benefits & Hospitality Register](#). These should be approved by a financial delegate prior to provision.

To evidence that VAGO is open and transparent in dealing with gifts, benefits and hospitality, an electronic record of items valued at \$50 offered and over will be made available to the public on a quarterly basis on VAGO's website.

#### *Non-compliance with the policy*

Non-compliance with the policy may constitute criminal or corrupt conduct and might constitute a breach of:

- *Public Administration Act 2004* in relation to misconduct
- Directors' Code of Conduct under the *Public Administration Act 2004*
- *Victorian Public Sector Code of Conduct for Special Bodies*

In the event of identified non-compliance, this behaviour and any disciplinary action will be dealt with under VAGO's *Allegations of Misconduct* policy and where it includes corruption, under VAGO's *Complaints about VAGO to Integrity Bodies* policy.

#### *Consultation: seeking guidance*

VAGO staff should be guided by the maxim: "*If in doubt, declare.*" It is strongly recommended that members of the VAGO staff consult with their manager or a member of the OAG Governance team if they have any questions or concerns relating to the offer of a gift, benefit or hospitality.

As part of mitigating risk for VAGO and individual auditors, it is recommended is that staff 'err on the side of refusing' when gifts or benefits are offered. There should be a presumption that the benefit is declined.

### *Monitoring*

The VAGO Audit and Risk Committee will receive an annual report on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of VAGO'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.

## 5 Responsibilities

<b>Auditor-General</b>	<ul style="list-style-type: none"> <li>Oversees VAGO's adherence to the minimum accountabilities set by the Victorian Public Sector Commission in relation to gifts, benefits and hospitality.</li> </ul>
<b>Operational Management Group</b>	<ul style="list-style-type: none"> <li>Promotes and establishes awareness and compliance with gifts, benefits and hospitality policies from all members of the organisation.</li> </ul>
<b>Audit and Risk Committee</b>	<ul style="list-style-type: none"> <li>Consider annual report on the on the administration and quality control of the gifts, benefits and hospitality policy, processes and register</li> </ul>
<b>Executive Officer</b>	<ul style="list-style-type: none"> <li>Ensure that records are kept of offered gifts, benefits and hospitality of more than nominal value and that such records are subject to regular scrutiny, including review by VAGO's Audit and Risk Committee, analysis of multiple offers from the same source.</li> </ul>
<b>Finance Director</b>	<ul style="list-style-type: none"> <li>Ensure that hospitality expenditure is recorded and reported in accordance with whole of government financial management, accountability and reporting requirements.</li> </ul>
<b>Our people</b>	<ul style="list-style-type: none"> <li>Be mindful of the effect on the independence and impartial performance of their official duties in considering whether to accept or provide gifts, benefits and hospitality and record offers in the Gifts, benefits and hospitality register.</li> <li>Communicate VAGO's policy on the offering and provision of gifts, benefits and hospitality to contractors, consultants and other business associates.</li> </ul>

## 6 Glossary

<b>Benefit</b>	<p>Preferential treatment, privileged access, favours or other advantage offered. They include invitations to sporting, cultural or social events, access to discounts and loyalty programs, and promises of a new job. While their value may sometimes be difficult to quantify in dollars, they may be highly valued by the intended recipient and therefore used to influence their behaviour.</p>
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<b>Bribe</b>	Money or other inducements given or promised to employees to corruptly influence the performance of their role.
<b>Ceremonial Gift</b>	Official gift from one organisation to another organisation. Ceremonial gifts are provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are the property of the public sector organisation, irrespective of value, and should be accepted by individuals on behalf of the public sector organisation.
<b>Gift</b>	Free or heavily discounted items, intangible benefits or hospitality exceeding common courtesy that are offered to employees in association with their work. Gifts may also be provided by organisations to, for example, a visiting delegation from another jurisdiction. They may be enduring such as a work of art or consumables such as a box of chocolates. They range in value from nominal to significant and may be given for different reasons.
<b>Hospitality</b>	Friendly reception and treatment of guests, ranging from offers of light refreshment at a business meeting to restaurant meals and sponsored travel and accommodation.
<b>Official Business Event</b>	An event where the reason for your attendance is consistent with VAGO's functions and objectives and/or consistent with your role. These events may occur inside or outside normal business hours, and may be attended, for example, for any of the below listed reasons: <ul style="list-style-type: none"> <li>• Stakeholder engagement: Designated employees are responsible for managing the relationship between VAGO and external bodies or individuals. Attending events can be a critical part of maintaining and developing effective relationships and networks</li> <li>• Sector knowledge: Maintaining a broad and deep knowledge of the sector in which one works will directly inform the quality of the advice given to the Auditor-General and improve sector planning and audit outcomes. It may also assist in identifying opportunities to improve sector outcomes.</li> </ul>

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## 7 References / related documents

- [VPSC Gifts, Benefits and Hospitality Resource Centre](#)

### *Legislation*

- [Public Administration Act 1994](#)

### *Policies*

- [Conflict of Interest policy](#)
- [Allegations of Misconduct policy](#)
- [Complaints about VAGO to Integrity Bodies policy](#)

### *Code of conduct*

- [VPS Code of Conduct for Special Bodies](#)
- [APES 110 Code of Ethics for Professional Accountants](#)

## 8 Policy review statement

This policy will be reviewed every two years from the last approval date, or when there is a significant change in the intent of the policy.

## 9 Version history

<b>Release notice</b>			
<b>Version</b>	<b>Date of effect</b>	<b>Amendment details</b>	<b>Amended by</b>
1.0		Initial release	
2.0	1 July 2019	Changes related to IA Review – Internal Financial Controls	EO, OAG
HP record no:	N19/8378		
Policy owner:	EO, OAG		
Approved by:	Auditor-General	Date:	25 June 2019