

GIFTS, BENEFITS AND HOSPITALITY POLICY**TABLE OF CONTENTS**

Purpose	2
Policy Overview	2
Principles	3
Detailed explanation of the Policy	4
Scope and definition of 'employee'	5
Disclosure of Chief Executives' sensitive expenditure	5
Disposal of gifts received	5
Koha	6
Declaration process, reporting and compliance monitoring	6
Related policies, procedures, standards, guidelines, legislation/websites	7
List of terms and definitions	8
Additional guidance – The Decision-making guide	10
Additional guidance – The Gift Test	11
Gifts, Benefits and Hospitality Declaration Form – Appendix 1	12

Gifts, Benefits and Hospitality Policy

Date approved

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Policy owner Morag Woodley, Director Human Resources

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Purpose

1. The purpose of the Gifts, Benefits and Hospitality Policy (the Policy) is to provide guidance to staff when they are offered gifts, benefits or hospitality while discharging their duties as employees of the Department.
2. The Department is a policy, regulatory and a service delivery agency and must have robust policies and processes to build the public trust and give assurance and confidence that public resources are managed lawfully, competently, with probity and with integrity.
3. As Suppliers often offer gifts, benefits or hospitality to employees of public sector entities, the Department must also ensure employees are protected from any allegations of inappropriate conduct and a transparent process of declaring gifts, benefits and hospitality will provide the best protection.

Policy overview

4. This Policy applies to all employees (see Section 18 below for definition of 'employee') of the Department, and establishes a transparent process of declaring gifts, benefits and hospitality received by Departmental staff.
5. Accepting gifts, benefits or hospitality is sometimes necessary for maintaining business and commercial relationships. A gift, benefit or hospitality is usually given as a token of recognition for something provided by the recipient of the gift.
6. The Department's nominal value threshold for receipt of gifts, benefits or hospitality is \$20. Gifts and benefits above this amount should not be accepted. However, if hospitality is offered that might reasonably be seen to be above the threshold value of \$20, one-up manager approval must be sought before acceptance to ensure compliance with the principles relating to gifts, benefits and hospitality (see Sections 10–11 below).
7. A breach of this Policy may constitute a breach of the Department's Code of Conduct. Failure to comply with the principles of this Policy may be considered misconduct under the Code of Conduct and may result in disciplinary action. In more serious situations, a breach of this Policy may result in criminal prosecution.

8. The declaration process (see Section 25–28 below) will ensure that any risks that may arise as a result of accepting a gift, benefit or hospitality will be considered by management prior to a decision being made.
9. This Policy is owned by the Director Human Resources (HR). Amendments made by the Director (HR) (i.e. changes to Forms, wording of the Policy, etc) must be endorsed by the Deputy Chief Executive (DCE) – Shared Services before final sign off by the Chief Executive (CE).

Principles

10. The following principles are applicable to all employees of the Department¹:
 - a) Employees must not accept any payments of cash. Exceptions, if any (e.g. gratuitous payments received when hosting foreign dignitaries, etc) **must** be disclosed in writing, paid to DIA Finance, and noted by the Branch DCE.
 - b) Employees must not accept gifts, benefits or hospitality that would, or might reasonably be seen to, compromise their integrity by placing them under any obligation to a third party;
 - c) Employees must always be aware of the public perception that can result from their acceptance of any gifts, benefits or hospitality. Employees must never solicit favours for themselves, family members or others;
 - d) Gifts must be declined unless they are of nominal value, and their acceptance can be judged against internal or other relevant policies;
 - e) Timing and frequency are relevant. Offers of gifts, benefits, or hospitality, even if of limited monetary value, may be of concern if offered repeatedly (cumulatively) and/or at times when they could be seen to influence or reinforce a particular decision or action, and
 - f) The commercial influence, actual or perceived, that a gift or benefit may represent is important.

Note: While gifts, benefits and hospitality offered may provide opportunities for employees to develop productive relationships, their presence at such occasions is potentially open to criticism.
11. Although not an exhaustive or all-inclusive list, the following provides scenarios where gifts, benefits or hospitality **must** always be declined:
 - a) Cash (Note: see Section 10 (a) above for exceptions), gift vouchers, shares or similar items that can be readily converted into money irrespective of its nominal value;
 - b) The gift giver (or their organisation) is involved in a tender process with the Department, or is likely to be affected by a decision relating to a tender process as it could be perceived that the gift may affect the outcome of the tender process. (Note: Employees must be aware that for those who are participating in Departmental procurement processes, the guidelines in the Department's

¹ Good practice principles relating to gifts and hospitality (Source: Controlling sensitive expenditure: Guidelines for public entities, the New Zealand Public Service Code of Conduct and the New Zealand State Services Commission)

Procurement Policy applies, and overrides anything that is stated to the contrary in this Policy);

- c) Other gifts that exceed the Department's nominal value of \$20, or a series of gifts given over a time that exceed this value; and
- d) Gifts, benefits or hospitality that is contrary to the principles listed in Section 10 above.

Detailed explanation of the Policy

12. A gift that would normally fall **within** the Department's threshold of \$20 would include (but not be limited to) items such as inexpensive stationery, a box of chocolates, flowers, a modest bottle of wine, sweets, coffee, calendars, mugs, etc. that are widely distributed to clients and customers. Examples of gifts, benefits and hospitality that would be considered **above** the nominal threshold are: jewellery, expensive clothing, art, free or discounted travel, tickets to entertainment events (such as sports events), etc.
13. Hospitality involving working meals (e.g. teas, coffees, refreshments and light meals) may be accepted if they conform to the principles listed in Sections 10 and 11 above. However, offers of hospitality worth more than \$20 must be reported to the one-up manager (in line with their delegation as contained in the Department's *Departmental and Non-Departmental Financial Delegations Policy*) as soon as it is practically possible. Also, all working lunches and other hospitality offered, irrespective of value (except only teas, coffees and refreshments), must be disclosed by completing the electronic Declaration Form.
14. There are circumstances where it may be impractical to decline an offer, or declining an offer may cause embarrassment to the party making the offer of a gift, benefit or hospitality (e.g. those offered by a foreign government, or a ceremonial gift, such as a plaque). In this situation, the person offered the gift must discuss this with their one-up manager as soon as it is practically possible, and the actions taken must be noted on the Declaration Form and the Gifts Register.
15. Also, there may be instances where a gift cannot be returned i.e. a wrapped gift that doesn't get opened in the presence of the giver, gifts accepted for cultural or other protocol reasons and returning it may be inappropriate, anonymous gifts, gifts given in a public forum where returning it would cause embarrassment, etc. In all the above cases, these gifts are the property of the Department and must be declared in the Gifts Register.
16. If a gift is accepted, the expectation is that it will be not generally be for sole personal benefit, and will be shared with other staff within the Department (e.g. a box of sweets or chocolates). If this is not possible (e.g. a token gift such as a commemorative pen, calendar, mouse pad, etc) then the offer of a gift, hospitality or benefit may be kept by the individual to whom the gift was offered.
17. Employees of the Department must **never** solicit favours (gifts, benefits, hospitality or any other personal reward) for themselves or others. If an employee is offered a bribe, inducement or a commission, they must follow these steps:
 - a) Reject the offer;

- b) Refrain from further interactions with the person who offered the bribe, inducement or commission;
- c) Inform their one-up manager and HR Advisor as soon as possible after the offer;
- d) Refer to this Policy for guidance;
- e) Make a formal report; and
- f) Discuss future relations (of the affected supplier) with their one-up manager.

Scope and definition of 'Employee'

18. For the purposes of clarity, this Policy applies to all:
- a) employees (including fixed-term employees) of the Department;
 - b) contractors and consultants working for the Department who agree to be covered by this Policy under the terms of their contract;
 - c) temporary staff supplied through an agency;
 - d) seconded personnel;
 - e) volunteers; and
 - f) personnel seconded from other public sector organisations.
19. The use of the term 'employees' throughout this document means all personnel listed above. All contracts for/with all agency staff, seconded personnel, contractors and consultants must contain an express obligation on them to comply with this Policy.

Disclosure of Chief Executives' sensitive expenditure

20. Chief Executives of public sector entities are required to disclose sensitive expenditure incurred by them every six months, and make this information publicly available on their agency's website and www.data.govt.nz. A template to record offers of gifts, benefits and/or hospitality is available at: <http://www.ssc.govt.nz/ce-expenses-disclosure>. The template document is titled *Chief Executive Expenses template*.

Disposal of Gifts received

21. Acceptance of prizes may lead to perceptions of improper influence. Where an employee receives a prize while attending a function or any other event on behalf of the Department, the prize received remains the property of the Department and must be declared (see Section 22 below). No employee must obtain a private benefit from any purchase incentive schemes (i.e. where free products are given as a result of a certain quantity of a product being purchased). Any such product offered must be declared and treated as the property of the Department.
22. The disposal of gifts must be conducted in a transparent manner. The Branch/business group may elect to:
- a) Share the gift amongst staff;
 - b) Donate the gift to a registered charity;
 - c) Auction the gift and donate the proceeds to a registered charity; or

- d) Approve (at least by a Level 3 manager as defined in the Department's Financial Delegations Policy) the retention of the gift if it provides assistance to the Department in achieving its objective.
23. Gifts of significant value (i.e. not token gifts as stated in 16 above) accepted and, for the reasons stated in Section 21 above, are the property of the Department and may not be sold or exchanged by the recipient. Employees must refer the matter to their one-up manager if they have doubts about whether they can keep the gift offered or not.

Koha

24. Refer to the Koha Policy and the Financial Delegations Policy for more guidance.

Declaration process, reporting and compliance monitoring

25. All offers of gifts, benefits and hospitality irrespective of value (other than hospitality involving only teas, coffees and refreshments as stated in Section 13 above) must be recorded electronically in the approved *Gift, Benefits and Hospitality Declaration Form* (the Declaration Form) (Appendix 1).
26. If the offer of a gift, benefit or hospitality is declined, this must also be included in the Declaration Form.
27. In both circumstances above, this Declaration Form must be approved and signed by the one-up Manager (of the person who has been offered the gift, hospitality or benefit).
28. Branch DCEs must ensure that Declaration Forms are maintained and retained electronically on the Department's Document Management System (DMS) as supporting documentation/audit trail of all offers of gifts, benefits or hospitality received by employees of their Branch. Also, the DCEs must ensure that a process is in place to manage and record the gift in the *Branch Gift, Benefits and Hospitality Register* (the Gifts Register) on DMS at the branch level. The Gifts Register is a transparent document and all Departmental staff will be granted access to view its contents.
29. The Department's HR business group will be responsible for ongoing review of the Gifts Register and will submit a report at least once every 6 months (in March and September) to the Risk and Assurance Governance Committee.
30. The RAA business group in the Strategy and Governance Branch will have independent oversight of, and may conduct audits of the Gifts Register at any time, and may, as they deem fit, report to the Executive Leadership Team (ELT) and the Audit Advisory Committee around compliance with this Policy. The RAA business group may set up internal control and other audit processes (e.g. cross-reference the Gifts Register with the Declaration Forms, etc) and conduct interviews with staff to ascertain the level of compliance with the Policy.
31. If you require any assistance, please contact:
- a) your one-up manager;

- b) your Portfolio Manager, Financial & Business Performance; or
- c) your HR Advisor.

Related policies, procedures, standards, guidelines, legislation, and/or websites

- The Department's Code of Conduct
- The Department's Procurement Policies and Procedures
- Conflict of Interest Policy
- Fraud Policy
- Ethics Policy
- Assets Register Policy
- Financial Delegations Policy
- Koha Policy
- Travel (and Airpoints) Policy

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

List of terms and definitions

The following terms are defined below:

Asset register	The register of assets held or managed by the Department. See Asset Register/Asset Disposal Policy.
Benefits	Preferential treatment, privileged access, favours or other advantage offered to an employee. They may include invitations to sporting, cultural or social events, access to discounts and loyalty programs (e.g. airpoints and access to airport lounge facilities), 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.
Bribes	A gift or benefit offered to or solicited by a public official to influence that person to act in a certain manner. A bribe, in the context of the Crimes Act 1961, means "any money, valuable consideration, office, employment, or any other benefit, whether direct or indirect".
Bribery	The offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties. The Crimes Act 1961 No 43 states that an official is liable to imprisonment if they "corruptly accepts or obtains, or agrees or offers to accept or attempts to obtain, any bribe for himself or any other person in respect of any act done or omitted, or to be done or omitted, by him in his official capacity".
Ceremonial gifts	Official gifts offered from one public sector entity to another. These gifts may be issued to express gratitude to people within the Department. However the gift is considered to be for the Department and not a particular individual.
Commission	Payment to an agent proportional to the amount involved in a commercial transaction; a percentage on the amount involved.
Conflicts of interest	Occurs when an employee's private interests conflict with their public duty. Employees have a duty to always resolve a conflict in the public interest, not their own. This may mean that they decline a gift or transfer the gift to their employer's ownership if this is identified as being in the public interest.
Cumulative Gifts	Refers to a series of small gifts (or benefits/hospitality), each below the minimal value. Their aggregated value however, may exceed the Department's \$ 20 nominal value.
Gifts	The free or heavily discounted items, intangible benefits or hospitality exceeding common courtesy that are offered to employees in association with their work. 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.
Gift, Benefits and Hospitality Declaration Form	The Declaration Form an employee uses to declare reportable gifts. Information on the Declaration Form is transferred to a gifts register and filed on a central secure file. The Risk and Assurance business group audits the Declaration Forms on file and the gifts register. A model of the Declaration Form is provided in this Policy in Appendix 1.
Gift, Benefits and Hospitality Register	The register (electronic or manual) of reportable gifts. It records the date a gift was offered, information about the

	donor and recipient, the nature of the gift, its estimated value and how it was handled. A designated person maintains the Register, which is reviewed by the Risk and Assurance business group.
Hospitality	The friendly reception and treatment of guests. It is hospitable to offer light refreshments in the course of a business meeting or as part of a conference program or a seminar. Hospitality can range from offers of light refreshment at a business meeting to restaurant meals and sponsored travel and accommodation.
Inducement	An attraction, an incentive; a thing that persuades or leads someone to do something; the act of persuasion or influence.
Infrequent	Refers to gifts that are not regularly offered or are rare.
Koha	Koha is an example of the reciprocity which is a common feature of much Māori tradition, and often involves the giving of gifts by visitors to a host marae.
Nominal value	The value of a gift offer. It is used to determine whether an offer, if accepted, is a reportable gift. The Department's nominal threshold for receipt of gifts, hospitality and benefits is set at \$20. Irrespective of dollar value, a gift offer that could create a reasonable perception that an employee could be influenced must be refused.
Purchase incentive scheme	A formal incentive scheme used to promote or encourage specific actions or behaviours by a target group of people during a defined period of time.
Reportable gifts	Are those that must be recorded, typically on a gifts declaration form and/or a gifts register. At a minimum, reportable gifts include accepted gifts, benefits and hospitality that exceed a nominal value. They could also include gift offers of any value, whether they are accepted or not. The gifts may have been offered to an employee directly or extended to them as a guest of their partner or other close relation.
Token gifts	Inexpensive or infrequent gifts such as pens, sweets, coffee, calendars, mugs, etc. that are widely distributed to clients, are mass produced and not intended as a personal gift.

Additional guidance – The Decision-making guide

Good practice decision-making guide²



² Good practice as supported by the State Services Authority (Victoria)
Department of Internal Affairs
DMS Library

Additional guidance – The Gift Test

Take the GIFT³ test when deciding whether to accept or a decline a gift, benefit or hospitality prior to completing the gifts declaration Gift, Hospitality and Benefit Declaration Form and Gifts Register.

G I F T	GIVER	<p>Who is providing the gift, benefit or hospitality and what is their relationship to me?</p> <p>Does my role require me to select contractors, award grants, determine policies and/or conduct tenders?</p> <p>Could the person or organisation (giving the gift) benefit from a decision I make?</p>
	INFLUENCE	<p>Are they seeking to influence my decisions or actions?</p> <p>Has the gift, benefit or hospitality been offered to me publicly or privately?</p> <p>Is it a courtesy, a token of appreciation or highly valuable?</p> <p>Does its timing coincide with a decision I am about to make?</p>
	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?</p> <p>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>
	TRUST	<p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <p>How would I feel if the gift, benefit or hospitality became public knowledge?</p> <p>What would my colleagues, family, friends or associates think?</p>

³ State Services Authority (Victoria) framework
Department of Internal Affairs
DMS Library

Gifts, Benefits and Hospitality Declaration Form

Date:	
1. Your details	
1.1. Your name:	
1.2. Business group:	
1.3. Name of one-up manager:	
2. Details of gift, benefits and hospitality	
2.1 Person who offered the gift, benefit or hospitality:	
2.2 Title of person offering gift, benefit or hospitality:	
2.3 Company/Organisation:	
2.4 Description of gift, benefit or hospitality:	
2.5 Reason for gift, benefit or hospitality being offered:	
2.6 Estimated value of gift, benefit or hospitality offered:	
3. Actions	
Business group manager actions: (circle as appropriate)	<ul style="list-style-type: none"> -You may keep the gift, benefit or hospitality -Your team may keep the gift, benefit or hospitality -The gift, benefit or hospitality is to become the property of the Department -The gift, benefit or hospitality is to be raffled to staff within the Department -The gift, benefit or hospitality is to be raffled to staff and the proceeds of this raffle are to be given to a registered charity (see below for name of charity) -The gift, benefit or hospitality cannot be accepted and must be returned - The gift, benefit or hospitality is declared by recipient and recorded - Other (add detail here)
Name of charity:	
Approved by (One-up manager stated in 1.3 above):	
Approved by (Insert name of next required manager with delegation):	