These guidelines are a joint initiative of the Integrity Coordinating Group.

Further details on the roles of the member bodies of the Integrity Coordinating Group, other resources and contact details are available on the Integrity Coordinating Group website at www.icg.wa.gov.au

Disclaimer

This information does not constitute legal advice and ICG accepts no liability for the accuracy of the information, or for any act or omission done in reliance on the information provided, or for any consequences, whether direct or indirect, of any such act or omission.

Contents

Introduction ................................................................................................................. 4
Meaning of gift, benefit or hospitality ................................................................. 5
Overview .................................................................................................................... 6
1. Risk and reputation ......................................................................................... 8
2. Requirements ................................................................................................... 15
3. Raise awareness ............................................................................................. 19
4. Record ............................................................................................................... 21
5. Review ............................................................................................................. 23
Information for public officers ........................................................................... 26
  First Steps ........................................................................................................... 26
  Take the GIFT test ............................................................................................ 28
  Take the HOST test ........................................................................................... 30
Sample register ...................................................................................................... 31
Legislative obligations ......................................................................................... 33
References and acknowledgements ................................................................... 36
While offering and accepting gifts is common in everyday life, there can be good reasons for public officers (officers) declining them. The Western Australian community trusts public officers to perform their duties impartially and with integrity. They can only do this if their personal interests do not conflict with their public duty.

Occasionally officers may be offered gifts, benefits or hospitality as a consequence of undertaking their duties. Usually these will be a token of appreciation and carry no expectation. In other cases, accepting a gift, benefit or hospitality could give the impression an officer will favour a particular person or organisation when making decisions. This may not be the intention of either the officer or person offering the gift, benefit or hospitality, however, perceptions matter.

Perceptions are also important when officers or public authorities (authorities) provide a gift, benefit or hospitality. Officers need to be mindful to use public resources responsibly and ensure decisions to provide gifts, benefits or hospitality are defensible and further the business of the authority or government.

Dealing with gifts, benefits and hospitality is not straightforward given the different operating contexts for each authority. However, it is important that gifts, benefits and hospitality are dealt with in a practical way to minimise any real or perceived integrity risks. For these reasons officers need a good understanding of when a gift, benefit or hospitality is appropriate and when it is not.

This publication guides authorities in good practice for managing gifts, benefits and hospitality. It also includes some information for officers about gifts, benefits and hospitality. As members of the Integrity Coordinating Group we recommend this publication to you.
Meaning of gift, benefit or hospitality

What is meant by gift?
A gift is anything of value offered to an officer above their normal salary or employment entitlements. Gifts can be of a token value, such as a box of chocolates, or of a significant value, such as a holiday.

In certain circumstances an authority may also offer a gift, for example, to a visiting delegation or speaker.

Gifts are generally tangible and include items such as consumer goods, promotional materials, samples, discounts on goods and services and cash.

What is meant by a benefit?
Benefits relate to preferential treatment, privileged access, favours or other advantages.

Benefits are generally intangible, and include items such as personal service, job offers and invitations to sporting or other events.

What is meant by hospitality?
Hospitality relates to entertaining stakeholders, conference delegates and other official visitors. Examples of hospitality may include offers of meals, invitations to events, sponsored travel or accommodation.

Hospitality may be offered by an authority to stakeholders to support and facilitate the business of the authority or government.

Hospitality may also be offered to an officer by an external party as part of conducting the business of the authority or government.
Overview

This guide assists public authorities in identifying the risks associated with gifts, benefits and hospitality, and consider how to minimise those risks through sound policies, transparent record keeping, communication and review activities. Authorities are encouraged to consider the ‘five Rs’ when reviewing their approach to managing gifts, benefits and hospitality.

1. Risk and reputation

Identify the authority’s integrity risks and understand how these can affect its reputation

Why and when does accepting or providing gifts, benefits and hospitality pose an integrity risk? When is an officer or the authority most at risk? What impact could these integrity risks have on the reputation of an officer or the authority?

2. Requirements

Establish the authority’s position on managing gifts, benefits and hospitality

What is the position of the authority in relation to accepting or providing gifts, benefits and hospitality? Does the position minimise the authority’s integrity risks, or place the authority at risk? Is the position reflective of legislative and other requirements which apply to the authority? Is the position easily understood by the authority’s officers?

3. Raise awareness

Communicate the authority’s position

Does the authority raise the awareness of its officers to ensure they know how to respond to offers of gifts, benefits and hospitality? Does the authority raise the awareness of officers so they know when they may provide a gift, benefit or hospitality? How will the authority communicate its recording requirements to officers? Does the authority raise the awareness of its clients and providers about its position on gifts, benefits and hospitality?
4. Record

Ensure records show decisions that support the authority’s position

Does the authority have any recording requirements for gifts, benefits and hospitality? If recording requirements are in place, are they sufficient to support transparency? Is sufficient information recorded to assist monitoring and review activities? Are records easily accessible to officers?

5. Review

Identify and address emerging risks within the authority

Are the policies, practices, records and registers within the authority reviewed to identify and analyse trends and associated risks, including unmanaged conflicts of interest? Does the authority take action to address risks when they are identified?
1. Risk and reputation

Integrity risks affect reputations
In the contemporary public environment, officers of authorities are likely to deal regularly with private sector representatives. In the private sector offers of gifts, benefits and hospitality in the course of business are common practice.

At times, accepting offers of hospitality provides opportunities to work with stakeholders in a way which furthers the work of an authority or government. However, for the community to be confident authorities will carry out their functions impartially, officers must be able to demonstrate they are not improperly influenced by offers of gifts, benefits and hospitality.

It is also reasonable for the community to expect that public money is used scrupulously, and only modest hospitality or gifts are offered by authorities when public money is being spent.

Reputations take time to build but can be quickly lost
Poor management of the acceptance or provision of gifts, benefits or hospitality has the potential to damage the reputation of an officer or an authority.

For an officer this can result in:
- embarrassment and damage to reputation
- disciplinary action
- dismissal
- criminal charges.

For an authority this can result in:
- media scrutiny and public embarrassment
- loss of public trust
- loss of employee confidence
- legal action.
As more services are delivered in collaboration with the private and not-for-profit sectors, the potential for officers to encounter offers of gifts, benefits and hospitality is likely to increase. Authorities and officers should be aware of the integrity risks involved.

**Integrity risks when accepting gifts, benefits and hospitality**

Accepting gifts, benefits and hospitality can pose integrity risk which could undermine reputations by:

- creating a potential, perceived or actual conflict of interest through:
  - introducing a personal interest that did not previously exist
  - encouraging officers to prioritise a personal gain over their requirement to act in the public interest
- influencing officers to return a favour
- creating a culture of entitlement
- create the perception that officers attend events that do not benefit the public interest or are unrelated to the business of their authority or government
- escalating into bribery, misconduct or corruption.

Even inexpensive gifts may create an impression of bias in some circumstances. For example, a purchasing officer can appear to favour a particular contractor if they choose to display the contractor’s marketing material such as pens and notepads.

Accepting gifts, benefits and hospitality can cause significant damage to an authority or officer’s integrity and reputation when:

- a gift, benefit or hospitality is offered or accepted in secret or occurs on a regular basis
- decisions can be made in relation to the person or organisation offering the gift, benefit or hospitality
- an officer is offered or accepts a gift, benefit or hospitality that equates to more than a token
- an officer accepts a gift, benefit or hospitality that has no apparent link to the business of the authority or government
- it is cash or something easily converted to cash, for example, shares.

Offers of ‘free training’ by external organisations such as accounting firms and software providers may also constitute a gift, benefit or hospitality. While the session may be free, the officer or authority should be mindful that these sessions may be offered as an advertising opportunity for a new product or service or a desire to create an ongoing relationship.

Any such offers should be evaluated by the authority to ensure that acceptance is appropriate to the circumstances, and can be justified on the basis it is in the public interest.
A culture of entitlement

A culture of entitlement can develop when officers accept gifts, benefits and hospitality on a regular basis. Officers may find themselves habitually soliciting gifts, benefits or hospitality in return for preferential treatment.

Case study

Accepting gifts can create a culture of entitlement in the authority

The Corruption and Crime Commission (CCC) investigated allegations of misconduct by officers in connection with possible attempted bribery of officers by private sector business owners.

Officers at one authority sometimes accepted cartons of beer and then gift vouchers from their clients at Christmas, in appreciation for work done throughout the year. Over time, this developed into officers accepting gift vouchers from clients in return for putting applications on the top of the list for approval.

When management discovered this arrangement and put a stop to it, one officer continued to accept $500 vouchers in private, having clients mail them to his home address. What had begun as a gift of appreciation for a job well done shifted to a culture of entitlement and ultimately misconduct. As a result, criminal bribery charges were upheld and an officer and those offering the gifts were fined.

The authority undertook significant work to change the culture to prevent these practices happening in the future, implementing all eight of the CCC’s recommendations.

Sponsorship arrangements

Sponsorship is the right to associate the sponsor’s name, products or services with the sponsored organisation’s service, product or activity. Sponsorship arrangements may involve negotiated and specific benefits, such as, the provision of funding, ‘in-kind’ support or promotional opportunities. Where justifiable as part of the business arrangement, they may also provide for benefits or hospitality to be provided to an authority, such as tickets to an event.

The receipt by authorities of benefits or hospitality pursuant to these arrangements should be carefully managed to ensure that benefits or hospitality:

- are appropriately negotiated, managed, distributed and accounted for as a public resource
- are used for business purposes, not to provide a private benefit to officers
- are approved and recorded to ensure transparency is maintained
- are recorded and managed to avoid any potential conflicts of interest, for example the officer charged with negotiating any benefits or hospitality must be a different person from the officer who allocates, and the officers who receive, any perceived benefits
are periodically audited to ensure they continue to meet legislative and policy requirements.

The following case study highlights the importance of being mindful of, and ensuring transparency and proper controls over, activities and ticket use in relation to sponsorship arrangements.

Case study

Proper governance and transparency is applied to ticket and corporate box use

The Public Sector Commission (PSC) conducted a thematic review into the use of general admission tickets and VIP/corporate box access for events, received by authorities in relation to sponsored or financially supported arrangements with private and not-for-profit organisations.

The review analysed the arrangements reported by 17 authorities in relation to 406 events and 16,000 tickets. In addition, the review assessed the policies, procedures and registers of eight public authorities governing these arrangements. It was noted that 20 per cent of the total ticket use reported was for private use.

Overall, the review found many policy and procedure documents analysed were general in nature and lacked relevance to the subject of sponsored and financially supported arrangements and ticket use. This highlighted the need for authorities to be mindful of—and ensure transparency and proper controls over—activities and ticket use in relation to sponsorship and financial support.

In particular, the PSC recommended that authorities take into account relevant government policies and guidelines, including checklists developed by the PSC when developing policy in relation to sponsorship and financial support. It was also recommended that events should align to core business, and tickets should be used for a valid and defendable business reason, and be appropriately approved and recorded.

Sponsored travel

Sponsored travel refers to transport, accommodation and hospitality for travel, which is funded or partially funded through means other than an authority’s funds or an officer’s own resources. In the course of performing their public role, an officer or authority may receive offers for sponsored travel to another state or country for an event or another purpose.

Sponsored travel is a benefit that can pose a significant risk to the integrity of an authority or an officer’s reputation and should therefore be treated cautiously. Sponsored travel should only be approved where the authority and officer can resolve or manage, in a transparent way, any possible conflict of interest or perception of bias issues that arise. An authority can avoid the risks of sponsored travel by paying for the work related travel expenses of its officers.
Decisions about sponsored travel need considerable thought, parameters and documented approval processes.

To assist in managing sponsored travel authorities should consider:

- referring offers of sponsored travel to the authority head for approval and ensuring that appropriate independent approvals are in place for any travel or benefits enjoyed by the authority head if they are the person travelling
- requiring the preparation of a business case that demonstrates benefits to the authority, government or wider community, rather than benefits to an individual officer
- adhering to any requirements to disclose sponsored travel. This may include obtaining and retaining receipts of flights, accommodation and hospitality.

The following case study outlines the importance of an officer and authority maintaining knowledge of, and complying with, the record keeping and disclosure obligations for sponsored travel.

**Case study**

**Acceptance of, and failure to declare, gifts, benefits and hospitality can place the reputation of the authority and the individual at risk**

The Corruption and Crime Commission (CCC) conducted an investigation to determine whether an elected member or any other employee of a local government authority had engaged in serious misconduct with respect to the elected member’s acceptance and disclosure of gifts and travel contributions.

Elected members and local government employees are governed by rules about receipt and disclosure of gifts and third party contributions to travel, including when it is prohibited to accept them. Local government elected members are required to make annual returns disclosing these activities.

In particular, the CCC’s investigation considered the acceptance of a hospitality package, including overseas travel, provided by a third party (aspects of which constituted a prohibited gift under the authority’s Code of Conduct). Of further interest was the timing of this elected member’s role in voting on a decision related to the third party.

The CCC formed the opinion that the elected member’s acceptance of the hospitality package was misconduct, and the deliberate failure to disclose the gifts or travel in the elected member’s annual return constituted serious misconduct, though the elected member’s actions were not deemed to be corrupt.

Acceptance of a prohibited gift by any local government employee could adversely affect, or could be perceived to adversely affect, the honest or impartial performance of an elected member or employee’s functions. The recording of offers and the acceptance of gifts is therefore an important accountability measure.
Integrity risks when providing gifts, benefits and hospitality

Providing gifts, benefits and hospitality may pose integrity risks that undermine the authority’s reputation by:

- resulting in unnecessary spending of public resources with no demonstrable benefit to the business of the authority or government
- creating the perception that an authority or its officers favour a particular stakeholder
- escalating into misconduct or corruption.

Providing gifts, benefits and hospitality can cause the greatest damage to the integrity and reputation of an authority or officer when:

- there is no link to the business of the authority or government
- spending occurs outside of purchasing policies of the authority or wider government requirements
- the gift or hospitality appears overly generous given the potential benefits to the authority or stakeholder involved
- alcohol is supplied as part of an authority’s hospitality.

Providing alcohol

Providing alcohol has inherent risks, as it may not meet the community’s expectation of modest hospitality or proper expenditure of public funds. The decision to provide alcohol is usually made on a case-by-case basis, guided by the authority’s policy.

Any decision to provide alcohol at a function should consider the authority’s duty of care, the need for officers to adhere to the policies governing their conduct and other relevant legislation such as the Occupational Safety and Health Act 1984 and the Liquor Control Act 1988.

Authorities should ensure providing alcohol is incidental to the overall level of hospitality.

Assessing risk

Assessing risk associated with the acceptance or provision of gifts, benefits and hospitality involves identifying and evaluating:

- the circumstances which can give rise to officers receiving offers, or accepting, a gift, benefit or hospitality
- the circumstances in which providing a gift, benefit or hospitality may pose an integrity risk, for example, public funds being spent inappropriately
- the likelihood of this occurring in various circumstances
- the potential consequences should an offer be made and/or accepted
- how any risks can be managed.
Tips for assessing risk

• Consider positions or work units which have the greatest contact with business, clients, members of the public and other external stakeholders. Officers in these areas are more likely to be offered a gift, benefit or hospitality, or are more likely to be in the position of providing a gift, benefit or hospitality.

• Determine positions or work units which have a greater risk for compromise. These can be characterised by officers having discretionary decision making powers or where there is limited or no supervision. They may include areas responsible for purchasing, contract management, regulatory oversight and approvals.

• Identify client groups or stakeholders who rely on the authority’s decisions, as these people or organisations may be more likely to offer gifts, benefits or hospitality to influence an outcome. They may include clients whose livelihood depends on the outcome of decisions.

• Examine any complaints or disciplinary cases where accepting or providing gifts, benefits or hospitality may indicate risks for the authority to manage.

• Review the use of purchasing cards to identify any issues of inappropriate spending on gifts, benefits or hospitality by officers.

• Consider reviews by integrity agencies to see if risks identified in other authorities may be applicable.
2. Requirements

Establish the authority’s position on managing gifts, benefits and hospitality

Policies and ethical codes are used to communicate the authority’s position, state expectations, shape officers’ attitudes and discourage improper conduct, while recognising the context in which the authority operates. Operating context includes the authority’s functions and objectives as well as the types of relationships its officers have with organisations and people, who may offer—or be provided with—gifts, benefits and hospitality.

Existing requirements inform the authority’s policy position. For example, authorities should consider whether there is legislation or government policy prohibiting, or impacting upon, accepting gifts, benefits and hospitality. Are there requirements applying to how and when the authority or its officers may provide gifts and hospitality?

The authority may decide on a policy of not accepting any gifts, benefits and hospitality if the risks are high. Alternatively, it may allow certain gifts, benefits and hospitality to be accepted if the risks are low and offers are infrequent.

Different requirements may be applied if risks vary throughout the authority. A higher standard may apply in areas such as:

- those with discretionary decision making powers
- purchasing
- contract management
- regulatory oversight
- approvals
- those where impartiality needs to be beyond doubt, such as internal audit or integrity and standards branches.

The authority needs to consider its position on instances where the decisions of officers do not accord with policies and ethical codes, and how these instances will be reported and managed.
When accepting a gift, benefit or hospitality should not be tolerated

In establishing a policy position the authority should identify that officers must:

- never solicit gifts, benefits or hospitality by virtue of their public role
- refuse all offers of cash or items easily converted to cash, for example, shares
- ensure their family members—or associates—do not accept a gift, benefit or hospitality on their behalf
- never accept a gift, benefit or hospitality if you are making a decision in relation to the person or organisation offering them.

Suggested policy inclusions

In establishing a policy position on the offer or acceptance of gifts, benefits and hospitality, the authority should:

- describe when—if at all—gifts, benefits or hospitality can be accepted and ensure these circumstances are transparent and defensible
- make it clear the authority owns the gift, benefit or hospitality unless otherwise approved
- allow culturally or historically significant gifts to be retained by the authority, regardless of value
- clarify that prizes won by an officer attending an event on behalf of the authority are to be treated as a gift, and are to be provided to the authority for a decision to be made about the gift
- define how gifts which arrive unsolicited from providers will be managed
- specify the storage location for gifts which are retained by the authority
- describe how unacceptable gifts will be disposed, for example, returned to the provider
- explain the expected standard of behaviour when officers are approved to accept hospitality
- explain how offers of bribes and continual offers or pressure to accept gifts, benefits or hospitality—from a person or organisation—are to be reported, and how such reports are made
- outline the process for approval of acceptance of gifts, benefits or hospitality, for example, provide for approval by a senior officer
- link the policy to any forms or registers that officers are expected to complete
- identify who an officer can go to for further advice
- provide information about how officers may raise or report their concerns about non-compliance with the authority’s policy. This can link to the authority’s policies on reporting wrongdoing
• outline the process for periodic review of the authority’s gifts, benefits and hospitality register by an independent officer or auditor, to monitor unusual trends and assess whether recipients may be influenced when making decisions
• require periodic review of the policy to ensure it remains contemporary and addresses any emerging risks.

**Setting dollar values**

When forming a policy position, be mindful of setting dollar values—as a deciding factor for officers—as to whether they should accept a gift, benefit or hospitality.

The intent of the person or organisation offering the gift can often be more important than the value itself.

Dollar values may also encourage officers to undervalue a gift, benefit or hospitality to fit the policy.

In establishing a policy position on when officers can provide gifts, benefits or hospitality, the authority should:

• state that gifts, benefits or hospitality provided must further the business of the authority or government or benefit the community
• explain that costs expended must be proportionate to the benefits obtained
• include expectations that the conduct of officers must reflect the applicable ethical codes when hospitality is provided
• state the approval and expenditure recording requirements.

**Tips for effective policy**

• Ensure the authority’s position is clear.
• Define terms to create a shared understanding.
• Explain why gifts, benefits and hospitality present a risk to the authority and officers.
• Reference requirements that apply to the authority, such as legislation or government policy.
• Give examples of the types of gifts and hospitality that may be provided to or by the authority.
• Provide examples of how an officer can politely decline a gift, benefit or hospitality.
• Ensure the authority’s policy links to other relevant internal policies, for example, purchasing and conflict of interest policies.
• Include a review process to ensure that the policy is responsive to emerging issues and changes to relevant requirements, including other policies and legislation.
Position should reflect risks

The case study below highlights the importance of authorities having a sound policy position. It also raises the need for officers to be aware of, and act in accordance with policies, particularly keeping in mind the need to appropriately manage the benefits provided by external providers as public resources.

Case study

Ensure requirements are clear and establish parameters that minimise risk

The Public Sector Commission (PSC) conducted an investigation into how an authority managed corporate box, general admission tickets and associated hospitality benefits embedded in some sponsorship agreements, valued at over $50,000, with elite sporting, arts and entertainment organisations.

The investigation considered sponsor hospitality and benefit provisions in 58 of the authority’s sponsorship arrangements and identified 15 agreements that afforded a large number of hospitality resources, such as tickets and corporate box access, with a total estimated market value of approximately $220,000.

The investigation found that 43 per cent of the hospitality resources were used for a legitimate business purpose and that 21 per cent of these resources were used in a manner considered to represent a private benefit to the body’s officers, their families and friends. A further 36 per cent of the tickets could not be properly accounted for.

The investigation found that there were insufficient management controls around the sponsorship contracts to ensure that hospitality resources were used solely for a public purpose, and to treat hospitality resources offered by sponsorship applicants as tangible assets to be appropriately managed.

The PSC recommended the authority align its sponsorship policy framework to State Supply Commission guidelines, establish relevant governance measures and controls and improve its transparency and recordkeeping practices in line with a 12 point checklist developed by the PSC.
3. Raise awareness

Communicate the authority’s position

Having established the authority’s position, the next step is to clearly communicate the authority’s expectations to officers. The authority’s communication strategies will depend on its workforce, culture and how dispersed officers may be across the Western Australia.

In consideration of its risks and operating context the authority may also consider communicating its position to its stakeholders. For example, by providing private providers with a copy of the authority’s policy and making it clear, no favours will be given in return for any gifts, benefits or hospitality.

The case study below illustrates how awareness of policy can ensure gifts, benefits and hospitality are handled appropriately.

Case study

Be aware of the gift policy ensured the gift was handled appropriately

A regional manager sent an officer to a conference on behalf of the authority. At the conference, the officer put his business card in the competition barrel and won a scooter, as a lucky door prize. The officer was excited about his win and told his colleagues the next day at work.

Having a thorough knowledge of the authority’s gifts policy, the regional manager told the officer the scooter was not just a prize, but a gift, as he attended the conference on the authority’s behalf. As such, it belonged to the authority and the officer would need to declare the gift and wait for a decision on its disposal. The officer declared the scooter on the gifts register and the authority decided to return it to the conference organisers.

Due to the regional manager’s awareness and compliance with of the authority policy, the gift was handled appropriately and the authority minimised its integrity and reputational risks. The officer learned from the situation and was careful not to enter any competitions at work conferences in the future.
Tips for raising awareness

- Ensure any updates to the authority’s policy are widely communicated to staff and included in broader communications plan.
- Identify channels the authority may use to communicate its position on gifts, benefits and hospitality. These may include email broadcasts, newsletters, messages from the CEO and the authority’s intranet and website.
- Identify times when reminders may be required, for example, Easter and Christmas.
- Do not rely solely on electronic communication to raise awareness. Include a face-to-face component where possible.
- Consider existing training programs the authority could use to communicate its position, such as an induction program, leadership and officer development programs.
- Encourage officers to take individual responsibility to inform themselves of their authority’s requirements, and act in accordance with those requirements.
- Consider how the authority will raise awareness of officers based in regional areas.
- Determine the role managers play in reinforcing the need for officers to act appropriately and in accordance with policies. Policy becomes custom and practice over time, with leaders modelling expected behaviour and an ethical culture.
- When responding to issues or reviewing policy, consider whether an update to the policy is necessary or whether issues have arisen from officers’ lack of knowledge of the existing policy and requirements.
- Ensure any updates to the authority’s policy are widely communicated.
4. Record

Ensure records show decisions that support the authority's position

Records of actions and decisions enhance transparency and enable the authority to monitor the application of its policy. Proper records are important if the practices of the authority or its officers are scrutinised, for example via audit, parliamentary questions and/or freedom of information requests.

The authority must decide how these records are created so that all decisions are transparent and defensible. Records may be in the form of a gifts, benefits and hospitality register.

For other decisions more comprehensive records or approval processes may be required, where:

- an offer of sponsored travel is being considered, a proper business case should be prepared
- public money is being used to provide a gift or hospitality. In this case, hospitality accounts submitted for payment should state the hospitality provided, the reason for the expenditure, and the names of those for whom the hospitality was provided.

The authority will need to comply with all legislative record keeping requirements applying to them, such as those set out in the State Records Act 2000, Financial Management Act 2006 and Freedom of Information Act 1992.

At a minimum it is suggested records include:

- description and estimated value of the gift, benefit or hospitality
- name and title of the person or organisation offering the gift, benefit or hospitality and their relationship to the officer or authority
- reason for the offer
- any previous offers by the person or organisation over a certain period
- whether the gift, benefit or hospitality was accepted or declined, and its location
- how conflicts of interest have or will be managed
- approval by a senior officer, including the name of the senior officer
• any similar gifts, benefits or hospitality provided to other officers of the authority around the same time.

**Tips for recording**

• Provide enough information for an independent person to understand why the decision was made to accept or decline the gift, benefit or hospitality, or provide a gift or hospitality. Ensuring this information is recorded should assist the monitoring of trends.

• Determine whether the authority will require officers to record both offers and acceptance of gifts, benefits and hospitality.

• If only non-token gifts are to be registered, consider that continual offers and the acceptance of token gifts may pose an integrity risk if not identified and addressed early.

• Decide on the type of records or register/s the authority will have, for example, an online or centralised register, or registers at a local level.

The case study below highlights the need for authorities to ensure that records support the decisions of the authority when public money is being spent on hospitality.

**Case study**

**Identify the need for better recording of hospitality and entertainment**

The Office of the Auditor General (OAG) has conducted two audits into the use of public sector credit cards, especially in relation to purchasing hospitality and entertainment. In both audits, the OAG found authorities were largely doing the right thing, but identified risks regarding officers not making records that clearly justified the business nature of their purchases, particularly for hospitality and entertainment.

The OAG recommended authorities’ policies focus on:

• ensuring entertainment or hospitality related expenditure is properly supported to show it was for official business purposes

• requiring supervisors to certify purchasing card expenditure.
5. Review

Identify and address emerging risks within the authority

To ensure policy and recording requirements minimise risk to integrity and reputation, the authority must review how they are being implemented. Any review process should identify emerging issues—prior to becoming a problem for the authority—as part of an ongoing risk management strategy.

Reviews generally involve collecting and analysing both quantitative and qualitative information.

Examples of quantitative information include the:

- number and value of gifts, benefits and hospitality received
- frequency of offers and acceptance, especially for the same officer
- frequency of the acceptance of gifts, benefits and hospitality being approved
- amount spent on providing gifts, benefits or hospitality.

Examples of qualitative information include:

- reasons for accepting and declining gifts, benefits and hospitality
- work areas being offered or accepting gifts, benefits and hospitality
- disposal procedures for return of gifts
- reports about non-compliance with policies
- consultation with stakeholders in relation to how well the policy is being implemented
- findings regarding any complaints made to the authority.

Additionally, policy positions should be updated in response to identified or emerging risks.

Openly addressing risks provides an opportunity for the authority and its chief executive officer to re-emphasise the importance of making decisions about gifts, benefits and hospitality in accordance with the authority’s policies.
Tips for reviewing

- Assign a position in the authority that is responsible for regularly monitoring the authority’s registers, and other records relating to gifts, benefits and hospitality.
- Provide senior officers, such as the CEO and corporate executive members, with regular updates on the practices of work areas or officers so they can take appropriate action if required.
- Ensure the review considers whether officers are making records which are sufficiently transparent and can explain decisions made.
- Analyse records to ensure sufficient transparency exists to explain why a gift or hospitality was provided, and the amount spent.
- Consider the knowledge of officers and stakeholders of policies and recording requirements as part of any review process.
- Examine a broad range of qualitative and quantitative information.

Review identifies the opportunity for practice improvement

The case study below illustrates the importance of having a process in place to identify policy and practice improvements.

Case study

**Identify opportunities to improve gift policy and registers, and the monitoring of gifts**

The Office of the Auditor General (OAG) audited the gifts policies and registers of eight authorities, building on the work of an earlier audit on the same topic. The audit tested 234 gifts valued at $32 000, where the most expensive gift was estimated to be worth $2 995.

Consistent with the earlier audit, this audit found all eight authorities needed to improve their gift management policies and practices in some way. In particular, through the provision of more detailed guidance to officers around gifts policies, improved practices for declaring gifts and recording gifts. This included better monitoring of trends and compliance with policies which need to outline how gifts accepted by CEOs are to be approved.

Officers accepted 22 gifts without the approval of an independent officer – a fundamental control to prevent conflicts of interest. A further 35 attended hospitality or work related events without obtaining prior approval, and seven gifts were accepted, but not approved in a timely manner. Actual or estimated values of gifts were not recorded for 59 per cent of the gifts included in the audit.
As a result of the two audits, the OAG recommended that authorities:

- have a clear and comprehensive policy which:
  - guides officers on when they can accept gifts
  - requires a gifts register to be maintained that records information about gifts which are offered
  - outlines processes and guidelines for approving gifts, including the requirement that an independent officer is to give written approval for the acceptance of all gifts in a timely manner
  - provides for periodic management review of gift registers and policies

- gift registers contain key information including:
  - descriptions of gifts
  - the estimated value of each gift
  - the names of providers and recipients of gifts and their relationship
  - approval to retain the gift, including the name of the approving officer
  - how accepted gifts were dealt with. For example, whether by the individual or authority, passed to another employee, or donated to charity
  - sufficient information to identify conflicts of interest or trends such as frequent providers or receivers of gifts

- periodically review gift registers to identify unusual trends with a focus on receivers and providers of gifts, and assess whether gift recipients may be influenced when making decisions.
Information for public officers

Acting with integrity
As an officer you are expected to be honest and make decisions impartially. You can demonstrate this by complying with the rules or requirements of your workplace. These are found in your workplace policies and procedures and code of conduct, and laws applying to your workplace.

If you are faced with a delicate or complex situation you may wish to consider the First Steps questions to help you make your decision.

First Steps
- Am I doing the right thing?
- How would others judge my actions?
- How could my actions impact on others?
- Should I discuss this with someone else?

What are the implications of accepting gifts, benefits and hospitality?
If you accept gifts, benefits and hospitality, others may question whether you are making decisions honestly and impartially. For example, how would it look if you were on an assessment panel for a tender process and you accepted a gift from one of the companies tendering?

What can you do to reduce any risks associated with accepting gifts, benefits and hospitality?
- Never demand or solicit, gifts, benefits or hospitality. You receive a salary for undertaking your duties.
- Never accept cash as it could be considered a bribe.
- Read your workplace’s gifts, benefits and hospitality policies and code of conduct.
- Make sure you register any gifts, benefits or hospitality you receive in accordance with your workplace’s policy and tell your supervisor about them.
• Ensure you are familiar with any requirements to publicly disclose any gifts, benefits or hospitality offered or accepted, and you comply with those requirements.

• Explain your workplace’s rules to those who may offer you gifts, benefits and hospitality.

• Seek advice if you are unsure how to respond to any offers.

• Don’t accept gifts, benefits and hospitality when you are, or will be making a decision in relation to the person or organisation offering them.

• Report any offers of gifts, benefits or hospitality where the person or organisation has asked for something in return as this may be a bribe.

• If you are uncomfortable with any offer made to you, raise it with your manager or supervisor.
Take the GIFT test

The GIFT test¹ is a good reminder when deciding whether to accept or decline a gift, benefit or hospitality. Consider your policy and requirements, take the GIFT test and when in doubt ask your manager.

G - Giver
Who is providing the gift, benefit or hospitality and what is their relationship to me?
Does my role require me to select contractors, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?

I - Influence
Is the provider seeking to influence my decisions or actions?
Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy, a token of appreciation or highly valuable? Does its timing coincide with a decision I am about to make?

F - Favour
Is the provider 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
Will public trust be enhanced or diminished?
Could you publicly explain the rationale for providing the gift, benefit or hospitality? Will a hospitality event be conducted in a manner which upholds the reputation of the public sector? Have records in relation to the gift, benefit or hospitality been kept in accordance with reporting and recording procedures?

¹ Adapted with permission of the State Services Authority, State Government of Victoria.
What are the implications of providing a gift, benefit or hospitality?

When authorities or officers spend public money it needs to be defensible. If you are using public money to provide a gift, benefit or hospitality, it needs to be related to the business of your workplace.

Spending money for unrelated purposes is unlikely to be consistent with your workplace’s policies and may undermine your reputation and the reputation of your workplace. In some cases the expenditure may be a misuse of a public resource which could result in action being taken against you.

What can you do to reduce the risks associated with the provision of gifts, benefits or hospitality?

- Read your workplace’s policy and code of conduct about where and when it is not appropriate to provide a gift, benefit or hospitality. These should include information about modest spending.
- Make sure you appropriately record what you spend and have it approved in line with your workplace’s purchasing or credit card policies.
- Seek advice if you are unsure about providing a gift, benefit or hospitality.
Take the HOST test

The HOST test\(^2\) is a good reminder when deciding whether to provide gifts, benefits or hospitality to staff or stakeholders. Consider your policy and requirements, take the HOST test and when in doubt ask your manager.

<table>
<thead>
<tr>
<th>H - Hospitality</th>
<th>O - Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>To whom is the gift, benefit or hospitality being provided?</td>
<td>For what purpose will a gift, benefit or hospitality be provided? Is the gift, benefit or hospitality being provided to further the conduct of official business?</td>
</tr>
<tr>
<td>Will recipients be external business partners, or employees of the host organisation?</td>
<td>Will it promote and support government policy objectives and priorities?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S - Spend</th>
<th>T - Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will public funds be spent?</td>
<td>Will public trust be enhanced or diminished?</td>
</tr>
<tr>
<td>What type of gift, benefit or hospitality will be provided? Will it be modest or expensive, and will alcohol be provided? Will the costs incurred be proportionate to and less than the benefits obtained?</td>
<td>Could you publicly explain the rationale for providing the gift, benefit 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, benefit or hospitality been kept in accordance with reporting and recording procedures?</td>
</tr>
</tbody>
</table>

\(^2\) Adapted with permission of the State Services Authority, State Government of Victoria.
**Sample register**

**Details of the public officer or authority offered the gift, benefit or hospitality**

<table>
<thead>
<tr>
<th>Name of public officer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Position title</td>
<td></td>
</tr>
<tr>
<td>Employing authority</td>
<td></td>
</tr>
<tr>
<td>Contact details</td>
<td></td>
</tr>
</tbody>
</table>

**Details of the person or organisation offering the gift, benefit or hospitality**

<table>
<thead>
<tr>
<th>Name of person</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of person</td>
<td></td>
</tr>
<tr>
<td>Organisation</td>
<td></td>
</tr>
<tr>
<td>Contact details</td>
<td></td>
</tr>
</tbody>
</table>

**Relationship between the parties**

**Nature of relationship between the public officer and person or organisation offering the gift, benefit or hospitality**

**Are there any potential, actual or perceived conflicts of interest?**

For example, are you or will you be involved in any decision making process related to the person or organisation who has offered the gift, benefit or hospitality?

**Please provide reasons for the decision.**

**Previous offers made by person/ organisation in the last 12 months (if known)**
<table>
<thead>
<tr>
<th>Details of the gift, benefit or hospitality offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date gift, benefit or hospitality offered</td>
</tr>
<tr>
<td>Description of gift, benefit or hospitality</td>
</tr>
<tr>
<td>including estimated market value</td>
</tr>
<tr>
<td>Reason the gift, benefit or hospitality was</td>
</tr>
<tr>
<td>offered</td>
</tr>
<tr>
<td>If benefit or hospitality, the date it will occur</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decision regarding gift, benefit or hospitality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date gift, benefit or hospitality dealt with by</td>
</tr>
<tr>
<td>officer</td>
</tr>
<tr>
<td>□ Declined</td>
</tr>
<tr>
<td>□ Accepted but returned to person or organisation which offered it</td>
</tr>
<tr>
<td>□ Accepted and retained by the officer</td>
</tr>
<tr>
<td>□ Accepted and donated to a charitable organisation (record which charitable organisation)</td>
</tr>
<tr>
<td>□ Accepted and retained by the authority (document what happened to the gift, benefit or hospitality)</td>
</tr>
<tr>
<td>□ Accepted and shared by the authority’s staff</td>
</tr>
<tr>
<td>What were the reasons for the decision?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approving officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of approving officer</td>
</tr>
<tr>
<td>Name of approving officer</td>
</tr>
<tr>
<td>Position title</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>Recorded on asset register</td>
</tr>
<tr>
<td>□ Yes</td>
</tr>
<tr>
<td>□ No</td>
</tr>
<tr>
<td>□ N/A</td>
</tr>
<tr>
<td>Signature of asset officer</td>
</tr>
<tr>
<td>Name of asset officer</td>
</tr>
<tr>
<td>Position title</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>
### Legislative obligations

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Responsibilities</th>
<th>Application</th>
</tr>
</thead>
</table>
| **Criminal Code**  
Chapter XIII – Corruption and abuse of office  
Section 82 – Bribery of a public officer  
Section 83 – Corruption | Section 82 states that any public officer who obtains, or who seeks or agrees to receive, a bribe, and any person who gives, or who offers or promises to give, a bribe to a public officer, is guilty of a crime and is liable to imprisonment for seven years.  
Section 83 outlines corruption including that related to pecuniary interests. | Police, Ministers, Parliamentary Secretaries, members of either House of Parliament, people exercising authority under written laws, a public service officer or employee under the Public Sector Management Act 1994 and members, officers or employees of any board, commission, corporation, local government or similar body established under a written law for a public purpose. |
| **Financial Management Act 2006** | Authorities must comply with requirements outlined for the management, administration and reporting of the public finances of the State.  
Under Treasurer’s Instruction 952 agencies must include in financial statements information of gifts of public property provided by an agency during the financial year. Also, income of an agency for the purpose of the financial statements will include gifts and other non-reciprocal contributions received. | Public sector bodies (covered by the Public Sector Management Act 1994) and entities outlined in Schedule 1 of the Public Sector Management Act, including public universities. A complete list of statutory authorities is included in Schedule 1 of the Financial Management Act 2006. |
<p>| <strong>State Records Act 2000</strong> &lt;br&gt;Part 3 – Record keeping plans for government organisations | Government organisations are required to have a record keeping plan setting out the matters about which records are kept and how records are kept. | Government departments, local governments, Royal Commissions, Cabinet, Executive Council, bodies established for a public purpose under written law, etc. Full list in Schedule 1 of the <em>State Records Act</em>. |
| <strong>Freedom of Information Act 1992</strong> | Creates a right of access to government documents, establishes a procedure to deal with such applications and a process of external review of decisions. | A Minister or a public body or office. This includes local governments. |
| <strong>Public Sector Management Act 1994</strong> &lt;br&gt;Section 9 – Principles of conduct by public sector bodies | Public sector bodies and employees are to comply with the <em>Public Sector Management Act 1994</em>, any other Act governing their conduct, ethical codes and Commissioner’s Instructions, and to act with integrity in the performance of official duties and are to be scrupulous in the use of official information, equipment and facilities. | Public sector bodies covered by the <em>Public Sector Management Act 1994</em>. |
| <strong>Commissioner’s Instruction No.8 – Codes of conduct and integrity training</strong> | Requires all public sector bodies to develop, implement and promote a code of conduct and to ensure compliance with that code. All codes must address conflicts of interest and gifts and benefits. | Public sector employees, including chief executive officers, chief employees and ministerial staff and public sector bodies covered by the <em>Public Sector Management Act 1994</em> which includes boards established under their own legislation. |
| <strong>Commissioner’s Circular 2009/18 - Guidelines for expenditure on official hospitality</strong> | Expenditure on hospitality should be restricted to a level consistent with the responsibilities of public sector officers. All public sector officers and public sector bodies need to be scrupulous in their use of public funds. | Public sector bodies covered by the <em>Public Sector Management Act 1994</em>. |
| <strong>Local Government Act 1995</strong> &lt;br&gt;Section 5.103 – Codes of conduct | Every local government is to prepare or adopt a code of conduct to be observed by council members, committee members and employees. | Local government authorities |</p>
<table>
<thead>
<tr>
<th>Local Government (Administration) Regulations 1996, Regulation 34B</th>
<th>Outlines the meanings of ‘gift’, ‘notifiable gift’ and ‘prohibited gift’ in relation to employees.</th>
<th>Local government employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government (Rules of Conduct) Regulations 2007, Regulation 12</td>
<td>Outlines the meanings of ‘gift’, ‘notifiable gift’ and ‘prohibited gift’ in relation to council members.</td>
<td>Local government council members</td>
</tr>
<tr>
<td>Local Government Election Regulations 1997, Regulation 30B</td>
<td>Candidates are to disclose gifts. A candidate must disclose to the CEO a gift promised or received during the period outlined in the Regulations.</td>
<td>Elected council members and candidates for local government elections</td>
</tr>
<tr>
<td>Electoral Act 1907, Part VI Division 3</td>
<td>Requires political parties, candidates and associated entities to disclose gifts and other income to the WA Electoral Commission.</td>
<td>Political parties, associated entities and candidates</td>
</tr>
<tr>
<td>Enabling legislation</td>
<td>Public authorities should also refer to their enabling legislation to identify other relevant requirements.</td>
<td>Each authority</td>
</tr>
</tbody>
</table>
The Integrity Coordinating Group acknowledges the assistance of the following public sector bodies in developing this publication:

- Australian Public Service Commission
- Crime and Misconduct Commission, Queensland
- State Services Authority, Victoria.

More information on the Integrity Coordinating Group can be found on the following website:

- Integrity Coordinating Group
  www.icg.wa.gov.au

More information about individual members of the Integrity Coordinating Group can be found on the following websites:

- Corruption and Crime Commission
  www.ccc.wa.gov.au
- Office of the Auditor General
  www.audit.wa.gov.au
- Office of the Information Commissioner
  www.foi.wa.gov.au
- Ombudsman Western Australia
  www.ombudsman.wa.gov.au
- Public Sector Commission
  www.publicsector.wa.gov.au