#5 Financial Management

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| PURPOSE |
| This document is intended to support individuals and Chisholm Institute to avoid conflicts of interest and maintain high levels of integrity and public trust. This document supports behaviour consistent with the Institute’s Code of Conduct and describes policy and procedures for: * 1. Responding to offers of gifts benefits and hospitality
	2. Providing gifts benefits and hospitality

This policy also contributes towards meeting Chisholm Institute’s obligation under Standing Direction of the Minister of Finance 2016. |

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| SCOPE |
| This policy applies to all workplace participants including board members, executives, managers, individuals, contractors, consultants and any individual/s or groups undertaking activity for or on behalf of Chisholm Institute.This policy does not apply to donations and sponsorship. For this refer to the relevant QMS policies. |

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| DEFINITIONS |
| **Benefits** | Preferential treatment, privileged access, favours or other advantage offered to an individual. Benefits may include: * invitations to sporting,
* cultural or social events,
* access to discounts and loyalty programs, and
* promises of a new job.

The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual’s behaviour. |
| **Conflicts of Interest** | *Actual conflict of interest* is where there is a real conflict between an employee’s public duties and private interests. |
| *Potential conflict of interest* is where an employee has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk. |
| *Perceived conflict of interest* is where the public or a third party could form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future. |
| **Gifts** | Free or discounted items and any item that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers) and consumables (e.g. chocolates). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities |
| **Hospitality** | Friendly reception and entertainment of guests. Hospitality may range from light refreshments at a business meeting to expensive restaurant meals and sponsored travel and accommodation.  |
| **Token offer** | An offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth $50 or more (including cumulative offers from the same source over a 12-month period).  |
| **Non-token offer** | An offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth $50 or more are non-token offers and must be recorded on a gift, benefit and hospitality register (except for specific offers received by a person employed in a Victorian Government school, as defined under ‘token offer’). |

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| POLICY |
| This policy has been developed in accordance with requirements outlined in the minimum accountabilities for managing gifts, benefits and hospitality issued by the Victorian Public Sector Commission. * 1. Chisholm Institute is committed to upholding the following principles in applying this policy:

**Public interest**Individuals have a duty to place the public interest above their private interests when carrying out their official functions. They will not accept gifts, benefits or hospitality that could raise a perception of, or actual, bias or preferential treatment. Individuals will not accept offers from those about whom they are likely to make business decisions. **Accountability**Individuals are accountable for:* declaring all non-token offers of gifts, benefits and hospitality;
* declining non-token offers of gifts, benefits and hospitality, or where an exception applies under this policy, seeking approval to accept the offer; and
* the responsible provision of gifts, benefits and hospitality.

Individuals with direct reports are accountable for overseeing management of their direct reports’ acceptance or refusal of non-token gifts, benefits and hospitality, modelling good practice and promoting awareness of gifts, benefits and hospitality policies and processes. **Risk-based approach**Chisholm Institute, through its policies, processes and Audit & Risk Management Committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed. Individuals with direct reports will ensure they are aware of the risks inherent in their team’s work and functions and monitor the risks to which their direct reports are exposed.**Policy Breaches**A breach of the policies or processes contained in this document may constitute a breach of binding codes of conduct and may result in disciplinary action. A breach may also constitute criminal or corrupt conduct. The policy statements that apply are: * 1. **Seeking or soliciting gifts, benefits and hospitality**

Individuals will not seek or solicit gifts, benefits and/or hospitality.* 1. **Declining prohibited gifts, benefits and hospitality**

Individuals will refuse all offers of gifts that:* are money, items used in a similar way to money, or items easily converted to money;
* give rise to an actual, potential or perceived conflict of interest;
* may adversely affect their standing as a public official or which may bring their public sector employer or the public sector into disrepute; or
* are non-token offers without a legitimate business benefit.
	1. **Non Token Offers**

A non-token offer is an offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth $50 or more are non-token offers and may include offers:* likely to influence individuals, or be perceived to influence individuals, in the course of their duties or raise an actual, potential or perceived conflict of interest;
* made by a person or organisation about which an individual will likely make a decision (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing);
* likely to be a bribe or inducement to make a decision or act in a particular way;
* of token gifts, benefits or hospitality offered repeatedly from the same source;
* that extend to an individual’s relatives or friends;
* where, in relation to hospitality and events, the Institute will already be sufficiently represented to meet its business needs;
* where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions;
* made by a person or organisation with a primary purpose to lobby Minister, Members of Parliament or public sector agencies; and/or
* made in secret.

Offers of sponsored hospitality, travel and/or accommodation such as to attend an industry conference or tour or as part of a tender process must be declined. If the event or function is in the interest of Chisholm Institute, the Institute will pay for the travel/accommodation. Where there is no clear benefit to the Institute, the invitation should be declined.* 1. **Accepting gifts and hospitality**

There will be some exceptions where there is a legitimate business reason for accepting a non-token offer. All accepted non-token offers **must** be approved in writing by the individual’s approved supervisor or organisational delegate, recorded in the gifts, benefits and hospitality register and be consistent with the following requirements:* It does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, Chisholm or the public sector into disrepute; and
* there is a legitimate business reason for acceptance. It is offered in the course of the individual’s official duties, relates to the individual’s responsibilities and has a benefit to Chisholm, public sector or the State.

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

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| **Unacceptable:** | “Networking”“Maintaining stakeholder relationships” |
| **Acceptable:** | “Individual is responsible for evaluating and reporting outcomes of Chisholm’s sponsorship of Event A. Individual attended Event A in an official capacity and reported back to Chisholm on the event.” “Individual presented to a visiting international delegation. The delegation presented the Individual with a cultural item worth an estimated $200. Declining the gift would have caused offence. The Gift was accepted, written approval was subsequently obtained for the gift, which became Chisholm Institute’s property.”  |

Individuals may be offered a gift of hospitality where there is no opportunity to seek written approval prior to accepting. For example, they may be offered a wrapped gift that they later identify as being a non-token gift. In these cases, the individual must seek approval within ten (10) business days. * 1. **Recording non-token offers of gifts, benefits and hospitality**

All non-token offers, whether accepted or declined, must be recorded in Chisholm’s gifts, benefits and hospitality register. The business reason for accepting the non-token offer must be recorded in the register and provide sufficient detail to link the acceptance to the individual’s work functions and benefit to Chisholm Institute, public sector or State. Chisholm’s Audit and Risk Management Committee will receive a report at least annually on the administration and quality control of this policy, related processes and register. The report will include analysis of Chisholm Institute’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. * 1. **Ownership of gifts offered to individuals**

Non-token gifts accepted by an individual for their work or contribution may be retained by the individual with the consent of the approved supervisor (Board Chair, CEO, ED, CO, or GM).Employees must transfer to Chisholm Institute official gifts or any gift of cultural significance or significant value (over $150). * 1. **Publishing the gifts, benefits and hospitality register on website**

The Institute’s gift, benefits and hospitality register will be published on the Chisholm Institute website and will cover the current and the previous financial year.* 1. **Providing gifts, benefits and hospitality to business associates**

Gifts, benefits and hospitality may be provided to welcome guests, facilitate the development of business relationships, further public sector business outcomes and to celebrate achievements. When deciding whether to provide gifts, benefits or hospitality or the type of gift, benefit or hospitality to provide, individuals must ensure:* Any gift, benefit and hospitality must be provided for a business purpose in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities.
* Any cost must be proportionate to the benefits obtained for the Chisholm, and would be considered reasonable in terms of community expectations.

When hospitality is provided, individuals must demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants. * 1. **Providing gifts and hospitality to employees**

Chisholm Institute may undertake to provide gifts to employees as part of a reward and recognition program or to celebrate milestone achievements such as length of services or retirement. In special circumstances, gifts may be provided in support of ill and/or injured employees. This must be managed through the Institute Purchase Card process with additional approval required from the Work, Health and Safety Manager. Celebrations of personal events such as birthdays, marriages or birth of children should not be funded or reimbursed by the Institute.Where hospitality is provided to employees, judgment must be exercised in relation to its appropriateness and whether the proposed hospitality is in line with community expectations and duty of care requirements.Prior to approving any supply of hospitality, the responsible manager should ensure that:* Meetings are held at a time of day least likely to require hospitality or sufficient meal breaks are arranged to allow employees to seek their own refreshments.
* Events do not exceed two hours.
* Internal venues are selected over external venues.
* Catering is proportionate to the number of attendees.

It is recommended that the provision of alcohol be incidental to the hospitality and no more than 2 standards drinks per person be provided. |

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| PROCEDURES –  |
| Refer to [*QMS509PR - Gifts Benefits & Hospitality Procedure*](https://qms.chisholm.edu.au/Document/DownloadContent/032e4278-cd65-e711-80ed-005056b46c43?contentId=fe2d4278-cd65-e711-80ed-005056b46c43)  |

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| FORMS AND ATTACHMENTS |
| [*QMS509\_01 Gifts Benefits & Hospitality Declaration*](https://qms.chisholm.edu.au/Document/DownloadContentByDocumentId/b06fc075-56c1-e411-80c0-005056b47701)  |

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| RELATED POLICIES / PROCEDURES |
| *[QMS209 – Staff Code of Conduct](https://qms.chisholm.edu.au/Document/DownloadContentByDocumentId/6964076a-64c8-e411-80c0-005056b47701https%3A/qms.chisholm.edu.au/Document/DownloadContentByDocumentId/6964076a-64c8-e411-80c0-005056b47701)**[QMS511 – Tax Compliance – GST & FBT](https://qms.chisholm.edu.au/Document/DownloadContentByDocumentId/de7bc118-55c1-e411-80c0-005056b47701)*[*QMS604 - Fraud Management and Corruption Control*](https://qms.chisholm.edu.au/Document/DownloadContentByDocumentId/32a5b943-4dc1-e411-80c0-005056b47701) |

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| LEGISLATION AND STANDARDS |
| [Victorian Public Sector Commission - Gifts Benefits & Hospitality Framework](http://vpsc.vic.gov.au/resources/gifts-benefits-and-hospitality-resource-suite/)[Standing Directions of the Minister for Finance](http://www.dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Standing-Directions-of-the-Minister-for-Finance-2016/Standing-Directions-2016-publications) 2016 |

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| AUTHORISATION |
| This document (policy and procedure) was adopted by the Chief Finance Officer on 31/03/2017. |

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| REVIEW DATE |
| This document will be due for review on 31/03/2020.The process owner shall review this document in line with the QMS Review Schedule, or as required. |

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| KEYWORDS |
| QMS509, gift, benefit, hospitality, conflict of interest, bribe, offer, register |