

# Gifts, Benefits and Hospitality Policy

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## 1. Policy statement

The Audit Office of New South Wales (the Audit Office) must meet public expectations of integrity, independence, accountability, transparency, and professionalism to maintain public trust. This can only happen if staff are not influenced or reasonably perceived to be influenced by gifts, benefits, hospitality or bribes.

This policy requires staff<sup>1</sup> not to accept offers of gifts, benefits and hospitality that compromise their independence or the independence of the Audit Office, whether real or perceived. It also requires staff to declare such offers, irrespective of whether the offer is declined.

### **Audit Office value of 'contagious integrity'**

Behaving with the highest levels of integrity is fundamental to who we are. We set a high standard and inspire others to do the same. We set the example.

## 2. Policy objective

This policy outlines the Audit Office's expectations regarding gifts, benefits and hospitality offered to staff by setting out:

- principles to guide staff to act with the highest integrity, exercise their duties impartially and without any perceived undue influence when offered gifts, benefits and hospitality – refer to [section 5](#)
- clear expectations to avoid accepting (or when it's appropriate to accept), and declaring offers of gifts, benefits and hospitality and hence managing the risk to independence and reputation – refer to [sections 6 to 8](#)
- roles and responsibilities of staff – refer to [section 12](#).

## 3. Risk appetite statement

The Audit Office has a low-risk appetite to compromising its independence, integrity and public trust. There can be serious consequences for the Audit Office where the management of gifts, benefits and hospitality is mishandled. Staff must not accept offers of gifts, benefits and hospitality that create a conflict (whether real or perceived), compromise their or the Audit Office's independence, or are in breach of this policy.

Staff also risk embarrassment and negative impacts to their own professional reputation and in more serious cases may lose their professional qualifications or affect their employment.

## 4. Scope

### 4.1 In scope

This policy applies to all staff<sup>1</sup>.

Audit Service Providers (ASPs) engaged by the Audit Office are expected to comply with this policy as per the terms of the ASP Manual.

The policy should be read in conjunction with other relevant Audit Office policies and procedures including those published within the ethical and lawful framework and employee conduct and obligations on the intranet. Staff should also refer to further guidance on the intranet including the gifts, benefits and hospitality scenarios and instructions on how to make a declaration in MiIntegrity.

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<sup>1</sup> Refer to [section 14](#) of this policy for the definition of staff.

## 4.2 Exclusions

The following are **not considered** a gift, benefit or hospitality for the purposes of this policy, provided independence of the staff and the Audit Office is maintained, and hence a **declaration is not required**:

- catering or other incidentals provided at an event that are included in the attendance price paid by the Audit Office
- declined and unanswered generic offers relating to a free event that are considered part of a bulk broadcast where you are not targeted because of your role at the Audit Office, e.g., receiving an offer through a general mailing list
- event, training or lunch time seminars provided free by a NSW government entity to NSW government staff, for the purposes of increasing sector wide capability and knowledge, such as in a specialist area or government sector context, e.g., free fraud and corruption control training by the Independent Commission Against Corruption (ICAC), events hosted by a Community of Practice, or sessions held by NSW Treasury about its policies or frameworks
- gifts, benefits and hospitality provided to you in your capacity as a member of a professional organisation, e.g., you are a CPA member and offered to attend a CPA event with catering
- service offerings captured within a contract or service agreement with a supplier, e.g., sessions on product updates or for a community of users
- discounts offered that are part of normal commercial terms or a standard pricing schedule and not offered specifically or exclusively to the Audit Office or its staff
- incidentals of very low value when carrying out a work function, e.g., pen received at a conference or tea or coffee in a work meeting
- discounts and free offerings to all building tenants, e.g., discounted parking and other office premises' offerings such as free giveaways marking an event or 'International days' (like chocolates on Valentines Day or daffodils on Daffodil Day)
- award or scholarship received in recognition of staff achievements or potential in their field of expertise, as a result of an open and competitive process, such as the NSW Premier's Awards, the Institute of Public Administration Australia Awards
- gifts, benefits and hospitality provided in the context of a personal relationship, where the nature of the relationship is purely personal and the gift is given out of genuine friendship, rather than with any expectation of professional favour or influence, such as to commemorate an event or anniversary, e.g., a birthday, illness or bereavement.

## 5. Policy principles

When making decisions about gifts, benefits and hospitality, staff must consider the following key principles:

### Independence

As an integrity agency, it is vital that the Audit Office and its staff are, and perceived to be, independent. The Audit Office and its staff must be, and seen to be, free of any interest that is incompatible with objectivity in performing activities including audit engagements, procurement or recruitment activities.

Staff have a responsibility to place the public interest above their private interests when carrying out their official functions. Except for the exclusions in [section 4.2](#) of this policy, staff must not accept offers of gifts, benefits and hospitality from those whom they are likely to make a business decision.

Staff must consider whether a reasonable person would think accepting a gift, benefit or hospitality was intended to influence them to act in the interests of the giver, either now or in the future.

## Integrity

Staff must act with the highest degree of integrity and consider public perception when offered gifts, benefits and hospitality.

Staff must uphold ethical behaviour and adhere to and act in line with the expected standards of behaviour as outlined in the Audit Office ethical framework and values.

## Accountability

Staff are accountable for compliance with this policy, namely for appropriately responding to offers of gifts, benefits and hospitality.

Staff members with direct reports are accountable for overseeing the management of their direct reports' offers of gifts, benefits and hospitality, modelling good practice and promoting awareness of the policy and the related procedures or processes.

## Transparency

Declaring offers of gifts, benefits and hospitality ensures transparency. The offers are recorded in the gifts, benefits and hospitality register which is published on the Audit Office website.

## Risk-based approach

The Audit Office, through its policies, procedures and processes, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed. Staff members must consider risks associated with offers of gifts, benefits and hospitality including reputational, and fraud and corruption risks.

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.

# 6. Managing offers of gifts, benefits and hospitality

## 6.1 Policy requirements to decline

Staff must **NOT ACCEPT** offers of gifts, benefits and hospitality that compromise their independence or the independence of the Audit Office, whether real or perceived (refer to the [reasonable person test](#) below).

Contrary to any other information, independence will be considered to be compromised if the offer of a gift, benefit or hospitality:

- goes against the policy principles outlined in [section 5](#)
- creates or is reasonably perceived to create a conflict of interest, or a threat to professional independence, for staff or the Audit Office as a whole – refer to the Audit Office's [Conflict of Interest and Professional Independence Policy](#)
- influences or induces, or is reasonably perceived to influence or induce, staff member's actions or decisions to act in a certain way, including in the interests of the giver, either now or in the future

### Reasonable person test

The Audit Office and its staff have an obligation to identify and evaluate circumstances and relationships that may create a conflict of interest and take reasonable steps to avoid or manage them. Both qualitative as well as quantitative factors must be considered.

A conflict of interest can be real or perceived. A **real conflict** involves a direct conflict between a staff member's personal interests and their public duties and duties at the Audit Office. A **perceived conflict** exists when a reasonable person might perceive that a staff member's

personal interest(s) could be favoured over their public duties and duties at the Audit Office, whether or not this is in fact the case.

- is made in a context that is inappropriate or could call into question the actions or decisions to act in the interests of the giver either now or in the future, or risk the reputation of the Audit Office or its staff, e.g., involving alcoholic drinks, a meal at a restaurant/cafe or an offer made to staff with high-risk areas of responsibility

**Staff with high-risk areas of responsibility**

Staff involved in the following activities should be particularly cautious when offered gifts, benefits or hospitality:

- making or advising on purchasing decisions
- evaluating tenders, quotes, proposals or applications
- administering or advising on approvals
- managing contracts
- regulating/auditing individuals, organisations or industries
- hiring staff.

- is provided by auditees – note the exception in [section 6.2](#)
- is provided by an individual or organisation where there is an existing or potential business or contractual relationship such as existing or potential suppliers or service providers, individuals applying for employment – note the exception in [section 6.2](#)

**Potential business or contractual relationship**

These are suppliers, service providers (including audit service providers), consultants or employment hires, that have already submitted or are known to likely submit a quote or response to a request for tender or job advert.

- constitutes a bribe or an inducement
- has resulted from staff soliciting the gift, benefit or hospitality
- is cash, cash equivalent or other financial benefit
- is over the maximum value of \$100, including the accumulated value of serial/repeated offers from the same individual or organisation
- meets any of the circumstances noted above and on behalf of family, relations, friends, associates.

These offers must be declared in accordance with [section 7](#), even if declined.

The above list is not exhaustive, and each situation must be considered on its own merits. If staff are unsure, they should err on the side of caution and decline the offer, or **CONSULT** with the Director, Governance and Risk or Governance for guidance.

Where possible, staff should **DECLINE** offers of gifts, benefits and hospitality at the time the offer is made.

## 6.2 Exceptions

There may be exceptions when accepting an offer of a gift, benefit or hospitality is appropriate, provided the independence of the staff and the Audit Office is maintained (see [section 6.1](#)), whether real or perceived. These include:

- ceremonial or cultural gifts received on behalf of the Audit Office, including when a refusal of the offer of a gift, benefit or hospitality may cause offence to the giver due to cultural differences, e.g., from a visiting overseas delegation

- gifts of gratitude for presenting at an event or hosting an event that is in relation to a staff member's work function, e.g., a bunch of flowers or a bottle of wine as a thank you for presenting at an event
  - prizes 'won' at an external business function when conducting official duties
  - invitations to networking, professional, government sector or industry events where it is in relation to a staff member's area of responsibility or role, and aimed at increasing professional capability, staying up to date with current or situational developments, or considered beneficial for continuous professional growth. This includes any low-risk meals offered as part of the event
  - low risk hospitality (involving light and modest refreshments) that is incidental when carrying out a work function e.g., one-off offers of simple sandwiches in a work meeting.
- In deciding to accept or decline an offer, staff must always consider the value, appropriateness of the hospitality being offered, the venue, or context, and the relationship with the giver and what a reasonable person might think.

These offers must be:

1. **APPROVED** in advance by an approving manager<sup>2</sup>, in consultation with Governance, whenever possible before accepting – noting it may not always be possible to obtain a prior approval, such as in the case of a ceremonial or cultural gift, gift of gratitude for presenting or a gift sent in the post
2. **DECLARED** in accordance with [section 7](#).

Approving managers must consider this policy including the exclusions in [section 4.2](#), policy principles in [section 5](#) and circumstances in [section 6.1](#), in assessing whether it is appropriate to accept or not and if accepted, whether the staff member should retain or donate. Approving managers must provide approval within 10 business days of receiving the request.

If staff or approving managers are unsure of how to treat an offer of a gift, benefit or hospitality, they should consult with the Director, Governance and Risk or contact Governance.

## 7. Declaring offers of gifts, benefits and hospitality and bribes

### 7.1 Gifts, benefits and hospitality declarations

Staff must **DECLARE** all offers of gifts, benefits and hospitality, regardless of whether they were accepted or declined, unless the offer falls within exclusions listed in [section 4.2](#). Staff are required to make a gift, benefit and hospitality declaration in MiIntegrity within 10 business days of receiving the offer of gift, benefit or hospitality. Refer to instructions on how to make a declaration in MiIntegrity and the [decision flowchart at Appendix 1](#) for further guidance.

The Governance Manager ensures declarations of offers of gifts, benefits and hospitality, are reviewed in MiIntegrity within 10 business days of the declaration being submitted.

### 7.2 Bribes

If staff suspect they are being offered a bribe or an inducement, they must refuse it and immediately **REPORT** it to the Director, Governance and Risk, who will advise the Deputy Auditor-General and Auditor-General. Where necessary, the Auditor-General will inform ICAC and the NSW Police as soon as practicable.

## 8. Providing gifts, benefits or hospitality

Gifts, benefits and hospitality may be provided by the Audit Office when welcoming guests to facilitate the development of professional relationships, further public sector outcomes and to celebrate

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<sup>2</sup> Refer to [section 14](#) of this policy for the definition of approving manager.

achievements, e.g., to thank a guest speaker or to exchange gifts with a visiting delegation from overseas.

The requirements applicable to the provision of gifts, benefits or hospitality are consistent with the requirements outlined in relation to the receipt of gifts, benefits or hospitality.

## 9. Monitoring compliance and effectiveness

The Director, Governance and Risk is responsible for monitoring and reporting on the compliance and effectiveness of this policy regularly to the Office Executive and Audit and Risk Committee. This includes reporting on trends, breaches, areas of concern, or other related information as required.

An extract from the Gifts, Benefits and Hospitality Register in MilIntegrity is published quarterly on the Audit Office website following approval from the Executive Director, Professional Services and reported to the Office Executive before publishing.

## 10. Waiver of the policy

A waiver of the policy may be granted where it can be justified, and a reasonable person is not likely to think that the gift, benefit or hospitality was intended to influence the recipient to act in the interests of the giver, either now or in the future. This will only occur in rare circumstances.

Any waiver request must be in writing with a detailed justification, and approved by the relevant OE member, in consultation with Governance.

## 11. Breaches

Breaches of this policy may be subject to remedial or disciplinary actions. Refer to the Disciplinary policy for further details.

## 12. Roles and responsibilities

The **Auditor-General** has a legal obligation under the *Independent Commission Against Corruption Act 1988*, to report any instances of actual or suspected fraud, corruption or bribery to the ICAC and the NSW Police.

The **Deputy Auditor-General** has ultimate responsibility for this policy.

The **Office Executive** approve this policy and have responsibility to provide oversight over the treatment and management of gifts, benefits and hospitality.

The **Audit and Risk Committee** have responsibilities as outlined in the Audit and Risk Committee Charter regarding management's implementation of an ethical and lawful culture.

The **Executive Director, Professional Services** is responsible for ensuring necessary processes are in place to support compliance with this policy. This includes providing advice, where necessary, on whether a gift, benefit or hospitality should be accepted or not.

The **Director, Governance and Risk** with the assistance of the **Governance Manager**, administers this policy by:

- reviewing this policy in accordance with the review schedule in [section 17](#) of this policy
- maintaining and reviewing the gifts, benefits and hospitality register within MilIntegrity and co-ordinating the publication of the register on the Audit Office website
- preparing regular reports to the Office Executive and the Audit and Risk Committee on the compliance and effectiveness of this policy, including trends, breaches and areas of concern
- raising staff awareness, including working with the Learning and Development team to deliver induction and ongoing training programs



- providing advice to approving managers and other staff on obligations and issues including the appropriate treatment of a gift, benefit or hospitality.

**Approving managers**<sup>3</sup> assess the offers of gifts, benefits and hospitality and decide the appropriate treatment, if prior approval is sought.

**All staff** have an obligation to understand and adhere to this policy, including declaring offers of gifts, benefits and hospitality.

### 13. Legislative context

This policy has been developed in line with:

- [Independent Commission Against Corruption Act 1998](#)
- [Crimes Act 1900](#) (applies if staff are offered cash or a financial benefit that would constitute a bribe)
- [AS 8001:2021: Fraud and corruption control](#)
- [AS ISO 37001:2019: Anti-bribery management systems - Requirements with guidance for use.](#)

Consideration has also been given to:

- Public Service Commission’s [Code of Ethics and Conduct for NSW Government Sector Employees, 2024](#)
- Public Service Commission’s [Managing Gifts and Benefits: Minimum Standards.](#)

### 14. Definitions

In the context of this policy and in line with relevant legislation, guides and standards, the following definitions apply:

**Audit Office of NSW** used for initial reference in document, thereafter referred to as the Audit Office.

**Award** refers to a gift or benefit received in recognition of an achievement or performance such as a monetary payment, scholarship, funded training or development.

**Approving manager** refers to those who have responsibility for assessing the offers of the gift, benefit or hospitality and deciding the appropriate treatment, if prior approval is sought. In the case where there is no agreement on the treatment of the offer, the Deputy Auditor-General will make the final decision unless it involves the Deputy Auditor-General, in which case, the Auditor-General makes the final decision.

Staff member	Approving manager
All staff up to Director	Relevant Director
Directors	Relevant Assistant Auditor-General or Executive Director
Assistant Auditors-General and Executive Directors	Deputy Auditor-General
Deputy Auditor-General	Auditor-General
Auditor-General	N/A

<sup>3</sup> Refer to [section 14](#) of this policy for the definition of approving manager.

**Bribe/bribery**<sup>4</sup> refers to offering, promising, giving, accepting or soliciting of undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to performance of that person's duties.

**Ceremonial gifts or benefits** are an official gift from one agency to another, usually given to a host agency by official visiting delegates of another.

**Conflict of interest** can be real or perceived. A real conflict involves a direct conflict between a staff member's personal interests and their public duties and duties at the Audit Office. A perceived conflict exists when a reasonable person might perceive that a staff member's personal interest(s) could be favoured over their public duties and duties at the Audit Office, whether or not this is in fact the case.

Refer to the Conflict of Interest and Professional Independence Policy for further details.

**Corruption**<sup>5</sup> is a dishonest activity in which a member of the Audit Office staff acts contrary to the interests of the Audit Office and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the Audit Office or a person purporting to act on behalf of and in the interests of the Audit Office, in order to secure some form of improper advantage for the Audit Office either directly or indirectly.

**Employee** refers to persons employed by the Audit Office under Award or Executive Contract conditions of employment.

**Financial benefit** is an advantage, profit, reward or gain that has a monetary value. It could include getting money, goods, services, discounts, gift vouchers, contracts or jobs.

**Gifts and benefits** include any item, service, prize, or travel, provided by an auditee, customer, client, applicant, supplier, potential supplier or external organisation, which has an intrinsic value and/or a value to the recipient, a member of their family, relation, friend or associate.

For the purposes of this policy excludes items in section 4.2.

**Gifts or benefits of gratitude** are given in appreciation for a specific task or superior performance of duties.

**Gifts or benefits of influence** are given to create a sense of obligation in the recipient for a future return of favour, causing a conflict of interest.

**Gifts, Benefits and Hospitality Register** is the official Audit Office record which details gifts, benefits and hospitality offered and how they were managed.

**Hospitality** is the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.), tickets/right of entry to an event, other entertainment, or other consumables, directly associated with the course of an event.

**Immediate or close family member** includes:

- spouse: married, de facto, civil union partnerships
- children: step, adoptive, dependent, non-dependent, adult children and those not living at home
- parent or sibling
- other close family members who may be influenced by that person in dealing with the entity, e.g., cousin, uncle or aunt, brother or sister-in-law.

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<sup>4</sup> Source: AS ISO 37001:2019.

<sup>5</sup> Source: AS 8001-2021.

**Inducement:** is an object, situation or action that is used as a means to influence a staff member's behaviour, but not necessarily with the intent to improperly influence that staff member's behaviour.

**Maximum value** is the monetary limit of acceptable gifts, whether the total of a single gift or the cumulative total of all gifts offered by the same giver over a relevant period of time.

The Audit Office has determined this amount to be \$100.

**Public perception** means how the people of New South Wales view the behaviour of Audit Office staff.

**Responsibilities** refer to the activities or outcomes that someone is responsible for performing directly, or ensuring are delivered. Responsibilities often include activities such as 'approving', 'reviewing', 'monitoring', 'implementing' and 'communicating'.

**Serial/Repeated offers of gifts, benefits or hospitality** are given regularly over a period of time by the same giver, usually of low value, but their cumulative value may be over the maximum value and considered a gift of influence.

**Staff or staff member** includes all Audit Office employees (that is persons employed under the Award or on executive contract conditions), and contingent workers.

## 15. Contact point

If staff have any questions about this policy, they should contact the Director, Governance and Risk, or the Governance unit via [governance@audit.nsw.gov.au](mailto:governance@audit.nsw.gov.au).

## 16. Implementation procedures and related policies

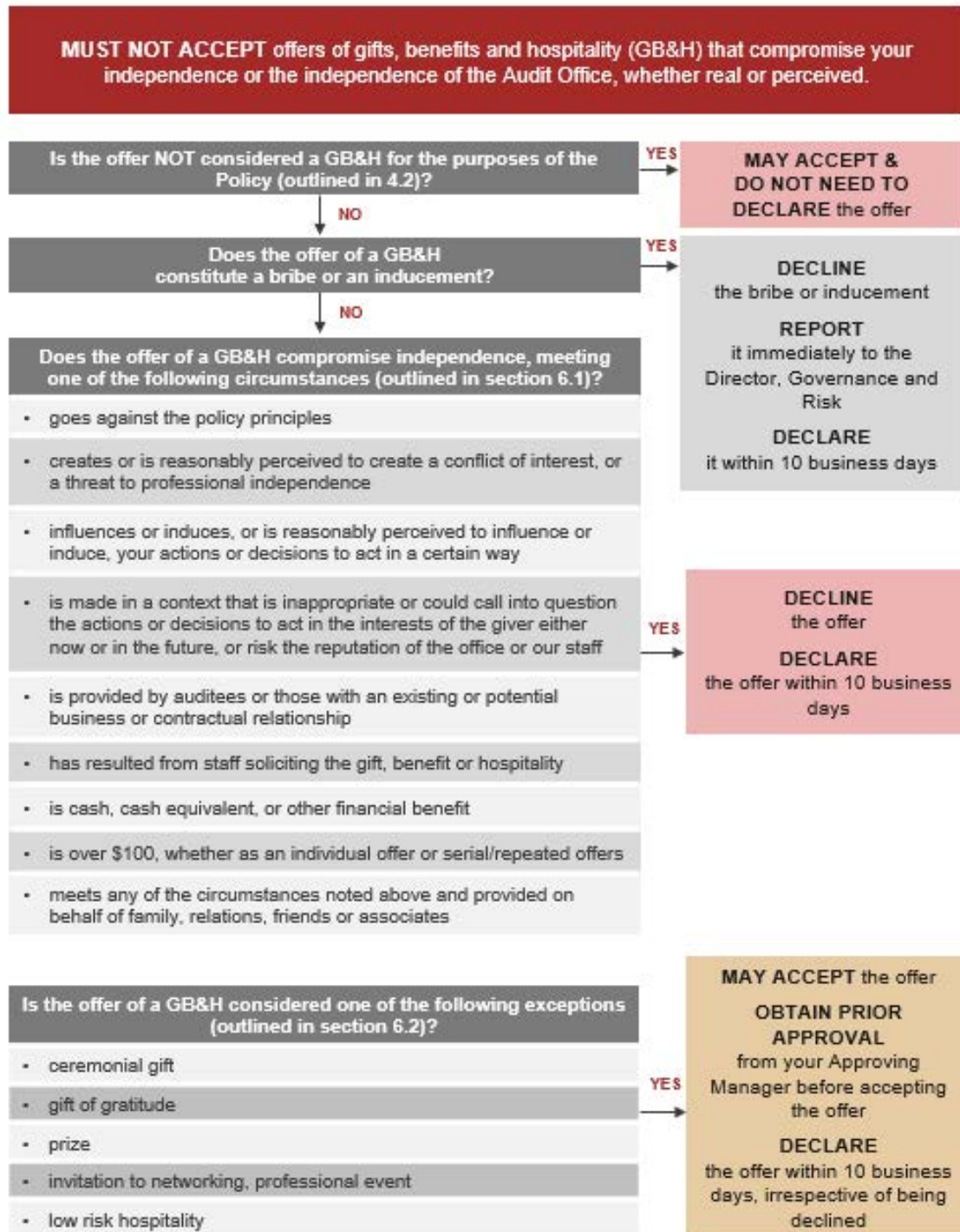
Other core policies related to this policy include the:

- [Code of Conduct](#)
- [Risk Management Framework](#)
- [Fraud and Corruption Control Policy](#)
- [Conflict of Interest and Professional Independence Policy](#)
- [Internal Public Interest Disclosures Policy](#)
- Disciplinary Policy.

## 17. Review

A comprehensive review of this policy will be conducted every three years, with check-in reviews in between, to ensure any significant new information, legislative, organisational or other changes are captured.

## Appendix 1 – Decision flow chart



## Document information

<b>Title:</b>	Gifts, Benefits and Hospitality Policy
<b>Owner:</b>	Governance
<b>Person responsible:</b>	Executive Director, Professional Services
<b>Approver:</b>	Office Executive
<b>Last updated:</b>	October 2024
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<b>Document reference:</b>	<a href="#">R012-2041204238-33597</a>

## Document history

Version	Date	Reason for amendment
3.0	October 2024	<p>Review and update to reflect the current practices, current Audit Office branch structure, and changes to role titles.</p> <p>Other changes made to clarify the expectations of the Audit Office for the treatment and management of offers of gifts, benefits and hospitality and to align with public sector guidance.</p> <p>Additions include policy principles and new sections in line with the policy template, e.g. policy objective, risk appetite statement, implementation procedures and related policies, document information and history.</p>