



**The Consumer Council**

## **Gifts and Hospitality Policy**

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## 1.0 POLICY ISSUE STATUS

1.1 This policy is a controlled document and is held centrally by the Corporate Services section.

1.2 Policy amendments:

Version	Date actioned	Actioned by	Reason for change
1.0	December 2004	Finance Manager	Development of Policy
2.0	August 2006	Finance Manager	Review of Policy and updated DAO 10/06
3.0	February 2009	Finance Officer	Review of Policy
4.0	September 2009	Head of Finance and HR (acting)	Review of Policy and updated in line with DETI Financial and Operating Procedures Manual, recommendations in Statement of Internal Control and DAO 10/06 (revised)
5.0	January 2012	Finance Manager	Review of policy and updated in line with DFP guidance on the acceptance and provision of gifts and hospitality (amended 22 September 2010)
5.1	July 2013	Finance Manager	Policy reviewed, DFP guidance hasn't been revised since 22 September 2010. No changes required.
5.2	August 2014	Finance Manager	Policy updated in line with DETI policy.

## 2.0 INTRODUCTION

### General

- 2.1 The Consumer Council Gifts and Hospitality Policy provides guidance on the acceptance and provision of gifts and hospitality. The policy is in line with:
- Dear Accounting Officer Letter (DFP) 10/06 - Acceptance and Provision of Gifts and Hospitality;
  - Dear Accounting Officer Letter (DFP) 09/11 - Bribery Act 2010; and
  - The Department of Enterprise, Trade and Investment (DETI) Gifts and Hospitality Policy.
- 2.2 The policy should be read in conjunction with the Consumer Council's Code of Practice and Purchasing Policy which are available on the intranet.
- 2.3 **The fundamental principle is that an employee should not do anything that may give the impression to their colleagues, members of the public, or people with whom they have to deal in an official capacity, that they have been, or may have been, influenced by a gift or consideration to show bias either for or against any person or organisation while carrying out their official duties.**
- 2.4 Any breach of the rules can lead to disciplinary action and in some circumstances can be a criminal offence.
- 2.5 The policy does not seek to supply a prescriptive list of the gifts or hospitality that can be provided or accepted but rather seeks to provide the ethical framework for decision making in relation to provision and acceptance. The advice of the Chief Executive, Director or Head of Finance and HR should be sought in any case where the propriety of accepting/providing a particular gift or offer of hospitality is in doubt.

## 2.0 INTRODUCTION

### The Bribery Act 2010

- 2.6 The UK Bribery Act came into effect on 1 July 2011. The act modernises the law on bribery and seeks to provide a revised framework of offences to combat bribery in the public and private sectors. In essence, the Act creates two general offences of bribing another person (active bribery) and being bribed (passive bribery).
- 2.7 The Ministry of Justice in Great Britain has published Guidance Notes on the 2010 Bribery Act. These are available at [www.justice.gov.uk](http://www.justice.gov.uk). The guidance indicates that it is not Government's intention that genuine hospitality or similar business expenditure that is reasonable and proportionate should be caught by the Act. This means that organisations and individuals can continue to provide and receive **proportionate** and **reasonable** gifts and hospitality.
- 2.8 The Ministry of Justice guidance refers to facilitation payments. These are payments or goods given to officials to perform or speed up an existing routine task or duty which they are otherwise required to do. Such payments are bribes and are unlawful.

### 3.0 PROVISION OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES

#### General

- 3.1 As with all public expenditure, expenditure on gifts and hospitality should represent value for money and be incurred in accordance with the principles of regularity and propriety including Nolan's seven principles of public life. Any gifts provided or hospitality offered should be in the Consumer Council's direct interest and should give no grounds for anyone to reasonably suspect that personal judgement or integrity has been comprised.
- 3.2 The provision of gifts and hospitality (other than the provision of light refreshments) is not part of the Consumer Council's normal business. For this reason it is difficult to draw up a list of groups to which the Consumer Council might provide gifts and/or hospitality. The circumstances in which such expenditure might arise and each proposal for the provision of gifts and hospitality should therefore be considered on its merits.
- 3.3 The provision of hospitality should be, and should be seen to be, non-contentious, unostentatious and on a modest scale. It should be limited to food and drink and should not provoke public comment about an employee wining and dining at the taxpayers' expense.
- 3.4 Hospitality should not be offered for the sole or main purpose of reciprocating hospitality received.
- 3.5 No spouses or partners of Consumer Council employees are eligible to receive hospitality other than in exceptional circumstances. The specific written agreement of the Chief Executive must be obtained.
- 3.6 Public funds should **never** be used for the purchase of gifts to an employee or other officials working in the public sector. If, in exceptional circumstances, provision of a gift from public funds is contemplated, it should be authorised by the Chief Executive (up to £100). If the value of the intended gift is anticipated to exceed £100 or is unusual in nature then it should be authorised by DETI and the Department of Finance and Personnel.

### **3.0 PROVISION OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

#### **Light Refreshments**

- 3.7 In the course of our work an employee(s) may host morning or afternoon meetings with NDPBs and Cross Border Bodies; Departments; other public bodies; civil servants representing NIPSA; and the private and voluntary sectors. Generally speaking, the provision of tea or coffee and scones/biscuits at meetings of this kind can be charged to the Consumer Council.
- 3.8 The senior member of staff organising the meeting should consider whether the circumstances warrant the provision of refreshments. For example, such provision may not be appropriate if a meeting is not expected to last long or if the number of Consumer Council employees far outweighs the number of visitors (although common courtesy may dictate that hospitality is provided in the latter case).
- 3.9 Hospitality must not be provided for meetings solely consisting of Consumer Council employees with the following exceptions:
- (a) Employee training courses where it is not convenient to allow a break for participants to use the kitchen facilities. If the kitchen is used participants should bring their own refreshments.
  - (b) Council meetings.
  - (c) Recruitment panels.
- 3.10 Refreshments provided should normally be limited to tea and coffee, scones or biscuits (in the case of Council meetings and recruitment panels, a light lunch may also be appropriate). However, reasonable provision should be made for employees who have a food intolerance and alternatives should be explored, e.g. the provision of gluten free biscuits, etc.

### **3.0 PROVISION OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

#### **Dining**

- 3.11 When considering the provision of lunches and evening meals for visitors, regard should be had to the desirability of keeping the number of public sector participants as low as possible. The Consumer Council should not normally bear the cost of hospitality for public sector visitors except where they form a necessary part of the total guest list.
- 3.12 The following rules as to cost of food and drink should be adhered to when hospitality is provided to guests at hotels or restaurants:
- (a) The total cost per head including refreshments and any service charge or tip should not be excessive;
  - (b) Where the hospitality takes the form of an evening meal, the element for refreshments (including alcoholic and soft beverages) should not normally exceed a third of the total bill;
  - (c) If no service charge is included in the bill, a tip of 10% would be reasonable, but this should be contained within the maximum cost specified at (a) above; and
  - (d) Receipts to cover expenditure must be obtained.



### **3.0 PROVISION OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

#### **Approval Procedures**

- 3.13 Prior approval is required for expenditure on light refreshments (tea, coffee, biscuits and sandwiches), lunches and dinners. The following limits should be adhered to:

<b>Approval</b>	<b>Value (£)</b>
Section Head	£25 and under
Director	£120 and under
Chief Executive	Over £120

- 3.14 An employee needs to consider if it is likely that limits will be breached, possibly due to numbers attending and ensure that the appropriate level of approval is received.

#### **Working Lunches**

- 3.15 On rare occasions urgent meetings of Consumer Council employees may have to take place over lunchtime. In these circumstances, the Director or Chief Executive responsible for hosting the meeting may consider it cost effective and in the interests of efficiency to provide a modest/snack lunch for employees with costs kept to a minimum. Prior approval should be given by the Director or Chief Executive and the purchase order should state that the expenditure is for a working lunch.

#### **Claims for Reimbursement of Expenditure**

- 3.16 Where the cost of the hospitality has been met by an employee and they then wish to seek reimbursement, an expenses claim form should be completed. Prior approval should be sought before any expenditure on hospitality is incurred and the expenses claim form should be signed by the appropriate individual to evidence that approval. It should be clearly documented that the expenditure was for hospitality in the description field and the appropriate project codes should be provided.

## 4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES

### General

- 4.1 The Consumer Council recognised that suppliers and other customers of its services may from time to time extend offers of gifts and hospitality to an employee. The Consumer Council also recognised that its employees have a responsibility, in the interests of public confidence, to exhibit high standards of propriety, and carry out their role with dedication and a commitment to the core values within the Code of Conduct of integrity, honesty, objectivity and impartiality.
- 4.2 The Consumer Council Code of Conduct indicates that an employee should conduct themselves with honesty and impartiality in the exercise of their duties. As a consequence, an employee should never receive benefits of any kind from a third party which might reasonably be thought to compromise their personal judgement or integrity. **In this respect, perception is as important as reality.**
- 4.3 The fundamental principle is that no employee should do anything which might give rise to the impression to their colleagues, members of the public, or people with whom they deal in an official capacity, that they have, or may have been, influenced by a gift, hospitality or other consideration to show bias for or against any person or organisation while carrying out official duties.
- 4.4 Guidance on the acceptance of gifts and hospitality is applicable to external people acting on behalf of the Consumer Council (for example, consultants, research companies etc). In this case they should be notified of this before they start work for the Consumer Council. Details of the action to be taken should a breach be suspected are set out in paragraph 2.2 of Appendix 2 to DAO (DFP) 10/06.
- 4.5 The Consumer Council guidance is also applicable to spouses, partners and other associates if it can be argued or perceived that the gift or hospitality is in fact for the benefit of an employee.
- 4.6 Any breach of the rules of conduct can lead to disciplinary action and in some circumstances can be a criminal offence (see paragraphs 2.6 to 2.8 above).

## **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

### **Acceptance of Gifts**

- 4.7 The general principle is that all gifts offered to an employee should be refused. However, seasonal, promotional or trivial gifts (such as calendars, diaries, pens etc), which bear company names and/or logos of the provider of the gift and have a value of less than £50, may be accepted by individuals without the need for these to be approved in advance or reported in the Register of Gifts and Hospitality.
- 4.8 A token gift (falling outside those described in paragraph 4.7) may be accepted if it is presented by an organisation, however, these and the acceptance of any other gifts must have been approved by the Chief Executive (see paragraph 4.16) and must be declared by the employee in the Register of Gifts and Hospitality.
- 4.9 More expensive or substantial items, valued at £50 or more and gifts of lottery tickets, cash, gift vouchers, gift cheques, alcohol, cigarettes and cigars cannot on any account be accepted.
- 4.10 All gifts offered (apart from those which are trivial or inexpensive as in paragraph 4.7 above), even if they are declined/returned, need to be recorded in the Register of Gifts and Hospitality.

### **Trade, Loyalty or Discount Cards**

- 4.11 Trade, loyalty or discount cards by which an employee might personally benefit from the purchase of goods or services at a reduced price are classified as gifts and should be refused and returned to the sender.
- 4.12 Frequent flyer cards used by airlines can be used by an employee to avail of special departure lounges and priority booking and check-in. They must not make private use of any flight/air miles which derive from flights paid for from public funds.

## **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

### Employees involved in the Procurement or Monitoring of a Contact

- 4.13 Apart from trivial/inexpensive seasonal gifts, such as diaries, no gifts or hospitality of any kind from any source should be accepted by anyone involved in the procurement or monitoring of a contract. This will ensure that no criticism can be made regarding bias to a particular company or supplier.

### Gifts received in recognition of work done

- 4.14 On no account should a gift or gratuity be solicited or requested. Where gifts by way of gratuities, vouchers or book tokens etc for lectures, broadcasts or similar occurrences are offered, the acceptance should be based on how much of the preparatory work for the event was done in the employee's own time, how much in official time and the extent to which the Consumer Council resources, other than, for example, use of an officially issued lap-top at home, were used in the preparation. The following guidelines should be applied:
- (a) If the preparation was carried out entirely in the employee's own time and the event took place outside normal working hours at no expense to the Consumer Council, it would be acceptable for the employee to retain the whole fee, token or other gift;
  - (b) If, however, the preparation was done wholly in Consumer Council time with use of Consumer Council resources, no gifts or fee should be accepted unless the event is carried out outside of normal working hours when a gift or token to the value of up to £50 is acceptable; and
  - (c) If the preparation was carried out and the lecture etc, delivered in an employee's own time but Consumer Council facilities were used for typing, preparation of PowerPoint/overheads etc, the a gift or token to the value of not more than £75 is acceptable.
- 4.15 In the case of either b or c, the Consumer Council can, if they so choose, charge the organisation or body a fee based on the salary costs of the member of employee and/or the use of resources. If a series of gifts from the same source exceed the monetary limits set out above the same rules apply.

## **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

### **Reporting Gifts and the Approval Process**

- 4.16 If gifts (apart from trivial or inexpensive gifts for which approval is not required under paragraph 4.7 of this guidance) are received, the approval of the Chief Executive for employees up to Grade 7 and the Chair for any gifts offered to the Chief Executive should be sought. If the recipient has rejected or will reject the gift, they only need to send details to the Chief Executive's Personal Assistant for inclusion in the register.
- 4.17 In each case, the Chief Executive or Chair will decide in writing (which may take the form of an email), whether to:
- (a) Allow the employee to keep the gift;
  - (b) Return the gift to the donor with a suitably worded letter explaining why the gift cannot be accepted. A template is attached at Appendix 1 which should be tailored to suit each individual circumstance;
  - (c) Use or dispose of it, if possible, in or by the Consumer Council; or
  - (d) Donate the gift to a nominated charity.

The Chief Executive or Chair will ensure that the details of the case and his/her decision are recorded in the Register of Gifts and Hospitality.

- 4.18 In exceptional circumstances, where refusal of a gift as described in paragraph 4.9 above would offend the donor, cause embarrassment or appear discourteous, details of the gift and the circumstances should be provided to the Chief Executive who will decide if the gift should be accepted, and any conditions that should be applied (for example, whether the gift should be used within the Consumer Council, a reciprocal gesture made etc). If a gift is received from abroad, liability to import duty and VAT should be resolved with HMRC.

## 4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES

### Acceptance of Hospitality

- 4.19 The handling of offers of hospitality is an area in which an employee must exercise careful judgement. DAO (DFP) 10/06 recognises that in exercising this judgement there can be difficulty in distinguishing between a “gift” and “hospitality”. The DAO also recognises that it can be as embarrassing to refuse hospitality as it can be to refuse a gift.
- 4.20 The acceptance of what would be accepted as conventional hospitality, for example working lunches, should, in the main, cause no problem especially if there is some official means of reciprocity and provided that it is limited to isolated occasions and its acceptance is in the interests of the Consumer Council. Unacceptable hospitality would include invitations to frequent or more expensive social functions where there is no direct link to official business (sporting events, the theatre, opera or ballet etc), particularly where these come from the same source, and those which involve travel, hotel or other subsistence expenses.
- 4.21 DAO (DFP) 10/06 notes that it can be argued that if an employee is to achieve the best value for money in dealing with suppliers and consultants then they need to build up contacts and it is legitimate for an employee to have a close working relationship with organisations or individuals, which may involve a degree of hospitality. There may also be instances where an employee receives invitations to events such as annual conferences or dinners run by the private sector, the voluntary and community sector and by professional institutes and other such organisations. Attendance at such events is considered an integral element in building and maintaining relationships with these sectors and any hospitality received is likely to be reasonable and proportionate and therefore acceptable.
- 4.22 Very occasional acceptance of meals or tickets to public sporting, cultural or social events may be accepted if attendance is justified as being in the interest of the Consumer Council’s business. But it will be for the employee to demonstrate clearly that this is the case. **The main point is that in accepting hospitality an employee needs to be aware of, and guard against, the dangers of misrepresentation or perception of favouritism by a competitor of the host.**

## **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

4.23 In summary, in deciding whether hospitality can be accepted, employees should consider if acceptance of hospitality:

- (a) is likely to help business effectiveness;
- (b) places no obligation or perceived obligation on the recipient;
- (c) is not frequent, lavish or prolonged;
- (d) is unconnected with any decision affecting the organisation or the individual offering it;
- (e) can be justified; and
- (f) provides benefits to the Consumer Council which outweigh the risk of possible misrepresentation of the hospitality.

## 4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES

### Approval levels for hospitality

4.24 The following approval levels should be observed for the acceptance of hospitality:

Description	Level of approval required
<ul style="list-style-type: none"><li>▪ Modest Conventional hospitality (e.g. working lunch)</li></ul>	No approval required
<ul style="list-style-type: none"><li>▪ More formal lunch or dinner, by prior invitation;</li><li>▪ Hospitality for a team;</li><li>▪ Annual dinner of a Professional Institute or Association, where the officer is a guest of the Institute or Association, or is a guest of a particular consultant, supplier or contractor;</li><li>▪ Commemorative or similar occasion (e.g. to celebrate an anniversary), organised by contractor, consultant or supplier.</li><li>▪ Overseas visits</li></ul>	Prior approval Chief Executive. Evidence of approval required e.g. email.
<ul style="list-style-type: none"><li>▪ Leisure events;</li><li>▪ Complimentary tickets;</li><li>▪ Sporting events;</li><li>▪ Weekend Breaks or Holidays, whether paid for or not.</li></ul> <p><b>This is not a prescriptive list.</b></p>	Examples where hospitality may <b>NOT</b> be accepted (unless in exceptional circumstances where it can be demonstrated that attendance was in the best interests of the Consumer Council). In such cases approval must be obtained from the Chief Executive.



## **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

- 4.25 When there is any doubt about accepting hospitality or an invitation, the Chief Executive, Director or Head of Finance and HR should be consulted. It is particularly important to ensure that the Consumer Council is not over-represented at a function and care should be taken to ensure that this does not happen.

### **Register of Gifts and Hospitality**

- 4.26 The Register of Gifts and Hospitality (the Register) must be completed on **all** occasions when an offer of a gift or hospitality is made (apart from those which are trivial or inexpensive, see paragraph 4.7 above).
- 4.27 It is recognised that in some cases the value of hospitality received is not readily apparent. Where this is the case the following estimated values should be used to ensure consistency across the Consumer Council:

<b>Description</b>	<b>Value (£)</b>
Formal Dinner (e.g. black tie)	50
Working Dinner	30
Formal Lunch (e.g. Professional Institute)	30
Working Lunch	15
Breakfast/Drinks Reception	15

- 4.28 The Chief Executive Office maintains a separate Register for employees and board members (Appendix 2). The Register records all gifts and hospitality offered to and accepted or rejected by employees, board members, their spouses, partners etc or those working on behalf of the Consumer Council.
- 4.29 If an employee receives a gift or hospitality it is their responsibility to seek prior approval from the Chief Executive and notify the Personal Assistant CEO/Chair who will record details on the Register. If the gift is received directly by the Chief Executive's Office, the Personal Assistant will seek approval from the Chief Executive and record the details on the Register. If approval is not granted the employee whom the gift was for will be informed and asked to return it.

#### **4.0 RECEIPT OF GIFTS AND HOSPITALITY BY CONSUMER COUNCIL EMPLOYEES**

- 4.30 The Register for employees is reviewed by the Chief Executive and the Register for board members along with the gifts section of the employee Register is reviewed by the Chair and Deputy Chair, every six months.
- 4.31 Registers are subject to Freedom of Information disclosures and therefore need to be completed and up to date at all times. The registers are published annually on Consumer Council website.

#### **Awards or Prizes**

- 4.32 Employees should consult with their line management if they are offered an award or prize in connection with their official duties. They will normally be allowed to keep it provided:
- (a) There is no risk of public criticism;
  - (b) It is offered strictly in accordance with personal achievement;
  - (c) It is not in the nature of a gift nor can it be construed as a gift, inducement or payment or a publication or invention to which other rules apply.
- 4.33 The Gifts and Hospitality approval form must be completed (see paragraph 4.26).

## Template for Return of Offer of Gift/Hospitality

## Appendix 1

(The content of this template should be tailored to suit each circumstance)

### Headed Paper

Contact name

Name of company

Address of company

Date

Dear

The Consumer Council operates a Gift and Hospitality Policy to ensure high standards of propriety in the conduct of its business.

On account of public confidence, perception is as important as reality and because of this I am obliged to return your offer of INSERT: *Name of gift / hospitality*.

This is not in any way meant to offend or to imply that your (gift/hospitality) was offered in anything but the utmost good faith, but is designed to protect both individual employees and the Consumer Council. I hope you will accept our response in that spirit and that we can look forward to continued effective working relationships.

Yours .....

## CONSUMER COUNCIL

Register of Gifts and Hospitality

Name \_\_\_\_\_

Date of offer	Offered to	Ultimate recipient (if different)	Offered from	Description of offer	Reason for offer	Details of contracts – current or potential	Estimated or actual value of offer	Action taken – Accepted/ Refused/ Returned

Signed \_\_\_\_\_

Date \_\_\_\_\_