

Gifts, Entertainment and Benefits Guideline

Purpose

This Guideline provides advice for public authorities in relation to offers of gifts, entertainment and other benefits from third parties during a procurement process or when managing a contract.

Due to the high-risk nature of procurement and contract management, it is strongly recommended that any gift, entertainment, or benefit; even when it has no value or is of low value, **is declined**.

Standards and ethics

Procurement and contract managers need to maintain integrity and show transparency in their behaviour that serves the public interest and the public interest alone.

South Australian Government employees should at all times comply with standards of ethical conduct consistent with the [Code of Ethics for South Australian Public Sector](#). The [Independent Commissioner Against Corruption Act 2012 \(SA\) \(ICAC Act\) and Directions and Guidelines](#) provides direction in relation to corruption, maladministration or misconduct, including accepting gifts and benefits. Public authorities should also have their own guidelines or policies for employees regarding gifts and benefits.

What are gifts, entertainment and benefits?

The [Guideline of the Commissioner for Public Sector Employment: Gifts And Benefits](#) describes:

- a **gift** is anything of value offered to an employee above their normal salary or employment entitlements. Gifts can be a token value, such as chocolates, a movie pass or an item of significant value, such as a holiday.
- a **benefit** relates 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.
- 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.

Gifts may also include, offers of cash or shares, entertainment, prizes, wine, personal items, manufacturer's samples, training, clothing and books.¹

¹ [Gifts and Benefits Procedure - Department of Treasury and Finance COR097](#)

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Identifying and assessing the risks of gifts, entertainment and benefits in the procurement process

Giving gifts and benefits can be a strategy used by suppliers or potential suppliers to create a sense of obligation or otherwise adversely impact the impartiality of how the recipient exercises their public duties.

Accepting a gift, entertainment, or benefit causes a probity risk and can create the impression a public authority will favour a particular person or supplier when making procurement decisions.

Poor decision making regarding the giving and acceptance of such gifts and benefits has the potential to damage both the reputation of individual procurement officers and public authorities.

Procurement and contract managers should be aware that offers of gifts, entertainment and benefits may be made to them, or members of a procurement evaluation team, during negotiations with suppliers and during procurement and contract management activities. Some examples include but are not limited to:

- accepting gift hampers or gift vouchers from suppliers or prospective suppliers at Christmas
- accepting invitations for free or subsidised meals and drinks from suppliers or prospective suppliers
- contract managers accepting gifts in return for approving a supplier's request for a price increase or contract extension
- accepting tickets to attend a sporting event for meeting purchasing thresholds.

Public authorities should apply the principles of the **GIFT Test**² below to make an assessment about accepting or declining a gift, entertainment:

- **G** Giver - Who is making the offer and what is their relation to this procurement or contract? Does my role require me to select suppliers, award grants, regulate industries or determine government policies? Could the giver benefit from my decision?
- **I** Influence - Are they seeking to gain an advantage or influence procurement or contract management decisions? Has the gift, benefit or hospitality been offered publicly or privately? Is it a courtesy, a token of appreciation or a valuable non-token offer? Does its timing coincide with a decision the procurement officer or contract manager is about to make?
- **F** Favour - Are they seeking a favour in return for the gift, benefit or hospitality? Has the gift, benefit or hospitality been offered honestly? Has the giver made

² [Guideline of the Commissioner for Public Sector Employment - Gifts and Benefits](#)

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previous offers of gifts or benefits? Would acceptance create an obligation to return a favour?

- **T Trust** - Would accepting the gift, benefit or hospitality diminish public trust? How would the public view acceptance of this gift, benefit or hospitality? What would colleagues, family, friends or associates think?

Managing risks

The Confidentiality and Conflict of Interest Declaration requires members of the evaluation team to declare that they will not seek or accept any gifts, entertainment, or benefits (of any value) from suppliers during industry engagement or the procurement sourcing and evaluation. This document must be completed and signed before opening and reading supplier offers.

Reporting and recording gifts and benefits

Public sector employees involved in procurement and contract management (including those who provide advice or make decisions during the procurement evaluation stage or any other point in the decision-making process) should report offers of gifts, entertainment, and benefits to the Chair of the procurement evaluation team and/or senior procurement officer within the public authority as soon as the offer has been made by the supplier or potential supplier.