



Cayman Islands Government
Policy On Offering and Receiving Hospitality, Entertainment or Gifts



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Related Policies:	Travel Policy (1 June 2016)		
Key Topics	This document covers the following key topics: <ul style="list-style-type: none"> • Provides the CIG Policy Statement for receiving or providing hospitality, entertainment or gifts. • Provides guidelines for Civil Servants on when it is appropriate and not appropriate to provide or receive hospitality, entertainment or gifts. • Defines the approval levels required for the provision of hospitality, entertainment or gifts at public expense. • How to report abuse of the Policy. • Identifies consequence for a breach of the Policy. 		



Cayman Islands Government
Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Contents

1. PURPOSE	3
2. POLICY STATEMENT – OFFERING OR RECEIVING HOSPITALITY.....	3
3. RELEVANT LAWS AND REGULATIONS	4
4. GUIDANCE	4
4.1 APPLICATION	4
4.2 EXCLUSIONS	5
4.3 EXCEPTIONS ¹ AND EXEMPTIONS.....	5
4.4 RECORDING OF HOSPITALITY, ENTERTAINMENT OR GIFTS	5
5. RECEIVING HOSPITALITY, GIFTS OR ENTERTAINMENT	6
5.1 PROPORTIONALITY IN ACCEPTING HOSPITALITY	6
5.2 ACCEPTING GIFTS.....	6
5.3 CONFLICTS OF INTEREST	7
6. AUTHORISATION AND APPROVAL FOR PUBLICLY FUNDED HOSPITALITY	8
7. PROVISION OF HOSPITALITY, ENTERTAINMENT OR GIFTS AT PUBLIC EXPENSE.....	9
7.1 PROVISION OF HOSPITALITY AT PUBLIC EXPENSE.....	9
7.2 PROVISION OF GIFTS AT PUBLIC EXPENSE	10
7.3 PROVISION OF ENTERTAINMENT AT PUBLIC EXPENSE.....	10
8. RESTRICTIONS ON RECEIVING HOSPITALITY AT PUBLIC EXPENSE.....	10
9. REPORTING INAPPROPRIATE BEHAVIOUR OR SUSPECTED FRAUD	11
10. INFORMATION MANAGEMENT.....	11
11. EXCEPTIONS TO THIS POLICY	11
12. DISHONESTY	11
13. FURTHER INFORMATION	11
ANNEX A - HOSPITALITY REGISTER	13
ANNEX B –APPROVAL FOR THE PROVISION OF HOSPITALITY, ENTERTAINMENT OR GIFTS AT PUBLIC EXPENSE	14
ADDITIONAL DEFINITIONS	15



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

1. Purpose

This policy establishes guidelines for providing and/or receiving hospitality, entertainment or gifts. The policy is applicable to Civil Servants.

2. Policy Statement – Offering or Receiving Hospitality

The Cayman Islands Government recognizes that for the effective conduct of government business it is necessary at times, to undertake activities that are related to hospitality. Hospitality relates to the provision of meals, beverages, gifts or entertainment to visitors or guests. There will therefore be times when Civil Servants will be the provider of hospitality. Civil Servants, particularly those who frequently interact with members of the public or with private sector entities, may also be the recipients of gifts during the execution of their duties, as a part of the conduct of government business.

This Policy is therefore intended to safeguard impartiality, integrity and accountability in determining whether hospitality, entertainment or gifts should be offered or received by giving certainty to employees through:

- Providing guidance on the extent, scale, cost and nature of the hospitality, entertainment and gifts that can be offered and accepted; and
- having a transparent process for declaring, recording and reporting hospitality, entertainment and gifts offered and received;

Such hospitality, entertainment or gifts may be offered or received when they are undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to encourage stakeholder engagement;
- to improve the image and reputation of Government; or
- to improve Government efficiency or effectiveness .

Such hospitality, entertainment or gifts may also be appropriate providing that they are:

- arranged in good faith;
- not offered, promised or accepted to secure an advantage for any individual person or individual entity to influence the impartiality of the recipient; and
- reasonable, appropriate and proportionate.

Providing or receiving hospitality, entertainment or gifts must be balanced against the requirement for Civil Servants to uphold high standards of propriety; guarding against any reasonable suspicion of perceived or actual conflicts of interest, creation of undue obligations or inappropriate benefits for Civil Servants, guests or visitors.



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Any hospitality or entertainment offered or accepted must be appropriate, provide value for money against Government objectives and be appropriately considered, authorised and recorded.

Inappropriate provision or receipt of hospitality has the potential to bring the Government and Civil Service into disrepute and in certain circumstances (e.g. bribery or misuse of public funds) could lead to a disciplinary or criminal investigation.

3. Relevant Laws and Regulations

The Public Service Management Law, Personnel Regulations, the Public Management and Finance Law, The Anti-Corruption Law, and the Financial Regulations and the National Archive and Public Records Law (as amended from time to time).

4. Guidance

This guidance provides the Civil Service with a minimum standard for the proper management of hospitality, entertainment and gifts, provided or received in the furtherance of Government objectives.

For the purposes of this Policy **Hospitality** means the provision of meals, beverages, gifts or entertainment to visitors or guests of the Cayman Islands Government, and which are necessary for the furtherance of a Government business objective.

For the purposes of this Policy **Entertainment** means any social/recreational event or activity arranged for visitors or guests of the Cayman Islands Government in the furtherance of a Government business objective. Entertainment includes the provision of tickets to external events (e.g. cultural, theatre, sporting, tours, or other similar activities) amongst other things.

For the purposes of this Policy **Gifts** mean free or heavily discounted items that are offered voluntarily to another without obligation for payment. They range in value from nominal to substantial.

4.1 Application

This Policy applies to all hospitality, entertainment and gifts, whether offered or received by Civil Servants within the Cayman Islands or overseas. It is to be followed by all Civil Servants and Civil Service entities.

There are differences among Civil Service entities and whether the provision or receiving hospitality, entertainment and gifts is considered appropriate will be varied. This is why this Policy



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

prescribes default standards. Individual entities may with the approval of the appropriate Chief Officer establish their own detailed rules and procedures to ensure compliance with the intent of this Policy, in accordance with the unique circumstances of their individual entities.

4.2 Exclusions

This guidance does not apply to the following:

- Publicly funded Travel, Subsistence or Accommodation in relation to official business
- Hospitality/Entertainment/Gifts exchanged between and within Government entities
- Transfer payments or sponsorship of approved causes or events
- Employee functions
- Employee welfare and/or emergency support
- Official events and ceremonies as determined by the protocol office.

4.3 Exceptions' and Exemptions

Where the strict application of these guidelines would be counter to a Government objective or where pre-existing contractual arrangements or protocols exist, Chief Officers will consider and approve exemptions as appropriate. The Protocol office should always be consulted in respect of hospitality in relation to diplomacy (e.g. when hosting foreign dignitaries, royalty, etc.).

Where exemptions are granted, Chief Officers will ensure the justifications are sufficiently robust and documented to withstand audit and public scrutiny.

4.4 Recording of Hospitality, Entertainment or Gifts

The Cayman Islands Government has obligations under the National Archive and Public Records Law, and Public Management and Finance Law to maintain full and accurate records of its business and affairs.

As a minimum Civil Service entities should ensure that hospitality, entertainment or gifts provided by Government to those outside Government or offered to Civil Servants/Civil Service entities by external agencies, above a notional value of \$100 per person is recorded in an appropriate register. This includes:

- any instance involving a personal friend where the purpose of the hospitality was to cover business and/or was paid for by the individual's company or Government expense account.

The register is to be maintained at Departmental level and reviewed regularly by Chief Officers. Sample formats are contained at **Annex A**.



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

There is no requirement to record minor refreshments, working lunches where the actual or estimated notional value is less than \$100, providing this is not a frequent occurrence. There is no requirement to record the gifts where the actual or estimated residual value is less than \$100, providing this is not a frequent occurrence.

In general, it is not necessary to record hospitality received from other Government Departments, Government public bodies or overseas governments.

Records of hospitality are to be retained for a minimum of 5 years.

5. Receiving hospitality, gifts or entertainment

Civil Servants must not accept gifts, hospitality or entertainment, or receive other benefits from anyone which might reasonably be seen to compromise their personal judgement or integrity. In addition, as noted above (Section 4.1) individual entities and departments may have their own internal rules and guidance to govern this Section.

It is widely recognised that it is important for Civil Servants to maintain and build effective networks in order to support the work of Departments, and to gain a real understanding of the views of stakeholders.

However, contact with organisations outside government which give rise to offers of hospitality must be balanced with upholding high standards of propriety and guarding against any reasonable suspicion of perceived or actual conflicts of interest or undue obligation being created.

5.1 Proportionality in Accepting Hospitality

Any hospitality accepted should be occasional and should not be incessant or excessive.

Accepting hospitality frequently from the same organisation could lead to a perception that the work of the Government entity/department is being influenced by the objectives of a single organization. On the same basis, any hospitality accepted should not be lavish or disproportionate to the nature of the working relationship expected with the organization.

The receipt of modest occasional hospitality such as for example, working lunches and dinners may be necessary to build good stakeholder relationships and are acceptable where there is a genuine business reason. In exercising judgement as to whether to accept the hospitality being offered, consideration should be given to the public perception that would result from that acceptance.

5.2 Accepting gifts

All of the above considerations also apply to gifts.



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Civil Servants may come into contact with companies and organisations where it is normal business practice or social custom to offer gifts as a means of promoting helpful working relationships. This kind of offer can place them in a difficult position. To refuse may cause misunderstanding or offence, particularly if the offer is made by an overseas Government or organisation with different cultural norms. However, if Civil Servants were to accept, their impartiality could be in doubt, and their behaviour could be seen as improper and may even be illegal.

There are many different types of offer and the action which a Civil Servant should take will depend mainly on the type of relationship involved and the context in which the gift or hospitality is offered. Whatever the circumstances, members of staff should bear in mind the following points:

- there must be nothing in their behaviour which might give rise to a suspicion that they are acting in their own private interest.
- they should never give the impression to the public or to any organisation with which they deal or to their colleagues that a gift could influence the way in which they deal with any person or organisation.

When considering whether to accept, either directly or indirectly (e.g. spouse or other close family links), a gift, or some other benefit, Civil Servants should also bear in mind the following factors:

- Gifts over a notional value of \$100, with few exceptions, should always be refused. Where a gift over \$100 is accepted it will be retained by Government as Government property.
- Gifts offered in lieu of a fee for broadcasts, speeches, talks or other work may be accepted if the item can be used by Government in its work.
- Where the refusal of a gift from an overseas Government or company may cause offence, advice from the Protocol office should be sought and Chief Officers will make the ultimate decision.

The acceptance of money (or financial gain) will **never** be considered acceptable.

5.3 Conflicts of interest

The relationship between the recipient and the donor is very important. Some employees perform roles that inevitably call for greater consideration (E.G. key decision makers, members of a tender board or perhaps those authorising payments particularly where there is a personal or family relationship to the company or individual.



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Those responsible for procurement or management of contracts must consider the relationship they have with suppliers (vendors and contractors) very carefully. Procurement rules may also provide additional guidance for managing conflicts. Even those not connected with a contractual process or contract management could inadvertently create a perception of bias.

Other examples may include inspectors or examiners who must consider relationships with persons seeking licenses; those who award grants must consider relationships with applicants; and policy makers must consider relationships with lobbyists.

If offered hospitality, entertainment or gifts by an organisation, consideration should be given to the wider perception that acceptance may create, including any perception of undermining the integrity and impartiality of the entity's or individual's work or decision-making.

Consideration should be given to whether the organisation is bidding for work or grants from other Government departments, or whether the organisation is under any investigation or have been investigated/reviewed by the Government.

Consideration should be given to whether it is appropriate to accept hospitality from an organisation if that organisation is also the recipient/beneficiary of public funding from the Government. The key risk being a perception of public funds being used for purposes that are not considered necessary.

6. Authorisation and approval for publicly funded hospitality

The prior approval of a departmental director is required for any departmental expenditure associated with hospitality, entertainment or gifts provided at public expense.

In addition, a Chief Officer's approval is required when:

- Alcoholic beverages will be provided
- Where entertainment, hotels or travel will be provided
- Hospitality, entertainment or gifts will be provided to or extended to a spouse or partner of a Civil Servant
- Hospitality or entertainment will be provided at a private residence
- Where the hospitality, entertainment or gifts are likely to be considered, novel, contentious or otherwise has the potential to bring the Civil Service/Government into disrepute

The below table identifies some examples of the types of consideration when approving gifts that are publicly funded:

Situation	Value	Approval
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Cayman Islands Government
Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Officially <u>branded</u> gifts with low or negligible residual value (e.g. promotional pens, keyrings)		No requirements to record unless departmental arrangements specify otherwise
Individual gifts (e.g. plaques, pictures, local crafts)	up to \$150	Head of Department or equivalent
All other Gifts	\$150 and over	Chief Officer

A sample request and approval format is contained at **Annex B**.

Chief Officers may delegate authority to named individuals who have responsibility for high volumes of specific or regular activity. Such authority should be in writing and specify the situations and limits that are to apply.

7. Provision of hospitality, entertainment or gifts at public expense

Any hospitality, entertainment or gifts provided at public expense must be appropriate, proportionate and moderate following the same principles as established for the receipt of such items.

7.1 Provision of hospitality at public expense

Any provision of food and beverages should be appropriate to the event, the participants, time of day and will typically be within the following limits:

Type of Hospitality	CI\$ Per Person (excluding gratuities)
Breakfast	\$30
Lunch	\$40
Dinner	\$65
Light snack & beverages / evening reception	\$30



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Where external venues, facilities or other expenditure is required, (e.g. conference venue, flight tickets, hotels etc.) the normal Government/Departmental procurement guidelines and policies should be followed including the need to obtain quotations/tendering of comparable options to demonstrate value for money.

The provision of alcoholic beverages at an event can lead to increased risks, including risks of anti-social behavior and risks to the reputation of both the Government and the individual concerned. Alcohol should therefore only be provided in circumstances where it is expected as a matter of courtesy, diplomacy, protocol or business etiquette (e.g. when hosting a dinner or evening reception). Additional consideration should be given to the timing of the event so as to minimize the risk of employees returning to work impaired.

Government encourages moderation and a responsible attitude towards the consumption of alcohol. It is the responsibility of the host manager to take reasonable steps to minimise risks relating to the consumption of alcohol at official Government activities or events.

7.2 Provision of gifts at public expense

Gifts should not be provided as a matter of course. If provided, they should be modest and appropriate to the situation. In the case of gifts to reciprocate overseas guests, guidance should be sought from the Protocol Office.

7.3 Provision of entertainment at public expense

Entertainment should not generally be provided at public expense. Where it is provided to meet Government Objectives (e.g. to promote tourism, encourage investment, promote stakeholder engagement) it should be appropriate to the situation and preferably be reflective of the Cayman Islands culture and heritage.

8. Restrictions on receiving hospitality at public expense

Civil Servants may be provided with hospitality or entertainment in situations where they:

- are required to be part of an event, or to participate in a government event with external visitors or guests.
- are required to participate in business meetings, training or similar events that extend beyond normal working hours or away from their normal place of duty. This includes situations where employees are required to work through a normal break or meal periods. It may include situations where there are no nearby or appropriate facilities to obtain refreshments or meals and/or where participant dispersal is not effective or efficient.

When a Civil Servant is the recipient of hospitality, it would not be appropriate for them to claim additional expenses or per diem allowances in addition as part of official travel or official duty



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

expenses. Where appropriate, whole day per diem allowances should be abated by an appropriate amount or limited to claiming any receipted actual expenditure necessarily incurred. For example, it would not be appropriate to claim for a meal when appropriate food was made available at public expense or as part of an event (e.g. Training or conference). Further details on per diem allowances are covered in the **Official Travel Policy**.

9. Reporting inappropriate behaviour or suspected fraud

Any officer aware of inappropriate actions or suspected fraud has a duty to report it. Reports should be made to the Head of Department, Director or Chief Officer as considered appropriate to the circumstances. Where this is not considered appropriate, a report should be made to the Deputy Governor using the email address: deputygovernor@gov.ky

All suspected breaches of this policy must be investigated and if proven, disciplinary action up to and including dismissal may be appropriate. Where criminal activity is suspected, (e.g. theft/fraud/bribery), the matter may also be referred for a criminal investigation.

10. Information Management

The availability of pertinent information regarding hospitality, entertainment and gifts will enable the CIG to effectively identify official hospitality, entertainment and gifts and to protect against the perception of corrupt relationships or improper conduct or other negative perception.

Records should therefore be retained as specified in Section 4.4 of this Policy and published in the format as Publication Template (**Annex A**).

11. Exceptions to This Policy

Any deviations from this policy must be identified as such and must have the approval of the Chief Officer or delegate in writing.

12. Dishonesty

Dishonesty with regard to recording of hospitality, entertainment or gifts or other significant breaches of this policy may result in disciplinary action.

13. Further information

For further information on this policy and guidance, please contact the Portfolio of the Civil Service.



Cayman Islands Government
Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Issued by:

Authorised by:

Gloria McField-Nixon, JP
Chief Officer
Portfolio of the Civil Service
Cayman Islands Government

Hon. Franz Manderson, JP
Deputy Governor & Head of the Civil Service
Office of the Deputy Governor
Cayman Islands Government



Cayman Islands Government
Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Annex B –Approval for the provision of hospitality, entertainment or gifts at public expense

[Departments may adapt this format to accommodate local working arrangements. It may be used in paper format or electronic/email. A permanent record of the approval must be maintained for audit purposes for a minimum of 5 years.]

What is the nature of the proposed hospitality, entertainment or gift?

When will it happen?

How much will it cost?

Who will receive the hospitality/entertainment/gift?

What Government objectives will it support/Justification?

How will you measure success/ return on Investment?

Who is submitting this request?

Departmental Director

I consider this request reasonable and justifiable expenditure of public funds in the context of current policies and guidelines and it is hereby approved / submitted to the Chief Officer for consideration.

[name]_____ [Signature]_____ [date] _____

If alcoholic beverages will be provided; or entertainment, hotels or travel will be provided; or hospitality or entertainment will be provided to or extended to a spouse or partner of a Civil Servant; or Hospitality or entertainment will be provided at a private residence; or the hospitality or entertainment is likely to be considered, novel, contentious or otherwise has the potential to bring the Civil Service/Government into disrepute; it must be considered and approved by a Chief Officer.

Chief Officer

I consider this request reasonable and justifiable expenditure of public funds in the context of current policies and guidelines and it is hereby approved.

[name]_____ [Signature]_____ [date] _____



Cayman Islands Government Policy On Offering and Receiving Hospitality, Entertainment or Gifts

Additional Definitions

- **Benefits:** A benefit is a value to the recipient but less tangible than a gift. For example preferential treatment, privileged access to events or information. Whilst their value might be difficult to quantify in dollars, they may be highly valued by the recipient and therefore can be used to influence their behavior.
- **Conflicts of Interest:** A circumstance where a person stands to obtain personal benefit from the decisions or actions taken in an official capacity. Civil servants always have a duty to resolve a conflict in the public interest, not their own.
- **Disproportionate:** Unreasonable in amount or size when compared with something else
- **Frequent:** happening or occurring regularly.
- **Gifts:** A gift is an item of value which one person or organization gives voluntarily to another without obligation for payment.
- **Good Faith:** An honest intent to act without taking an unfair advantage over another person
- **Lavish:** Extravagant; bestow something in generous or extravagant quantities
- **Lobbyists:** Individuals or groups who communicate with public officials to influence the decision-making of government or regulatory agencies.
- **Occasional:** Taking place from time to time; not happening often or regularly
- **Official:** Business, events or activities undertaken in relation to the functions and objectives of the Cayman Islands Government and its related entities