

Witness Name: **Kit Malthouse**

Statement no: **First**

Exhibit: **KM22**

Date: 29 February 2012

**THE LEVESON INQUIRY**

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Exhibit KM22 to the  
Witness Statement of **Kit Malthouse**

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Protective Marking	Not Protectively Marked
Publication Scheme Y/N	Yes
Title	Gifts and Hospitality Policy
Version	2
Summary	Provides guidance for the acceptance of gifts and hospitality and the provision of corporate hospitality
Branch/OCU	Human Resources Directorate
Review Date	
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## **Gifts and Hospitality Policy**

### **1. Introduction**

This policy is set in the context of the Nolan Committee's report on standards in public life and the associated seven principles of conduct applicable to all those who serve the public in any way; selflessness, integrity, objectivity, accountability, openness, honesty and leading by example.

During the course of their work, it is likely that police officers and police staff will receive offers of gifts (including goods or payment) and hospitality. Although in specific circumstances it may be appropriate to accept an offer of a gift or hospitality, on most occasions to accept such offers would be, or would be seen to be, inappropriate. The Prevention of Corruption Act 1906, and Prevention of Corruption Act 1916, detail circumstances when an offence can be committed regarding the acceptance of a gift or consideration. Therefore, offers of gifts and hospitality should typically be declined, except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships.

In a multi-agency environment such as that in which the MPS operates, it is recognised that the extension of corporate hospitality is a valid business activity in developing effective working partnerships. As a result, this policy also covers the provision of corporate hospitality by MPS staff.

### **2. Application**

This revised policy takes immediate effect.

All police officers and police staff, including the extended police family and those working voluntarily or under contract to the Metropolitan Police Authority (MPA) must be made aware of, and are required to comply with, all relevant MPS policy and associated procedures.

This policy applies to all police officers and police staff up to and including Management Board. Police officers and police staff holding certain roles also have specific responsibilities contained in the Standard Operating Procedure (SOP). A list of these roles is provided below (not intended to be exhaustive):

Commanders, Directors and above  
Director of Procurement

B/OCU Commanders  
Heads of Branches  
Business Group Business Managers  
Senior Management Teams  
Line Managers  
Keepers of the Gifts and Hospitality Register  
Inspectorate

### **3. Purpose**

The purpose of this policy is to protect the integrity of the MPS and ensure that individual members of staff are not compromised by the acceptance, rejection or offering of gifts and hospitality.

### **4. Scope**

This policy applies to all members of the MPS when an offer of a gift or hospitality is either received or extended.

### **5. Policy Statement**

The policy of the MPS is as follows:

- To ensure that any gift or hospitality which is accepted is justifiable;
- To ensure that the actions of MPS staff do not give rise to the suggestion that external individuals/organisations have gained favour or advantage as a result of offering gifts or hospitality;
- To ensure that no member of the MPS accepts an offer of a gift or hospitality which could cause their integrity to be compromised (either in fact or by reasonable implication) and damage the reputation of the organisation;
- To ensure that offers of gifts or hospitality, whether accepted or declined, are, for audit purposes, properly authorised and recorded in the relevant Gifts and Hospitality Register;
- To ensure that Gifts and Hospitality Registers are retained securely for seven years after the last entry and that registers are weeded periodically so that an entry is retained for no longer than the seven years stipulated.

### **6. Benefits**

The policy will ensure that the integrity of the MPS and its staff is not compromised by the offering, acceptance or rejection of gifts and hospitality. It will enable individuals to work without fear of allegations of corruption and protect the reputation of the organisation.

The policy will also reassure the public and other external stakeholders that clear standards are in place for police officers and police staff when dealing with offers

of gifts and hospitality, and extending the provision of corporate hospitality to others.

**7. Responsibilities**

This policy is owned by the HR Directorate and will be maintained by the Employee Relations Unit. It will be reviewed three years after the date of publication.

**8. Associated Documents and Policies**

Special Notice 5/00 - Prevention and detection of fraud and theft.

Item 2 of Notices 22/07 of 30 May 2007.

Gifts and Hospitality Standard Operating Procedure.

Prevention of Corruption Act 1906

Prevention of Corruption Act 1916

**Special Notice 01/04 and Item 3 of Notices 20/04 of 19 May 2004 are hereby cancelled.**

## Annex A

### Offers of Gifts and Hospitality

#### 1. Guidelines for all Members of the Metropolitan Police Service

- 1.1 During the course of their work, it is likely that police officers and police staff will receive offers of gifts (including goods or payment) and hospitality. Although in specific circumstances it may be appropriate to accept an offer of a gift or hospitality, on most occasions to accept such offers would be, or would be seen to be, inappropriate. Therefore, offers of gifts and hospitality should typically be politely declined with an explanation of the MPS policy in this area (and accompanying letter), except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships.
- 1.2 When deciding whether or not an offer should be accepted, the following points should be considered:
- Who is making the offer?
  - Why is the offer being made?
  - What would be the outcome for the Service of acceptance or refusal?
  - Can acceptance be justified to the public?
  - Does this offer benefit the Service?
- 1.3 All offers of gifts and hospitality (whether accepted or rejected) must be recorded in the Gifts and Hospitality Register.

#### 2. Line Manager Responsibilities

- 2.1 The Line Manager must:
- Discuss with the individual the reasons for the acceptance or refusal of a gift or offer of hospitality;
  - Advise the individual where the Gifts and Hospitality Register is kept and allow the individual time to complete the appropriate records as soon as reasonably possible;
  - Where it is agreed that an offer can be accepted, the Line Manager must ensure that acceptance can be objectively justified and ensure that a report is sent to the relevant ACPO officer/Director (through the B/OCU Commander/Head of Unit). An ACPO officer/Director is required to approve the acceptance of substantial gifts or hospitality and the decision as to the ultimate destination of any gifts accepted (in most cases the gift should be donated to charity). If the accepted gift is a monetary one, the money should be paid into MPA funds through the appropriate finance unit; and
  - Where it is agreed that an offer should be declined, the Line Manager must ensure that a letter has been sent to the person

offering the gift or hospitality politely declining and explaining the associated MPS policy. A copy should be forwarded to the holder of the local Gifts and Hospitality Register. If relevant, the Line Manager should also consider whether any offence may have been committed. In instances where it is suspected that there has been "foul play", undue influence or a risk of unprofessional behaviour, full details must be sent to the B/OCU Commander/Head of Unit.

### **3. B/OCU Commander/Head of Unit Responsibilities**

#### **3.1 The B/OCU Commander/Head of Unit must:**

- Ensure that a Gifts and Hospitality Register (see Annex B) is kept accurately and securely by a named individual;
- Ensure that the Gifts and Hospitality Register is audited on a regular basis and that a quarterly summary is sent to the relevant ACPO officer/Director; and
- Report to the relevant ACPO officer/Director for authority in respect of accepting offers of substantial gifts or hospitality.

### **4. ACPO/Director Responsibilities**

4.1 The Commissioner and Deputy Commissioner must record all offers of gifts or hospitality made to either themselves or their immediate family, whether the offer is accepted or not. A record of corporate hospitality provided should also be kept.

#### **4.2 ACPO officers/Directors must:**

- Approve the acceptance of substantial gifts or offers of hospitality;
- Decide what should ultimately be done with any gifts accepted (In most cases the gift should be donated to charity). If the accepted gift is a monetary one, the money should be paid into MPA funds through the appropriate finance unit;
- Ensure that quarterly returns are collated and received from each B/OCU/Unit within their portfolio (including nil returns) and quality assured; and
- In instances where it is suspected that there has been "foul play", undue influence or a risk of unprofessional behaviour, send full details to the Director of HR.

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### **Standard Operating Procedure: Gifts and Hospitality**

#### **1. Introduction**

The following Standard Operating Procedure (SOP) supports the Gifts and Hospitality Policy. It replaces the guidance contained in Notices 20/04 - Policy for the Acceptance of Gifts and Hospitality.

This policy is set in the context of the Nolan Committee's report on standards in public life and the associated seven principles of conduct application to all those who serve the public in any way; selflessness, integrity, objectivity, accountability, openness, honest and leading by example.

During the course of their work, it is likely that police officers and police staff will receive offers of gifts (including goods or payment) and hospitality. Although in specific circumstances it may be appropriate to accept an offer of a gift or hospitality, on most occasions to accept such offers would be, or would be seen to be, inappropriate.

The Prevention of Corruption Act 1906, and Prevention of Corruption Act 1916, detail specific circumstances when an offence can be committed regarding the acceptance of a gift or consideration. Therefore, offers of gifts and hospitality should typically be declined, except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships.

Under the Prevention of Corruption Act 1906, it is an offence to accept any gift or consideration as an inducement or reward for; doing (or not doing) anything in your official capacity; or showing favour (or disfavour) to anyone in your official capacity.

Also, under the Prevention of Corruption Act 1916, any money, gift or consideration (including hospitality) received from a person or organisation holding or seeking to obtain a contract with the Metropolitan Police Service (MPS) may be deemed by the courts to have been received corruptly unless it can be proved otherwise. In certain circumstances, offences under the Prevention of Corruption Act 1916, can also be committed through a gift or consideration being accepted by a friend or relative of an MPS employee.

This SOP also details the processes and procedures that govern the offering of corporate hospitality by MPS staff. The giving of corporate hospitality is a valid and accepted business activity in developing effective working relationships. Given the MPS's large number of external stakeholders, there will be occasions where there is a justified business need for expenditure on corporate hospitality by certain role holders.

This SOP sets out the general principles covering the offering and acceptance of gifts and hospitality, however, it cannot provide for every eventuality. If in doubt, further advice should be sought from the Employee Relations Unit or the Director of Procurement.

## **2. Application**

This standard operating procedure takes immediate effect.

All police officers and police staff, including the extended police family and those working voluntarily or under contract to the Metropolitan Police Authority (MPA) must be made aware of, and are required to comply with, all relevant MPS policy and associated procedures.

This SOP applies to all police officers and police staff up to and including Management Board Members. Police officers and staff who hold certain roles also have specific responsibilities contained within the SOP. A list of these roles is provided below (not intended to be exhaustive):

- Commanders, Directors and above
- Director of Procurement
- B/OCU Commanders
- Heads of Branches
- Business Group Business Managers
- Senior Management Teams
- Line Managers
- Keepers of the Gifts and Hospitality Register
- Inspectorate

## **3. Overriding Principles**

Although in specific circumstances it may be appropriate to accept an offer of a gift or hospitality, on most occasions to accept such offers would be, or would be seen to be, inappropriate. Therefore, offers of gifts and hospitality should typically be declined, except where there is a valid reason to believe that to refuse the offer may cause offence or damage working relationships.

All offers of gifts and hospitality, whether accepted or rejected, must be recorded in the Gifts and Hospitality Register (see Annex B). The Gifts and Hospitality Register provides a mechanism for recording offers of gifts and hospitality, action taken (i.e. acceptance or rejection) and the rationale for the chosen action. It enables individuals to conduct operational relationships without fear of subsequent allegations of impropriety.



The offering of corporate hospitality must be proportionate and appropriate. It must also be auditable and, for those below ACPO/Director level, only extended with prior approval.

The guidance contained within this SOP should be regarded as a minimum requirement (for full instructions, please refer to Annex A). Locally, senior members of staff may choose to issue supplementary instructions to accommodate specific business related considerations or circumstances.

#### **4. Gifts**

All offers of gifts, whether accepted or rejected, must be recorded in the Gifts and Hospitality Register.

The acceptance of gifts for services delivered to the public in the course of ordinary duties is typically not appropriate. Such offers should normally be declined politely with an explanation of the MPS policy in this area. If the refusal is in writing, a copy should be kept; if oral, a written note should be made in the Gifts and Hospitality Register.

Any gift that is accepted must be justifiable in terms of benefit to the MPS. If a refusal to accept the gift would cause offence or damage effective working relationships, the individual may accept the gift, but a report must be sent to the appropriate ACPO officer or Director (through the B/OCU Commander or Head of Branch) for a decision to be made on what should ultimately be done with the gift. In most cases, the gift should be donated to charity. In all cases, an entry must be made in the Gifts and Hospitality Register.

Whilst there may be occasions when it would be acceptable to accept, for example, a bottle of wine, any substantial gift (e.g. a case of wine or large sums of money) must be declined explaining why the gift cannot be accepted. Gifts of a trivial or inexpensive nature (e.g. calendars or paperweights) may be accepted provided that they bear the company's name or insignia: they can therefore be regarded as being in the nature of advertising matter and can be used for official purposes. With regards to partnership working, properly authorised sponsorship (in accordance with corporate policy guidelines), need not be registered as a gift. Sponsorship falls under the remit of the HR Directorate (Events & Income Development Unit).

All MPS staff can make use of formalised retail and other discount schemes (e.g. as advertised in *The Job* or *Met Benefits*) without registering it as a gift.

#### **5. Hospitality**

Hospitality covers a wide spectrum of activities e.g. offers of a working lunch, complimentary tickets to functions/sporting events. Any offer of hospitality must be carefully considered. Acceptance may make it difficult to avoid the appearance of some obligation to the party offering it or may be interpreted as having affected impartiality in dealing with official matters.

All offers of hospitality made, whether accepted or rejected, must be recorded in the Gifts and Hospitality Register. Any hospitality that is accepted must be justifiable in terms of benefit to the MPS and the reasons recorded.

Inexpensive hospitality offered in the normal course of duty (e.g. attendance at community functions, visits to schools) may be accepted. It may also be appropriate on some occasions to accept the ad hoc offer of a light working lunch (or less frequently a working dinner) outside of a pre-arranged event, if there is no great expense involved. For instance, a meal costing in the region of £10 per head would typically be acceptable.

More substantial hospitality (e.g. expensive excursions) should be declined unless to do so would cause offence or damage working relationships. A senior member of staff (at least ACPO/Director level) is required to approve the receipt of substantial hospitality and the reasons must be recorded in the Gifts and Hospitality Register.

## **6. Corporate Hospitality**

Corporate Hospitality is defined as:

'Any benefit or benefit in kind provided by or on behalf of the MPS, that is provided at the discretion of the MPS, in the public interest, to further the MPS aims, goals and objectives'.

The extension of corporate hospitality is an accepted business activity in developing effective and productive working relationships. Given the MPS's large network of external partners and stakeholders, there will be occasions where there is a justified business need for expenditure on corporate hospitality by certain role holders. However, corporate hospitality must be proportionate and auditable, and have prior approval for those under ACPO/Director level. The full processes and procedures to be followed are set out in Annex C to this SOP.

## **7. Payment for Interviews, Broadcasts and Speaking at External Events**

Any payment made for interviews, broadcasts or for speaking at an external event must be declared and paid into the MPA fund via the local Finance Unit. An individual will only be entitled to retain the payment if:

- the subject is unconnected with the normal duties of the person concerned;
- membership of the MPS is not an integral part of the interview or broadcast;
- the matter has been reported to a supervisor and prior approval obtained; and
- the interview, broadcast or speaking event is not carried out on MPS time or using MPS facilities.

Where the event organiser requests details of fees to be charged, individuals should e-mail the Costing Team within the Finance Directorate (DoR Mailbox-Costing Team) for advice and guidance in respect of the charges to be made.

## **8. Interests in Contracts**

The standard conditions of government contracts prohibit a contractor from offering gifts or considerations of any kind with the object of obtaining preferential treatment in connection with a contract. If any such an offer is made to a member of staff or their immediate family, the facts must be reported as soon as practicable to the B/OCU Commander/Head of Branch or, if appropriate, a more senior officer who in turn must inform the Director of Procurement without delay.

Any offers of gifts or hospitality from a supplier where there is either an ongoing procurement exercise or where there is a contractual dispute must be declined and the Director of Procurement informed of the offer.

## **9. Compensation**

Any monies awarded as compensation by a criminal court can be kept by the individual to whom they have been awarded.

## **10. Awards and Prizes**

Awards and prizes in recognition of personal or organisational achievement can be accepted without reference to this policy. However, if there is a possibility (either real or potential) that it could be perceived as an inducement, the award or prize can only be accepted if the individual has line management approval.

## **11. Suspected Wrongdoing**

In any case where there is suspicion of wrongdoing (e.g. undue influence or a risk of unprofessional behaviour), the B/OCU Commander/Head of Branch must ensure that a full report is made (through the appropriate ACPO officer/Director) to the Director of HR who will consult with the Director of Resources and report to the MPA as appropriate. [*Hyperlink to Reporting Wrongdoing – Doing the Right Thing*]

## **12. Checking Procedures**

It is the responsibility of the B/OCU Commander/Head of Branch to ensure that this policy and guidance is complied with, and that the Gifts and Hospitality Register is properly used with a review and challenge mechanism in place. Compliance will be subject to audit and inspection.

Individuals nominated to keep the Gifts and Hospitality Register must send quarterly reports of new entries to the relevant ACPO officer/Director for

review. A record of the review plus a copy of the report will be maintained for subsequent scrutiny.

The policy and procedures governing the giving and receiving of gifts and hospitality will be subject to regular review. Any learning raised through the Inspection and Review framework, or directly with the Director of HR or the Employee Relations Unit, will be fed into such review work.

### **13. Penalties**

It is important that the public has faith in the honesty and integrity of all members of the MPS, both police officers and police staff. Accordingly, these procedures describe standards that all members of the MPS are expected to observe. Failure to do so could render an individual liable to misconduct or disciplinary proceedings under the Police (Conduct) Regulations 2008 or Police Staff Discipline Procedures. It could also lead to criminal proceedings under The Prevention of Corruption Acts 1906 and 1916.

B/OCUs/Branches may reproduce this guidance and incorporate local practices as determined by senior managers, but no part of the policy or procedures may be removed or altered.

### **14. Associated Documents and Policies**

Special Notice 5/00 – Prevention and detection of fraud and theft.

Special Notice 1/04 – Policy and Procedures for reporting 'wrongdoing' within the Metropolitan Police Service.

This SOP supersedes -

- Chapter 7.1 paragraphs 1 – 9 of the Police Personnel Manual
- Chapter 7.1 paragraphs 15 – 23 of the Civil Staff Personnel Manual
- Notices 20/04

## Annex B

### Gifts and Hospitality Register

#### 1. The Register

- 1.1 A permanent local record of offers of gifts and hospitality must be kept. A hard-backed bound register can be used or the register may be kept in an electronic format providing access is limited to a named individual and is subject to protection due to the risk of alterations being made.
- 1.2 All entries need to be indexed and recorded in chronological order.
- 1.3 If corrections need to be made, the original entry should be crossed through and initialled, leaving it legible and a correcting entry made. Original entries must not be deleted, erased with correcting fluid or torn out. In the case of an electronic register, when an amendment needs to be made the original entry should not be removed but struck through and the reason for doing so entered and a new entry made. Entries may only be weeded after seven years (see paragraph 10 below).
- 1.4 The B/OCU Commander/Head of Unit has overall responsibility for local registers. The registers are internal documents, each to be kept securely by a named individual, typically either the staff officer or secretary to the relevant B/OCU Commander/Head of Unit. Registers are to be made available for examination by senior staff, auditors, HMIC or other stakeholders who have a legitimate need for access.

#### 2. Content of Gifts and Hospitality Registers

- 2.1 Gifts and Hospitality Registers must record; all offers of gifts and hospitality received (whether accepted or declined) and all details relating to the provision of corporate hospitality (in line with Annex C).
- 2.2. The register (see model at Appendix 1) must also record:
  - Index number;
  - Date recorded;
  - Date, nature and location of the gift / hospitality offered;
  - Officer(s) / staff involved;
  - Name and details of the person / company making the offer;
  - Relationship of the person / company with the MPS (part of a procurement process, contractual relationship etc.);
  - Approximate value of the gift / hospitality;
  - Whether accepted or refused;
  - Reasons for acceptance or refusal;

- Date special authority received for the gift to be accepted;
- Authorising signatures; and
- Other relevant notes including, for example, whether the gift has been donated to a charity and details of the charity.

2.3. In certain circumstances it is **not** necessary to record hospitality in the register. These circumstances are:

- Working lunches and dinners which form part of meetings, training events, presentations, conferences, seminars or similar events, where attendance is in the interest of the MPS; or
- Attendance at lunches, dinners, receptions or comparable functions organised by Embassies, cultural organisations, professional bodies and their equivalents, where attendance is in the capacity of an official MPS representative

The reason for such hospitality is usually clearly related to the purpose of the event and therefore no subsequent justification of acceptance would be required. However, the hospitality should be recorded in the register if there is any question about the nature of the relationship between the MPS and the host organisation or where the value of the hospitality may be considered significant.

2.4 Registers should be retained securely for seven years after the last entry in each book, however registers should be weeded periodically as each entry should not be retained any longer than the seven years stipulated.

### **3. Reviews**

3.1 The B/OCU Commander/Heads of Unit should also ensure that a regular programme of review and challenge is in place throughout the year (e.g. by the local Quality Assurance Unit).

3.2 Quarterly reports of any new entries in the register will be sent to the relevant ACPO officer/Director for review. A copy of the report, plus a record of the review, will be maintained.

3.3 Management Board members must review the ACPO officers and Directors' registers on a quarterly basis. The Deputy Commissioner will also review the registers of Management Board members on a quarterly basis. Records must be maintained of all reviews.

3.4 A quarterly review of their registers will be undertaken by the Chief Executive and Clerk to the MPA in respect of the Commissioner and Deputy Commissioner.

## Model Gifts and Hospitality Register

Serial or index number	Date recorded	Date, nature and location of gift/hospitality offered	Officer or staff member involved	Name and details of the person making the offer	Relationship of the person or company with the MPS	Approximate value of the gift or hospitality	Whether accepted or refused	Reasons for acceptance or refusal	Date special authority received for the gift	Gift donated to charity	Authorising officer's signature (OCU Commander or Head of Branch or above)
1/2007	04/10/2007	03/10/2007 Bottle of wine For speaking at resident's association meeting re crime prevention	PS John Smith	George Jones, Chair, resident's association	None	£10.00	Accepted	Refusal of the gift would have offended the members of the resident's association	04/10/2007	Yes Local children's hospice	G Honey (Chief Superintendent)
2/2007	15/10/2007	21/10/2007 Dinner at the annual Blighton Rotary Club awards night as a result of being the guest speaker	Inspector Edward State	Rupert Brae, Chair of Blighton Rotary Club	None	£45.00	Accepted	Refusal would offend the Rotary Club and required to give speech in official capacity	16/10/2007	No	G Honey (Chief Superintendent)
3/2007	19/10/2007	18/10/2007 Lunch following a meeting to discuss the supply of bicycles requirements as tendering process	Bob Brown, Procurement Officer	Jim Green, Managing Director of Green and Sons	Possible supplier of bicycles	£25.00	Declined	Could be viewed as an acceptance of the fact that they will be given the contract	N/A	No	C French (Head of Procurement)