

POLICY AIM

Gippsland Women's Health (GWH) aims to ensure that actual, potential and perceived conflicts of interest are identified and that any breach of this policy is managed in a timely and appropriate manner.

INTRODUCTION

All organisations may be subject to fraudulent activity and must therefore implement effective prevention strategies to minimise legal and financial exposure.

SCOPE

This Policy applies to the following individuals or companies (*herein known as Employees*) connected with GWH:

- Board Members and Board Committee Members,
- CEO, Managers and all other employees (whether full time, part time, casual, permanent or temporary), and
- Volunteers, contractors and consultants.

POLICY

Employees will encounter conflict of interests at times and GWH acknowledge that conflicts may not always be able to be avoided particularly in rural and regional areas. GWH are committed to ensuring that conflicts are identified and managed appropriately.

To achieve the Policy outcome GWH shall:

- Ensure that all Board Members, employees, volunteers, contractors and consultants identify and declare all conflicts of interest or perceived conflicts of interest;
- Ensure that any breach of the Conflict of Interest Policy is managed appropriately and in a timely manner. Failure to disclose a conflict of interest may result in initiation of disciplinary action for an employee if appropriate or severance from the organisation if deemed to be an incident of misconduct, wrongdoing or an abuse of power or authority.
- Develop, implement and monitor actions to appropriately manage the conflict; and

- Report all identified conflicts to:
 - the GWH Board for consideration and recording in the Board minutes for Board Members conflicts only;
 - The CEO for all employee, volunteer, contractors and consultants' conflicts of interest for consideration and recording in the Conflicts of Interest Register and the individual's personal file (where appropriate or required)

DEFINITIONS

1. CONFLICT OF INTEREST

A conflict of interest is where an Employee has private interests or associations that could improperly influence, or be seen to influence, their decisions or actions in the performance of their duties.

Conflicts may be actual or perceived.

1.1. Actual conflict of interest

There is a real conflict between an employee's GWH duties and private interests or associations.

1.2. Potential conflict of interest

An employee has private interests that could conflict with their GWH duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate the future risk.

1.3. Perceived conflict of interest

The public or a third party could form the view that an employee's private interests could improperly influence their decisions or actions now or in the future.

1.4. Private interest

A private interest means anything that can influence an employee. Private interests include direct interests, such as the personal, family, professional or business interests, as well as indirect interests, such as the personal, family, professional or business interests of individuals or groups with whom the employee is associated or closely associated.

Private interests may be pecuniary (i.e. financial), which includes any actual, potential or perceived financial gain or loss, as well as non-pecuniary, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting cultural or social activities.

2. KEY MANAGEMENT PERSONAL (KMP)

The standard defines KMP as those people with the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly i.e. those charged with decision making and responsibilities. AASB 124(9) Related Party Disclosures defines a person who has a significant influence or a close member of that person’s family to be related to a reporting entity if that person is a member of the KMP of the entity or a parent of the entity.

For the purposes of KMP reporting applicable to GWH, KMP includes the Board of Directors and the CEO. These KMP’s are considered to be ultimately responsible for planning, directing and controlling the activities of the entity. The Board is the Health Services governing body and the CEO is responsible for the execution and authority of the day-to-day operations of the entity.

6.3 ACTIVITIES WITH INCREASED RISK

Activities with increased risk of conflict of interest include:

Procurement and Recruitment	<ul style="list-style-type: none"> • Procuring goods or services • Tendering for and managing contracts • Making appointments to positions
Distributing good, services or funds	<ul style="list-style-type: none"> • Providing a service • Allocating grants of public funds • Allocating subsidies, financial assistance concessions or other relief
Making binding decisions	<ul style="list-style-type: none"> • Issuing determinations on matters • Passing binding judgements

Key interests and associations where conflict of interest may include:

Financial Matters	<ul style="list-style-type: none"> • Family or private business interests • Financial and economic interests such as significant liabilities or debts, assets including shareholdings, real estate holdings, investments or other financial interests • Trust or nominee companies, directorships or partnership holdings
Not for profit organisations	<ul style="list-style-type: none"> • Sporting bodies, clubs and associations
Group affiliations	<ul style="list-style-type: none"> • Affiliations with and obligations to political groups, trade unions or professional organisations • Community, ethnic or religious groups in a personal or professional capacity.
Other public duties	<ul style="list-style-type: none"> • Access to privileged and confidential information as part of multiple public roles • Holding another role as a public officer that potentially conflicts with public duties
Family and personal relationships	<ul style="list-style-type: none"> • Obligations to family and friends • Family businesses • Competition with or enmity towards another person or group

PROCEDURAL STEPS

7.1 BOARD CONFLICT OF INTEREST

A Board Member should disclose to all other Board Members:

- any material personal interest they have in a matter which relates to the affairs of GWH; and
- Any other interest which the Board member believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Board Member becomes aware of their interest or the need to make a disclosure.

Where a Board Member is uncertain as to whether an interest should be disclosed in accordance with this Policy, the matter shall be referred to the full Board for consideration.

All Board Members shall be required to complete the Conflict of Interest Declaration on initial application to the Board. If the applicant is not successful for a Board position all Conflict of Interest Declaration documentation will be permanently destroyed.

A conflict is recorded using the GWH conflict of interest disclosure form and retained in the CEO office.

7.2 CEO CONFLICT OF INTEREST

The CEO should disclose to the Board Chair:

- any material personal interest they have in a matter which relates to the affairs of GWH; and
- any other interest which the CEO believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the CEO becomes aware of their interest or the need to make a disclosure. Where the CEO is uncertain as to whether an interest should be disclosed in accordance with this Policy, the CEO may consult with the GWH Board Chairperson and it is noted in the next Board meeting minutes.

7.3 EMPLOYEE, VOLUNTEER, CONTRACTOR AND CONSULTANT CONFLICT OF INTEREST

When an employee, volunteer, contractor and/or consultant become aware that there may be a conflict of interest, they must report that fact to the CEO to allow GWH to consider appropriate action. Such conflict may be actual, perceived or a potential conflict and it may be pecuniary or non-pecuniary.

7.4 MANAGING AND RESOLVING A CONFLICT OF INTEREST

Once a disclosure has been made, GWH must decide on which method of resolution best suits the individual situation. Employee's conflict of interest management plans will ensure conflicts are managed and resolved in favour of the public interest rather than that of the employee and will be based on the following mitigation strategies:

7.4.1 *Restrict*

Restrictions are placed on the employee's involvement in the matter.

This is an appropriate method where the conflict is not likely to arise frequently. Restriction could include one or more of the following:

- Not participating in any critical criteria setting or decision-making role in the process
- Refraining from debate about the plan or proposal
- Limiting access to information and/or denying access to sensitive documents or confidential information in the process
- Withdrawing from discussion of the plan or proposal
- Abstaining from voting on the decision

7.4.2 *Recruit*

Recruiting an independent person to oversee all or part of the process. This is an appropriate method where the conflict is more significant and needs more proactive management but the person with the conflict has particular expertise and cannot be easily replaced.

Recruiting strategies include:

- Arranging for an independent third party to make the decision
- Requiring another person in the organisation to obtain three written quotes to compare against any bid by a family member
- Engaging an independent third party or probity auditor to oversee or review the integrity of the decision-making process – this strategy is particularly appropriate where there is a reasonably perceived, but not actual, conflict of interest or the conflict of interest is only identified at or near the conclusion of

the process or after the making of the decision

- Increasing the number of people sitting on decision-making committees to balance the influence of a single member who may have a conflict of interest but who has some special reason to remain on the committee
- Seeking the views of those likely to be concerned about a potential, actual or reasonably perceived conflict of interest about whether they object to the person with the conflict having any, or any further, involvement

In most circumstances a subordinate would not be considered a disinterested third party.

7.4.3 Remove

The employee removes themselves, or is removed, from the matter. This is appropriate where there is ongoing serious conflict of interest and restriction or recruitment is not practical or feasible. Removal strategies include:

- Removing the person with the conflict from any involvement
- Abstaining from any formal or informal discussion about the matter
- Separating the person with the conflict from the situation where there may be a perception of exerting a covert influence on decisions or actions
- Re-arranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict
- Transferring to another project or another area of the organization

7.4.4 Relinquish or Resign

The employee relinquishes the private interest that is creating the conflict. Where relinquishing the interest is not possible (e.g. relationship with family) and the conflict cannot be managed in the public interest using one of the options above, the employee may consider resigning.

Dependent on the level of the Conflict of interest either the Board Chair or the CEO together with the relevant Executive Manager shall decide on which of the methods above is the best to resolve the conflict and records this action.

7.5 DECLARATION AND MANAGEMENT OF FINANCIAL TRANSACTIONS AS PER AASB124 REQUIREMENTS

All Board Members and the CEO and are identified as the KMP and as such, each Board Member and the CEO must complete an AASB124 disclosure form on appointment and annually following appointment.

7.6 SPEAK UP

Employees who consider that conflict of interest within GWH may not have been declared or is not being appropriately managed should notify the CEO or Board Chair with their concerns.

GWH will take decisive action, including disciplinary action, against employees who discriminate against or victimise those who speak up in good faith.

Related Policies:

- GWH Code of Conduct
- Gov-01 GWH Privacy Policy
- Gov-18 GWH Whistle Blower Policy
- Gov-19 GWH Fraud Policy

References:

- Corporations Act 2001
- Taxation Act
- AASB124 Related Parties Disclosure

<https://www.dtf.vic.gov.au/financial-reporting-policy/aasb-124-related-party-disclosures>