## Conflict of interest

## Model policy and procedure

# Introduction

The integrity of XXX committee of management is critical to its function and acceptance in the Victorian community as a provider of services for, and on behalf of, the community.

Conflicts of interests can seriously affect the integrity of committee work. Unmanaged conflicts undermine trust and confidence that a committee’s work is delivered fairly and transparently, without favour and without bias.

# Purpose

This policy outlines the XXXX committee of management approach to identifying and managing conflicts of interests including:

* expectations for managing conflicts of interest
* guidance for identifying conflicts of interest
* guidance for keeping proper records
* guidance for managing conflicts of interest.

# Statement of policy

All committee members have a duty to put the public interest above their private interests when carrying out their committee functions. They are expected to:

* identify, declare and manage conflicts of interest effectively
* apply good practice principles and incorporate the effective management of any conflicts of interest into their business as usual practices
* abstain from any discussion or decision-making process in which they could be compromised, or appear to be compromised
* report any conflicts of interest to the committee chair as soon as they are identified and record the details along with any associated management action.

# Guidance

#### Identifying competing or conflicts of interest

Committee members are closely connected to the community they represent, and often have a strong personal interest in the work of the committee. Any actual, potential or perceived conflicts of interest must be managed transparently and effectively. Having competing interests is not a problem in itself as long as it is identified and managed effectively.

Some common circumstances that raise a conflict of interest include:

Relationships:

* close personal relationships with suppliers of services to the committee or anyone likely to be affected by committee decisions
* close relationships with people who may be employed by the committee
* close relationships with other committee members which can influence decision making.

Private interests:

* connections to other organisations that can affect or be affected by committee decisions (e.g. sporting clubs)
* interests in property that is proximate to the reserve
* business or political interests.

Depending on the decision to be taken, some other examples could be:

* being an annual camper on the reserve
* being a member of a recreation club that holds a lease over part of the reserve,
* being the coach of the club with a lease up for renewal at the meeting.

#### Keeping proper records

A register of private interests is maintained by this committee. It documents the private interests of members where they may raise a conflict of interest. The register is updated at every meeting or where a change in circumstances is notified to the committee chair.

#### Managing the risks

When a conflict of interest has been identified, the committee should apply one of the following strategies and document it on the committee register of private interests and in the minutes:

|  |  |
| --- | --- |
| **Strategy** | **Action** |
| Register | Details of the existence of a possible or potential conflict of interest are formally advised and recorded on the private interests register |
| Restrict | Restrictions are placed on the member’s involvement in discussion and/or decision making on the matter |
| Recruit | A disinterested third party is appointed to oversee part or all of the process that deals with the matter |
| Remove | The member does not participate at all in the matter |
| Relinquish | The private interest concerned is relinquished |

# Standard procedure for dealing with a conflict of interest

The committee’s **standard procedure** for managing a material (serious) conflict of interest is to ‘remove’ the member with the conflict from all discussion and decision-making on the matter.

The member:

* leaves the room at the start of the relevant agenda item and does not return until the start of the next agenda item
* does not discuss the matter at all with any other member, either in the meeting or elsewhere, and
* does not participate in any committee decision on the matter.

The standard procedure is followed unless the committee determines and records in the minutes clear reasons why it is not in the public interest.

# Lesser options

A lesser option will not usually be in the public interest for managing a material (serious) conflict of interest. Examples of where a lesser option may be in the public interest are:

Example: Discussion

If the member with the conflict was appointed on the basis of their knowledge of the matter, then it may be in the public interest for them to be present for part of the committee’s discussions.

Example: Decision:

If the standard procedure of removing conflicted members from all discussion and decision making on the issue would mean there is no quorum for the decision **even if all committee members are present**, then a lesser option will be in the public interest. However, if ‘unconflicted’ member/s are absent, it will usually be in the public interest for the decision to be held over to the next committee meeting.

# Help from DELWP

Contact the local DELWP [regional office](https://www2.delwp.vic.gov.au/communities-and-regions/regions-and-locations) for advice if your committee is unsure about how to handle a conflict of interest. Also contact the department if the committee often has trouble meeting a quorum due to conflicts of interest.

# Recording conflicts

Record in the minutes of the meeting any conflicts with items on the agenda and how the committee dealt with them. Good record keeping is crucial to ensuring transparency and good conflict of interest management.

# Policy breaches

Failure to avoid or identify, declare and manage a conflict of interest in accordance with this policy could lead to disciplinary action. Actions inconsistent with this policy may constitute misconduct under the *Public Administration Act 2004* and/or corrupt conduct under the *Independent Broad-based Anti-corruption Commission Act 2011*.

# Speak up

Members and employees of the committee who believe that conflicts of interests within the committee may not have been declared or managed appropriately should speak up and notify the committee chair or the [regional office](https://www2.delwp.vic.gov.au/communities-and-regions/regions-and-locations).

The committee will take decisive action against members who discriminate against or victimise those who speak up in good faith.

# Contact

The following people may be contacted concerning matters arising under the policy:

* committee chair
* the local DELWP [regional office](https://www2.delwp.vic.gov.au/communities-and-regions/regions-and-locations).