

Managing Conflict of Interest Policy

BPM-007

Application	Board only
Purpose	The purpose of this policy is to protect both VAC/GMHC and all Directors from any appearance of impropriety.
References	BPM-001 Code of Conduct and Board responsibilities policy BPM-004 Addressing conflict, grievances and complaints policy
Associated policies/procedures	N/A
Associated forms	BPM-F001 Disclosure form relating to conflict of interest
Thorne Harbour Health	The Victorian AIDS Council Inc (VAC) and the Gay Men's Health Centre Inc (GMHC) are separate legal entities and 'incorporated associations' for the purposes of the <i>Associations Incorporation Reform Act 2012</i> (Vic). Each of VAC and GMHC is overseen by independent volunteer Directors, elected or appointed under the Constitutions for each entity. The entities operate under the trading name of Thorne Harbour Health. Each of VAC and GMHC is registered with the Australian Charities and Not-for-profits Commission. A reference to 'the Board' refers to the collective or committee of Directors of both VAC/GMHC.

Purpose

Conflicts of interests may arise where a Director's personal, family, or private interests, loyalties, or commitments conflict with those of VAC/GMHC. Such conflicts create problems, in that they may:

- inhibit free discussion in Board meetings;
- lead to bias or lack of impartiality in decision making;
- result in decisions or actions that are not in the interests of VAC/GMHC;
- harm public perception of VAC/GMHC and the broader public sector by giving the impression that VAC/GMHC has or may have acted improperly.

The purpose of this policy is to protect both VAC/GMHC and all Directors from any appearance of impropriety.

Background

The Board of the Victorian AIDS Council/Gay Men's Health Centre (VAC/GMHC) is committed to high standards of ethical conduct.

The VAC/GMHC Board recognises that from time to time, Board members may find that they have interests which conflict with their duties and responsibilities as VAC/GMHC Board members.

- **Conflicts of interest** for VAC/GMHC Directors refer to conflicts between public duties and private interests.
- **Conflicts of duty** refer to conflicts between the Director's role on the VAC/GMHC, and when the Director is a member of another Board or an employee of VAC/GMHC.

Having a conflict of interest or duty is not always avoidable and it is the way conflicts are managed that is important.

A conflict exists whether it is actual, potential or perceived.

- An **actual** conflict of interest or duty is one where there is a real conflict between a Director's Board role on the VAC/GMHC, and their other public duties or their private interests.

Document title: BPM-007 Managing conflict of interest policy v3.0	Page: 1
Policy Responsibility: Governance Committee	Date Issued: 3 April 2012
Approved by: Board	Status: Approved
Last amendment: 5 May 2015	Version: 3.0
	Next review date: June 2021

- A **potential** conflict of interest or duty arises where a Director has other public duties or private interests that could conflict with their Board role on the VAC/GMHC Board.
- A **perceived** conflict of interest or duty can exist where a third party could form the view that a Director's Board role on the VAC/GMHC or private interest could improperly influence the performance of their duties, now or in the future. A perceived conflict of interest can arise from avoiding personal losses, as well as gaining personal advantage – whether financial or otherwise.

Conflicts between a Director's public duty to the VAC/GMHC, and a private interest can lead to a conflict of interest situation. The term 'private interests' includes not only a Director's own personal, professional, or business interests, but also the personal, professional, or business interests of individuals or groups with whom they are closely associated. This can include relatives, friends, or even competitors. There are two types of private interests that could typically cause a conflict of interest: financial and non-financial.

Non-financial conflicts arise from personal or family relationships. They include any tendency toward favoritism or prejudice resulting from friendship, animosity, or other personal involvement with another person or group. If personal values are likely to impact on the proper performance of public duty, then these can also lead to a conflict of interest. Enmity as well as friendship can give rise to a non-financial conflict of interest.

Examples of conflict of interest might include, but are not limited to:

- A Board member, or their immediate family, stand to gain financially from a service being provided by the organisation.
- A Board member, or a member of their immediate family, is involved with a business offering professional service to the organisation, or competing in a tender process for a contract or consultancy to undertake work for VAC/GMHC.
- A Board member stands to gain personally, professionally or financially from inside knowledge, if that knowledge were to be used to personal advantage.
- A Board member has a role on the governing body of another organisation, where the activities of that organisation conflict with or are in competition with the activities of VAC/GMHC.

Questions to consider in identifying conflicts are:

- public duty/private interest - Do I have a private interest or another public duty that may conflict, or be perceived to conflict with my public duty as a member of the VAC/GMHC Board?
- potentialities - Are there possible benefits for me now, or in the future, that have the potential to cast doubt on my objectivity in this situation?
- perception - Remembering that perception is important in maintaining integrity, how will others perceive my involvement in this situation or potential for loss of objectivity?
- proportionality - Does my involvement in this situation appear fair and reasonable, when taken in context?
- promises - Have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

Policy and Procedure

The Board President is the responsible officer for conflict of interest oversight on behalf of the Board. The President will be responsible for ensuring that:

- Directors are asked to declare all conflicts of interest at each meeting of the Board;
- any such conflicts are recorded in the minutes;
- any such conflicts are addressed and managed;
- ensuring that the Register of Interests is kept up to date;
- providing a point of contact for other Directors on conflict of interest matters, including this policy.

All individual Board members, and all members of the VAC/GMHC Board are to be mindful of the potential for conflict of interest:

- At the commencement of the term for a new Board member, they will complete the BPM-F001 Disclosure form relating to conflict of interest. This form is submitted to the President and kept by the organisation in a manner which complies with privacy requirements. If perceived conflicts change due to changed circumstances for the individual Board member, a revised Board-F001 Disclosure form relating to conflict of interest can be completed and submitted by the Board member.
- If a Director has a personal or financial conflict of interest in relation to any business or matter arising on the VAC/GMHC Board, they must declare this conflict at the start of the meeting, and the conflict will be recorded in the minutes.
- The Board member with the conflict should leave the room as soon as that item comes up for consideration or discussion.
- A Board member shall not vote on any issue or matter where they have declared a conflict of interest.
- If any member of the Board believes that another member of the Board has an actual or potential conflict of interest that has not been declared, they may raise this concern with the President, as Chair, or the chair of the meeting if the President is not chairing the meeting. The Chair may ask the Board member alleged to have a conflict to leave the room so other Board members can discuss the matter. The Board may determine that there is a conflict of interest, or it may determine that no conflict of interest exists.
- In the event that the President has a conflict, the Vice President may chair the meeting for discussion of the item where the conflict exists, and the President will observe the conflict procedure as outlined above.