

## Managing Conflict of Interest Policy

BPM-007

Application	Board only
Purpose	The purpose of this policy is to protect both VAC/GMHC and all Board members 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 ( <b>VAC</b> ) and the Gay Men's Health Centre Inc ( <b>GMHC</b> ) 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 Board members, 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 Board members of both VAC/GMHC.

### Purpose

Conflicts of interests may arise where a Board member's personal, family, or private interests, loyalties, or commitments conflict with those of Thorne Harbour Health. 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 Thorne Harbour Health;
- harm public perception of Thorne Harbour Health and the broader public sector by giving the impression that Thorne Harbour Health has or may have acted improperly.

The purpose of this policy is to protect both Thorne Harbour Health and all Board members from any appearance of impropriety.

### Background

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

The Thorne Harbour Health Board recognises that from time to time, Board members may find that that have interests which conflict with their duties and responsibilities as Thorne Harbour Health Board members.

- **Conflicts of interest** for Thorne Harbour Health Board members refer to conflicts between public duties and private interests.
- **Conflicts of duty** refer to conflicts between the Board member's role on the VAC and /or GMHC Board, and when the Board member has competing obligations such as being a member of another Board, an employee of a competitor, funder or authority or an employee of Thorne Harbour Health.

Document title: BPM-007 Managing conflict of interest policy v3.1.docx	Page: 1
Policy Responsibility: Governance Committee	Date Issued: 3 April 2012
Approved by: Board	Status: Approved
Last amendment: 27 August 2021	Version: 3.1
	Next review date: June 2024

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 Board member's role on the Board, and their other public duties or their private interests.
- A **potential** conflict of interest or duty arises where a Board member has other public duties or private interests that could conflict with their Board role at Thorne Harbour Health.
- A **perceived** conflict of interest or duty can exist where a third party could form the view that a Board member's role 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 Board member's public duty to Thorne Harbour Health and a private interest can lead to a conflict of interest situation. The term 'private interests' includes not only a Board member'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 business associates, relatives, friends, or even competitors. There are two types of private interests that could typically cause a conflict of interest: financial and non-financial.

Financial conflicts of interest arise when direct or indirect payments, material interests or financial benefit may be involved including those in the future.

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 Thorne Harbour Health.
- 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 Thorne Harbour Health.

**Questions to consider in declaring interests 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 and/or 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:

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

There are a number of important steps in the management of interests and conflicts of interest:

- a) declaration of interests that may be relevant to VAC/ GMHC/ Thorne Harbour Health
- b) self-acknowledgement of a conflict of interest or determination by the Board that a conflict of interest exists
- c) management of that conflict of interest
- d) consequences if a relevant interest or a conflict of interest is not declared or managed

All individual Board members, and all members of the 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 interests. This form is submitted to the President and kept by the organisation in a manner which complies with privacy requirements. If interests change due to changed circumstances for the individual Board member, a revised Board-F001 Disclosure form relating to interests can be completed and submitted by the Board member.
- Board members must complete a new disclosure statement using the BPM-F001 Disclosure of Interests Form each year after the Annual General Meeting.
- If a Board member has a personal or financial conflict of interest in relation to any business or matter arising on the Thorne Harbour Health Board, they must declare this conflict at the start of the meeting, and the conflict will be recorded in the minutes.
- 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.

### **Management of conflicts of interest**

When a conflict of interest is determined

- The Board member with the conflict should leave the room as soon as that item comes up for consideration or discussion and
- shall not vote on any issue or matter where they have declared a conflict of interest.

### **Consequences of non-disclosure of conflicts of interest**

- Re-discussion of matter to which an interest pertains by non-conflicted Board members
- Development of a plan between Board President and Board member on appropriate management of future interests and conflicts of interest
- Removal of the Board member from their position on the basis of a Special General Meeting