

# Conflict of Interest Policy

## Brighton Primary School

### 1542

#### Overview

Conflicts of interest (COIs) may arise for employees at all levels. They are an inevitable fact of organisational life and they are not in themselves a sign of wrongdoing, but they create risks which should be identified and managed. However, when these risks are not appropriately addressed, organisational performance and reputation can be seriously compromised, and the effects can be significant for the Department and for the individuals concerned.

#### What is Conflict of Interest?

COI arises in circumstances where an employee's public duty is influenced, or can be seen to be influenced, by a private interest.

Private interests include both financial and non-financial interests, and can include the interests of family members and close friends or associates. They can be positive or negative interests – personal enmity towards someone can be just as relevant as loyalty to them.

The public duty of all employees of the Department (both in the Teaching Service and the VPS) and employees of school councils includes the obligation to perform all duties in accordance with public sector values, which include *accountability, integrity and impartiality*. A conflict therefore arises if a private interest might undermine an employee's ability to perform a particular role in accordance with these values, whether or not the outcome of the task or function is affected; an employee's benevolent intention does not mean that risks of perceived COI can go unaddressed.

While COI can lead to corruption and fraud, it mostly arises innocently and independently of any fraudulent intent and should be managed with this in mind – with transparency, consistency and without favouritism or exception.

COI can be **actual, potential or perceived**. A **potential** COI refers to circumstances where it is foreseeable that a COI may arise in future and steps can be taken now to mitigate any risk. A **perceived** COI arises where a reasonable person might think that an employee could be unduly influenced by a private interest, even if the employee is confident of their own objectivity.

#### Objectives

The purpose of this Policy is to enable BPS to manage COI risks effectively by identifying:

- the principles which inform the responsible management of COI risks in the Department
- the responsibilities of all Department employees and managers for the management of COI risks

- the Victorian Public Entity Directors' Code of Conduct, that parents in School Council are bound by

### **Principles**

The following four principles underpin the Department's management of risks of COI:

- Protecting the public interest through upholding public sector values
- Supporting transparency and accountability
- Promoting individual responsibility for integrity and impartiality
- Developing an organisational culture which encourages effective management of COI.

### **Responsibilities - All employees**

All Department employees, including members of the Teaching Service and VPS employees, are responsible for:

- Being aware of their obligations to avoid and address COI
- Continually assessing their private interests and public duties in order and identify whenever they are subject to a COI
- Reporting identified COI to the principal, (or in certain circumstances to the relevant Panel, Committee or Board)
- Assessing the risks related to identified conflicts and taking reasonable steps to address these risks in accordance with Department policy and procedures so that the public interest is protected.

In addition to managing their own COI, managers play a role in supporting their staff to identify and address COI by:

- Being aware of the risks of COI which are inherent to the work of the staff they manage
- Making their staff aware of their obligations under COI policy and other relevant policies and procedures
- Identifying the training needs of their staff members in relation to COI policy and practice
- Advising their staff about appropriate ways to address COI
- Recording disclosures of COI reported to them by staff members
- Assisting staff members to identify and implement appropriate management strategies
- Continually monitoring the work of staff they manage and assessing the risks to which they might reasonably be exposed
- Taking appropriate disciplinary action in relation to employees who apparently fail to meet their obligations under Department policy
- Modelling Department values through transparent and consistent management of their own COI.

### **School Council**

School Councillors who are not employees of the Department (such as parents) are not bound by the Code of Conduct for Victorian Public Sector Employees. However, they are bound by the Directors' Code of Conduct and Guidance Notes (also called the Victorian Public Entity

Directors' Code of Conduct 2006) issued by the Public Sector Standards Commissioner. Relevant duties under this Code are to:

- Act with honesty and integrity
- Act in good faith in the best interests of the public entity
- Act fairly and impartially
- Use information appropriately
- Use the position appropriately
- Act in a financially responsible manner
- Exercise due care, diligence and skills
- Comply with the establishing legislation
- Demonstrate leadership and stewardship.

Principals play a role, as executive officers of School Councils, in advising School Councillors about appropriate steps they should take to ensure responsible management of risks of COI. Councillors should be referred to the principles and processes outlined in this policy for guidance.

In addition, regulation 21 of the *Education and Training Reform Regulations 2007* requires that if a member of the school council or a member of his or her immediate family has any direct COI (including a pecuniary interest) in a subject or matter under discussion at a school council meeting, that member:

- must not be present during the discussion unless invited to do so by the person presiding at the meeting
- must not be present when a vote is taken on the matter
- may be included in the quorum for that meeting.

#### **Areas of particular risk**

Risks of COI are typically significant in relation to three types of activity:

- Recruitment and Selection
- Procurement (tendering, purchasing, contracting)
- Funding allocation or licensing.

Other areas of high risk include contractor management, other work (external employment), receiving gifts, benefits or hospitality, complaints management and disciplinary processes, and managing private/public partnerships.

This policy was adapted from the DET Human Resources Conflict of Interest Policy. For more information regarding the steps employees can take to manage COI risks as well as key resources to assist employees to meet their responsibilities, please see:

<http://www.education.vic.gov.au/hrweb/workm/Pages/Conflict-of-Interest.aspx>

This policy was last ratified by School Council 2016

To be reviewed August, 2019