

<b>Goulburn Ovens Institute of TAFE</b> <b>Procedure no. PRHR-163</b> <b>Refer Policy no. POHR8</b>	<b>Title: Conflict of Interest Procedure</b> <b>Executive approved: 19/05/2014</b> <i>Reviewed: 7/09/2016, 29/08/2018 re resp officer</i> <b>Responsible Officer: Executive Manager Human Resources</b> <b>Authorising Officer: CEO</b> <b>Review: Annually (30<sup>th</sup> September 2016)</b>
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## Conflict of Interest Procedure

### 1. PURPOSE

To detail the procedure for staff declaring potential or actual conflict of interest in accordance with the Conflict of Interest policy.

### 2. SCOPE

This procedure applies to all staff employed by the Institute, including continuing, fixed term, full time, part time, and casual staff. This procedure also applies to external appointees of boards and committees.

### 3. DEFINITIONS

**Conflict of interest** - Conflict of interest means a situation where there is an actual, potential or perceived divergence between the individual interests of a staff member and their professional and work related obligations to GOTAFE, such that an independent observer might reasonably question that the staff member's conduct may have been influenced by his or her own private interests or personal circumstances.

### 4. GUIDELINES

These guidelines detail some of the circumstances in which a potential conflict of interest may arise. The list of situations and examples of conflict of interest included in these guidelines is not intended to be exhaustive.

#### 4.1 GOTAFE staff on external company boards and boards of management of other entities

Where a staff member is requested or nominated by the Institute to a board of management, business risks need to be effectively managed to ensure the Institute's commercial interests and reputation are protected. In particular, business risks must be managed where there is the potential for:

- staff members to act in a way which is not, or is perceived not to be, in the best interests of the Institute;
- financial loss to the Institute because of the staff member's actions;
- boundaries to be blurred between the Institute and its interests, and an external company and its interests;
- the Institute to be involved in legal proceedings because of the staff member's position on the board.

Where the Institute intends nominating a staff member to fulfill a directorship or board of management position the staff member should seek independent legal advice to ensure they are informed of their obligations and to help protect the interests of the Institute.

Directors are subject to the provisions of the Corporations Act. This includes but is not restricted to specific requirements concerning declaration of any conflict of interest, attendance at board discussions, voting by the director on the matter and company record keeping.

#### 4.2 GOTAFE staff engaged in outside work activities

Staff may undertake professional outside activities in accordance with the Conflict of Interest Procedure and this Guideline. If so, they will be required to disclose:

- any unpaid outside activity that has any relationship to their professional role within the Institute, including memberships on boards of management and directorships;

- private paid work falling outside of their annual work program where the work is undertaken during their required days or hours of work;
- Work that directly or indirectly involves the professional expertise for which they are employed at the Institute, regardless of when the work is undertaken. This includes work where a benefit flows to a business enterprise with which they, or a relative, are associated, including directorships. Examples include tendering for a consulting contract as an individual in a field which is related to the work the staff member conducts as a GOTAFE staff member.

#### 4.3 Acceptance of gifts or benefits

As a general principle, staff should not seek or accept favours or gifts for services they perform in connection with their GOTAFE employment from anyone who could benefit by influencing them in their official capacity. Included in this category are gifts in kind (such as free or discounted accommodation, meals, travel or entertainment), which go beyond common courtesies consistent with ethical and accepted business practices. This principle extends to favours and gifts extended to a staff member's family. Accepting such gifts may expose staff and/or the Institute to accusation of bias or favourable consideration.

- Token gifts and benefits as part of normal business: from time to time, staff dealing with external organisations may receive token benefits as part of normal business relationships. Token benefits may include souvenirs, mementos and symbolic items of low material value. They may also include moderate acts of hospitality when meeting with organisations to develop a working relationship with the Institute.
- In itself, this type of benefit should not be regarded as constituting a breach of this policy. However, a continuing pattern of such token benefits, outside of the specific business relationship, may be seen as a potential breach of this policy. If in doubt, staff should seek guidance from their manager before accepting a gift.
- Gifts of greater than nominal value; gifts to the organisation/work area of more than nominal value – for example a painting, or a piece of equipment – are acceptable, but should be disclosed to the relevant member of the Senior Executive.
- Gifts and benefits as an inducement to favour: if a staff member feels they have been offered a benefit or gift as an attempt to induce favoured treatment, they should immediately report this to their manager. This should be done regardless of whether or not the benefit or gift was accepted. The staff member's manager should immediately report the circumstances to the relevant member of the Senior Executive.
- Gifts that must not be accepted; if the Institute is engaged in a tender process, no gift, no matter how small or insignificant, should be accepted from any tenderer.
- Staff must not accept gifts of money.

#### 4.4 Close personal relationships

Conflict of interest situations may arise from close personal relationships, including family and emotional relationships between:

- staff and students (for whom staff have a duty of care);
- one staff member and another staff member.

#### 4.5 Delegation of Authority

A staff member should not exercise a delegation of authority where this would involve a conflict of interest such as a personal or financial benefit to the delegate, or the delegate's family or friends.

#### 4.6 Employment related matters

Partners, family members or close friends of staff should only be employed where an appropriate independent merit selection process has been observed.

A person who has the delegated authority to employ a staff member cannot authorise the employment of a family member. In exceptional circumstances, the employment approval must be gained from the delegate's immediate manager.

Partners, family members or close friends cannot be in a direct supervisory relationship to each other. However, the existence of a close personal relationship with a staff member should not constitute a bar to the employment, promotion, granting of tenure or transfer of any individual.

A staff member in an acting position cannot sign off on their own recommendations. They can only be signed off by their manager.

For full details refer to the Recruitment and Selection procedure.

**4.7 Use of Institute facilities and equipment**

Staff members are expected to use the facilities of the Institute efficiently, carefully and honestly. Such resources must not be used for financial gain or for political purposes without the express permission of the manager. Any agreement for personal use should be minimal and strictly limited. Permission will not be unreasonably withheld.

For clarity, and training purposes, below are some examples of conflict of interest situations, this is not an exhaustive list and shall only be used as examples);

- A staff member with decision making powers in relation to a tender offered by the institute accepts a gift from a person associated with a company who is tendering the work from the Institute.
- A staff member having decision-making powers over the employment of staff arranges for a relative to be employed by the Institute, in the Institute group for which they are responsible.
- A staff member regularly employs their child to undertake casual administrative work during holiday periods without undertaking any merit-based selection process.
- A staff member with responsibility for selection, assessment or supervision of a student’s work who also has a personal or family relationship with that student.
- A staff member is a director of a company that the Institute is bidding with or is bidding against for contract research funds. The staff member is unlikely to be able to simultaneously meet their obligations as a director of a company and meet their obligations as a GOTAFE staff member to act in the best interests of the Institute at all times.
- A staff member tenders for and engages in consultancy work as an individual rather than as a GOTAFE staff member: the work is the same as the work they are employed to perform and they could have engaged in this work as a GOTAFE staff member.

**5. PROCEDURE**

Procedure	Responsibility	Timeline
<p>5.1A manager who becomes aware of a potential or actual conflict of interest may instigate this procedure.</p> <p>Discuss the matter with the relevant staff members and assist the staff member/s to complete the conflict of interest declaration form</p>	Manager	When potential for conflict of interest is identified.
<p>5.2A staff member involved in a situation where there is or may be a conflict of interest must disclose this situation by completing and submitting a Conflict of Interest Declaration Form to their manager.</p> <p>The staff member must also withdraw himself or herself immediately from the situation giving rise to the conflict, pending advice from the manager to whom the disclosure was made.</p>	Staff member	Immediately when potential for conflict of interest is identified.

<p>5.3 Where the manager decides there is no conflict of interest then the staff member is authorised to continue the activity.</p> <p>However, the manager and staff member must identify the circumstances in which conflict of interest could occur, and how it would be resolved.</p>	<p>Manager</p>	<p>Following review of declaration.</p>
<p>5.4 Where the disclosed situation reveals a conflict of interest, or is likely to be perceived as involving a conflict of interest, the manager must:</p> <ul style="list-style-type: none"> <li>• ask the staff member to take action to remove the conflict of interest, or</li> <li>• reorganise the duties of the staff member so as to remove the conflict of interest, or</li> <li>• if considered necessary, ensure that the staff member’s involvement in the situation or activity is withdrawn immediately, and establish parallel or alternative arrangements specifically for the purpose of the activity, and</li> <li>• Complete a Conflict of Interest Declaration form</li> </ul>	<p>Manager</p>	<p>Following review of declaration.</p>
<p>5.5 The manager must record agreements regarding how to manage the potential or actual conflict of interest in writing.</p> <p>The manager will retain a copy, provide a copy to the staff member and forward a copy to Human Resources.</p>	<p>Manager</p>	<p>Following review of declaration.</p>
<p>5.6 Where the withdrawal of the staff member’s involvement in the situation is not practical or appropriate and their involvement does not breach any statutory or other duty, the manager (following consultation with the staff member) will ensure that others involved in the situation are informed of the potential conflict of interest.</p> <p>Actions will be recorded on the Conflict of Interest Declaration form.</p>	<p>Manager</p>	<p>Following review of declaration.</p>
<p>5.7 Where the manager does not agree to allow the staff member to continue the activity that is the subject of the disclosure, the staff member may seek to renegotiate this through a meeting with the manager’s manager.</p>	<p>Staff member</p>	<p>Following a decision by the manager that the staff member must cease the activity.</p>

**6. DOCUMENTATION**

[Conflict of Interest Policy – POHR8](#)

[Conflict of Interest Declaration Form – FHR-92](#)

[External Work Policy – POHR9](#)

[External Work Procedure – PRHR-164](#)

[External Work Form – FHR-93](#)