

## CONFLICT OF INTEREST POLICY

### Related Quality Frameworks and Legislation:

Aged Care Quality Standards (ACQS)	Standard 8: Organisational Management
NDIS Quality Standards (NDIS)	Standard 2: Governance and Operational Management
Legislation	<a href="http://www.legislation.qld.gov.au">http://www.legislation.qld.gov.au</a>

### 1. Purpose

The Conflict of Interest Policy of Gladstone Community Linking Agency (GCLA) is to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of **GCLA** and manage risk.

Declaration and management of conflicts of interest are specifically required for the Gladstone Community Linking Agency Board of Directors and members as part of their legal responsibilities to the company.

Actions and decisions taken at all levels in Gladstone Community Linking Agency are required to be informed, objective and fair. A conflict of interest may affect the way a person acts, the decisions they make or the way they vote in group decisions. Conflicts of interest need to be identified and action taken to ensure that personal or individual interests do not affect the company's services, activities or decisions.

GCLA manages conflicts of interest by requiring Directors of the Board to:

- avoid conflicts of interest, where possible
- establish a system for identifying, disclosing and managing conflicts of interest across the charity
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- monitor compliance with this policy and respond to any breaches.
- review this policy on an annual basis to ensure that the policy is operating effectively.

### 2. Scope

This Policy applies to the Board of Directors, Chief Executive Officer (CEO), Senior Managers, paid and unpaid staff, contractors, consultants and corporate partners of GCLA.

This Policy applies to situations where the personal interests of an individual or group of individuals directly conflict with the best interests of the company, its customers, or where the decisions or actions of individuals may be influenced by their personal interests rather than those of the company in both service delivery and operational management.

This includes situations in which:

- close personal friends or family members are involved, such as decisions about employment, discipline or dismissal, service allocation or awarding of contracts
- an individual or their close friends or family members may make a financial gain or gain some other form of advantage
- an individual is involved with another organisation that is in a competitive relationship with our company and therefore may have access to our plans or financial information
- an individual is bound by prior agreements or allegiances to other individuals or organisations that require them to act in the interests of that person or organisation or to take a particular position on an issue.
- where there is an identifiable conflict of interest between service stream, specifically where these are identified in the relevant legislation (ie. NDIS Act 2013).

### Roles and responsibilities

Everyone working for GCLA is responsible for identifying, disclosing and resolving conflicts of interest.

Specific responsibilities are:

- Board Directors
  - Retain awareness when conflicts of interests arise to ensure conflicts are disclosed and resolved with all pertinent details recorded in the meeting minutes.
- Company Secretary
  - Maintain a central Conflict of Interest Register for the board members, monitors and review the effectiveness of the Register.
- Chief Executive Officer and Senior Managers
  - Ensure the 'tone at the top' has an integrity focus by complying with the spirit of this Policy when conflicts of interest arise.
- Senior Managers
  - Provide leadership in implementing and facilitating compliance with this Policy. Participate in conflict of interest resolution with those they supervise and lodge the resolution in the conflict of interests register. Take appropriate action for breaches of this Policy.
- Integrity Line
  - Accept tip-offs that conflicts of interest have occurred that have not been properly dealt with.
- Workers
  - Retain awareness of potential conflicts of interest that might affect them and avoid them where possible.
  - Promptly identify and disclose any actual or potential conflicts of interest that might be perceived to affect the proper performance of their work.
  - These potential conflicts are handled and managed by the Human Resource department.

### **3. Policy Detail**

GCLA is committed to ensuring that conflicts of interest are identified and managed so that they do not affect the services, activities or decisions of the organisation.

To achieve this, we:

- Identify, declare and report all conflicts of interest;
- Develop, implement and monitor action to appropriately resolve or manage the conflict; and
- Register all identified conflicts to:
  - The Board for recording in the Board minutes (for Directors conflicts only);
  - The Conflict of Interest Register (for all workers)
  - The individual's personal file (where appropriate or required); and
- Deal firmly with breaches of this Policy

### Definitions:

**Worker:** Any person performing work for GCLA regardless of whether it is paid or unpaid. All Board Directors, CEO, Senior Managers, Employees, Contractors and Consultants are workers for the purposes of this policy to the extent that they contribute to work interests.

**Work interests:** The interests of GCLA in pursuit of its vision, purpose and objectives.

Private interests: Personal, professional or business interests including those of individuals, groups or organisations that workers associate with outside of GCLA.

Pecuniary interest: A private interest involving actual or potential financial gain or loss by a worker or a worker's relative or other close associate if they own property, hold shares or are associated with a firm bidding for GCLA work.

Non-pecuniary interest: A private interest without a financial component where there may be a tendency for favouritism or prejudice to arise due to friendship, animosity or other personal involvement with another person or group.

Conflict of interests: A clash between a worker's private interests and work interests that gives, or may give or be perceived to give, advantage to the worker or to others who are associated with the worker.

Conflict of duties: A competing interest between an official duty for one entity and the official duty of another (e.g. a director, executive or manager with GCLA who is a director of another entity). A competing interest between duties for two entities within GCLA is exempt from this Policy.

### Managing a Conflict of Interest

There are three key components to the management of a conflict of interest:

1. Report;
2. Resolve; and
3. Register.

#### 1. Reporting a Conflict of Interest:

When we become aware that we may have a conflict of interest we must report that fact to our supervisor. Reporting a conflict allows us to work with our supervisor to resolve it. A conflict may be actual, perceived or a potential conflict and it may be pecuniary or non-pecuniary. If not managed properly, either kind can be equally damaging to our personal and our organisation's reputation.

When Directors have a conflict of interest or conflict of duties, the conflict is reported to the meeting members.

All relevant parties associated with the organisation are required to declare any potential or actual conflicts of interest they are aware of for themselves or others by:

- Members shall declare any conflicts of interest either at the start of the Board of Directors meeting concerned or when a relevant issue arises either with themselves or another interested party.
- Informing those present when a conflict becomes apparent (this should always be applied where the individual is about to take-part in a decision-making process).
- Conflict of interest recorded in minutes

Confidentiality processes will be implemented to protect privacy of the relevant information.

Examples of conflicts of interest:

- Purchasing goods or services supplied by the family business of a worker, or family company, relative or close friend
- Participating in a tender for goods or services where a relative or friend will be submitting a bid
- Directly negotiating for a friend or relative for them to provide goods or services to GCLA for payment
- Involvement in selection of a relative or friend as an employee

- Sale of an entity asset to a worker without an equitable process
- Worker voting on a decision which directly affects their private interests
- Worker knowing GCLA confidential information that could impact private interests

## 2. Resolving a Conflict of Interest

The main ways resolution can be achieved are:

- Restrict
  - Recruit
  - Remove
  - Relinquish
- i. Restricting the person with the conflict in the participation of decision making is an appropriate method where the conflict is not likely to arise frequently. Restriction could include one or more of the following:
- Not participating in any critical criteria setting or decision-making role in the process
  - Refraining from debate about the plan or proposal
  - Limiting access to information and/or denying access to sensitive documents or confidential information in the process
  - Withdrawing from discussion of the plan or proposal
  - Abstaining from voting on the decision
- ii. Recruiting an independent person to oversee all or part of the process is an appropriate method where the conflict is more significant and needs more proactive management but the person with the conflict has particular expertise and cannot be easily replaced. Recruiting strategies include:
- Arranging for an independent third party to make the decision
  - Requiring another person in the organisation to obtain three written quotes to compare against any bid by a family member
  - Engaging an independent third party to oversee or review the integrity of the decision-making process – this strategy is particularly appropriate where there is a reasonably perceived, but not actual, conflict of interest or the conflict of interest is only identified at or near the conclusion of the process or after the making of the decision.
  - Increasing the number of people sitting on decision-making committees to balance the influence of a single member who may have a conflict of interest but who has some special reason to remain on the committee
  - Seeking the views of those likely to be concerned about a potential, actual or reasonably perceived conflict of interest about whether they object to the person with the conflict having any, or any further, involvement.
- iii. Removing the person with the conflict from the process is appropriate where there is ongoing serious conflict of interest and restriction or recruitment is not practical or feasible.
- Removing the person with the conflict from any involvement
  - Abstaining from any formal or informal discussion about the matter
  - Separating the person with the conflict from the situation where there may be a perception of exerting a covert influence on decisions or actions
  - Re-arranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict
  - Transferring to another project or another area of the organisation

iv. Relinquishing the private interest that gives rise to the conflict.

- Liquidating the private interest in an arm’s-length transaction
- Divesting or withdrawing support for the private interest
- Assigning the conflicting interest to a genuinely ‘blind trust’ or ‘blind management’ arrangement for at least the duration of the conflict

### 3. Registering a Conflict of Interest

All conflicts of interest must be registered in the Conflicts of Interests Register. This Register is kept by the Company Secretary and provides evidence that the conflict has been declared and resolved and adds transparency to the situation.

The Company Secretary ensures that all conflicts of interest reported by Directors that are recorded in the Board meeting minutes are also registered in the Conflict of Interests Register. All potential and actual conflicts are recorded in the Register, showing:

- Potential or actual conflicts of interest that exist when a person joins the company (particularly as a Director of the Board). All Board Directors, CEO, Senior Managers, Employees, Contractors, Consultants and customers are asked to declare any conflicts of interest when they first join the company.
- Conflicts of interest that arise during their involvement with the company.

A record of GCLA’s Conflict of Interest Register states the following:

- The name of the individual, position and/or interest they hold
- Date of the record
- Any incidents that arise where the interest comes into conflict with the interests of the company and summary of how it was managed
- Notification to all interested parties as deemed necessary
- Signed off by the CEO and/or delegated Director of the Board.

### Breach of Policy

Failure to disclose a conflict of interest may result in the initiation of disciplinary action that could involve severance from GCLA if deemed to be an incident of misconduct, wrongdoing or an abuse of power or authority.

However, workers may give or accept gifts of minor value, such as a card or a box of chocolates as a ‘thank-you’ or for special events, such as birthdays. Though, in these instances, workers should be mindful of their NDIS provider’s policies and guidance on giving and accepting gifts. Where workers are unsure, they are encouraged to consult their manager or NDIS provider.

### 4. Review Processes

<b>Policy review frequency:</b> Every 2 years unless updates are required	<b>Accountability for review:</b> CEO
<b>Review process:</b> Delegated responsibility from the CEO to the relevant line manager, according to the Document Review Schedule and process.	
<b>Documentation and communication:</b> Documents are controlled on the Customer Management Record System (CMRS) and updates are communicated to all staff via email and/or staff meetings.	