

Conflict of Interest Procedure

Policy Code: CG1060

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Purpose

The University values integrity and is committed to ensuring that both its activities and those of its community members conform to the highest standards of administrative conduct. This Procedure clarifies the responsibilities of, and processes for, all members of the University community to avoid (where possible) and transparently declare and manage conflicts of interest.

Scope

This procedure applies to all members of the University community.

Definitions

Term	Definition
Conflict of interest	<p>A conflict of interest is a conflict between a member of the University Community's public duty to act in the best interests of the University and their private interests. A conflict of interest exists whether it is:</p> <ul style="list-style-type: none"> • actual – it currently exists; • potential – it may arise, given the circumstances; • perceived – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the performance of their duties to the University, now or in the future.
Conflict of duty	<p>A conflict of duty (also known as conflict of role) is a conflict of interest that can occur even if a Member of the University Community does not have any private interest at stake. It is a conflict between a Member of the</p>

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Term	Definition
	<p>University Community's public duty to act in the best interests of the University and their duty to another public or private sector organisation. It exists due to the Member of the University Community's role with the other organisation (e.g. as a committee member, employee, volunteer, or organisation member).</p>
<p>Members of the University Community</p>	<p>Includes staff, members of the University Council and members of any board, committee or other body established by or constituted under the University Statutes and Regulations.</p>
<p>Private Interest</p>	<p>A private interest can be direct or indirect. A direct interest is held by the Member of the University Community. An indirect interest is held by a relative or close associate of the Member of the University Community, for example:</p> <ul style="list-style-type: none"> • an immediate family member (e.g. spouse, partner, child parent, sibling); • a regular household member (i.e. someone who normally resides with the Member of the University Community); or • another close associate (e.g. friend, relative, business associate, rival, enemy). <p>A private interest can be financial or non-financial, or a mixture of both. It can arise from a wide range of personal or professional/business-related sources.</p> <p>Financial interests include actual, potential or perceived financial gain or loss. Money does not need to change hands. The interest exists if the Member of the University Community (or a relative or close associate):</p> <ul style="list-style-type: none"> • owns property; • holds shares, investments or other business interests; • has a position in a company bidding for University work; • receives benefits such as concessions, discounts, gifts or hospitality from a particular source; • holds office in a corporation (public, private or trustee), incorporated association, or other entity; or • has any other relevant financial interest, for example: • is entitled to receive income derived from a contract; • is a beneficiary or trustee of a trust; or • is entitled to receive income from an office held for payment/reward or from a trade, vocation or profession. <p>Non-financial interests may arise from personal or family relationships or from involvement in sporting, social or cultural activities. They include a tendency towards favour 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 a public duty, this can also lead to a conflict of interest. Enmity as well as friendship can give rise to a conflict of interest.</p> <p>A non-financial interest includes a personal relationship. A personal relationship may involve:</p>

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Term	Definition
	<ul style="list-style-type: none"> • familial relationships (siblings, parent/child, husband/wife, de facto spouses, partner, cousins, relations by marriage such as brother/sister-in-law); • emotional relationships (including sexual relationships and close friendships); and • financial relationships (commercial relationships where pecuniary interest is present). <p>A personal relationship can occur between a staff member and a current or prospective student of the University.</p>
Staff	Includes any person who has an employment contract with the University on a full-time, part-time, sessional or casual basis, or those employed through a contract for services.
Supervisor	The management position (no lower than a Dean of a School, Director or equivalent) to which the staff member reports. The Vice Chancellor reports to the Chancellor.

Actions

Declaration of Private Interests and related Party Disclosures

Council members and Vice Chancellor's Senior Team members

Upon appointment, each Council member/Vice Chancellor's Senior Team member will make a declaration of private interests using the *Declaration of Private Interests Form*.

Forms are lodged with the Secretary to Council. The information provided is recorded in two registers:

1. Council member Register of Interests; and
2. Vice Chancellor's Senior Team member Register of Interests.

Council members and Vice Chancellor's Senior Team members must update their declarations annually using the *Annual Update to Private Interests Form* or sooner if their circumstances change. For Council members declarations may also be made at a Council meeting.

Council members and meeting procedure

The Council member Register of Interests is maintained by the Secretary to Council and is a record of the declared interests of Council members that may result in a conflict of interest with their role as a Council member.

The Chancellor will ensure that the Register of Interests is available at each Council meeting.

At the start of the meeting, the Chancellor will ask all Council members to confirm that their interests as recorded in the register are accurate and up-to-date and whether they have any further interests to declare.

If there are no changes, the minutes will reflect that 'all Council members confirmed that their entries in the Register of Interests are accurate and up-to-date'. If any changes are declared, the changes will be recorded in the minutes for entry in the register.

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The Chancellor will ensure that the Register of Interests is current and includes:

- all interests declared in the *Declaration of Private Interest Form* lodged by Council members; and
- any additional interests which have been declared and recorded in the minutes of a Council meeting.

Related party transactions

On an annual basis, Council members and the Vice Chancellor's Senior Team members (also known as key management personnel) will complete a *Key Management Personnel Declaration Certificate* to assist the University to identify related party transactions for possible disclosure in the University's financial accounts.

A *Key Management Personnel Declaration Certificate* must be lodged with the Secretary to Council to meet the University's requirements under the *Financial Management Act 1994 (Vic)* (Detailed further at Financial Reporting Direction 21C and AASB 124 Related Party Disclosures).

The Chief Financial Officer will ensure that the information declared within the certificates are used to support the University's assessment of related party transactions for that reporting year. The process for assessing related party transactions will be recorded in a memorandum in compliance with FRD 21C and AASB 124.

Declaring and Managing Conflicts of Interest

All members of the University community must take reasonable steps to avoid a conflict of interest wherever possible.

Where a conflict of interest exists (or may exist at some time in the future) the member of the University Community must declare and manage that conflict of interest in accordance with the following processes.

Staff members

Where a conflict of interest exists (or may exist at some time in the future) the staff member must declare that conflict of interest in writing to their Supervisor and record the agreed actions to manage that conflict. A *Conflict of Interest Disclosure and Management Form* must be completed and lodged with the Secretary to Council.

Supervisors who receive a disclosure of a conflict of interest must consider and agree the management actions that will be taken. The management actions that may be taken are outlined in the *Conflict of Interest Disclosure and Management Form*.

The Supervisor must ensure that the management steps are recorded in the *Conflict of Interest Disclosure and Management Form* and that the form is lodged with the Secretary to Council.

The information that is lodged is recorded in the Conflict of Interest Register for all staff.

A staff member must ensure that they disclose a conflict of interest involving a personal relationship in writing using the process above. This disclosure is important to manage the potential or perception of bias or prejudice (whether favourable or not) that can arise with personal relationships. The University is committed to ensure that no undue advantage or disadvantage occurs as a result of the existence of a personal relationship. Staff members should access the [Staff Code of Conduct Policy](#) for further information.

Council members

Under the University Act, a Council member must take reasonable steps to avoid all conflicts of interests unless they are declared (s 15(2)(c) *Federation University Act 2010 (Vic)*).

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A Council member who has a conflict of interest in a matter being considered or about to be considered by the Council must, as soon as practicable after the relevant facts have come to his or her knowledge, declare the nature of the interest:

- at a meeting of the Council; or
- in writing addressed to the Chancellor (see clause 11 of Schedule 1, *Federation University Act 2010 (Vic)*).

If the declaration is by the Chancellor the declaration is made to the Deputy Chancellor.

If the Chancellor receives a written declaration, the Chancellor must report it or cause it to be reported, at the next meeting of the Council. The report must be recorded in the minutes of that meeting along with the steps that will be taken to manage the conflict of interest.

The Council will manage all conflicts of interest in the interests of the University.

A conflict of interest will be managed by:

- unless the Council otherwise directs, the member not being present during any deliberation in relation to the matter and not taking part in any decision of the Council in relation to the matter;
- the Council member not discussing the matter at all with any other Council member or member of University staff (either in the meeting or elsewhere); and
- the Council member not receiving those sections of Council papers or minutes that relate to the matter declared.

If the public could reasonably form the view that the conflict is of unacceptable frequency and/or duration then to maintain public confidence and protect the reputation of the University it may be necessary for the Council member to:

- relinquish their private interest;
- resign or stand down on a temporary basis from the other organisation to which they hold a duty; or
- resign or step down on a temporary basis from the Council.

If a Council member may have failed to disclose a conflict or breached the [Conflict of Interest Policy](#) and Procedure, or considers that another Council member may have done so, the Council member must immediately notify the Chancellor (the Chancellor will notify the Deputy Chancellor) or the Secretary to Council (who will notify the Chancellor). The Council will determine at the next Council meeting, and record in the minutes, whether a breach has or has not occurred and any steps that will be taken.

Members of any board, committee or other body established by or constituted under the University Statutes and Regulations (other than the Council)

Under University Statute 1.3 - Meetings, a member of a body who has a conflict of interest in a matter being considered or about to be considered by the body must, as soon as practicable after the relevant facts have come to their knowledge, declare the nature of the interest at the meeting of the body or in writing addressed to the chair of the body.

If the chair of a body receives a written declaration, the chair must report it or cause it to be reported, at the next meeting of the body. The report must be recorded in the minutes of that meeting along with the steps that will be taken to manage the conflict of interest.

The body will manage all conflicts of interest in the interests of the University.

A conflict of interest will be managed by:

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- unless the body otherwise directs, the member not being present during any deliberation in relation to the matter and not taking part in any decision of the body in relation to the matter;
- the member not discussing the matter at all with any other member of the body or member of University staff (either in the meeting or elsewhere); and
- the member not receiving those sections of papers or minutes that relate to the matter declared.

If the declaration is by the chair the declaration is made to the deputy chair.

Directorships and shareholdings

Directorships and shareholdings

The Council of the University has the sole responsibility for all dealings in relation to the University's interests in a company. A member of the University community has no authority to deal with a shareholding owned by the University.

All members of the University community must:

- request permission from the Finance Committee of the Council to participate in the formation of, or be a member of, or hold a directorship in a company that has or may have a commercial or financial interest with the University;
- make no commitment to or for the benefit of the company on behalf of the University; and
- refuse any shareholding or interest in a company (including on the part of a family member, family trust or family company) in exchange for a contribution made to the company in the members capacity as an officer of the University.

Failure to disclose

Staff members who fail to disclose a conflict of interest or comply with the [Conflict of Interest Policy](#) and Procedure may face disciplinary action.

Other members of the University community (excluding staff) who fail to disclose a conflict of interest or comply with the [Conflict of Interest Policy](#) and Procedure may be removed from office or their association with the University in accordance with the *Federation University Act 2010 (Vic)* and University Statute 1.3 – Meetings.

Supporting documents

- [Conflict of Interest Policy](#)
- [Staff Code of Conduct Policy](#)
- [Gifts, Benefits, Hospitality, Food and Beverages Policy](#)

Legislative context

- [Federation University Australia Act 2010 \(Vic\)](#)
- [Statute 1.3 \(Meetings\)](#)

Forms.

- [Conflict of Interest Disclosure and Management Form](#) (DOCX 99.6kb)

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Responsibility

- The Council is responsible for monitoring the implementation, outcomes and scheduled review of this procedure.
- The Director, Corporate Governance, is responsible for maintaining the content of this procedure as delegated by the Council.

Promulgation

The [Conflict of Interest Procedure](#) will be communicated throughout the University community in the form of:

1. an Announcement Notice via FedNews website and on the 'Recently Approved Documents' page on the 'Policies, Procedures and Forms @ the University' website to alert the University-wide community of the approved Procedure; and
2. distribution of e-mails to VCST, Deans of School, Directors or equivalent.

Implementation

The [Conflict of Interest Procedure](#) will be implemented throughout the University via:

1. an Announcement Notice via FedNews website and on the 'Recently Approved Documents' page on the 'Policies, Procedures and Forms @ the University' website to alert the University-wide community of the approved Procedure; and
2. an annual email reminder to VCST, Deans of Schools, Directors or equivalent to cascade to all staff.

Records Management

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