Managing Conflicts of Interest Procedure

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Purpose

The University values and acknowledges the critical importance of integrity and probity in all facets of its operations and administration. The University is committed to ensuring that all members of its community conform to the highest standards of integrity.

This Procedure explains:

- what is a conflict of interest;
- how to manage conflicts of interest;
- the responsibility of all members of the University community to avoid, wherever possible, all conflicts of interest.

Scope

This Procedure applies to all Members of the University Community as defined below.

Definitions

Term	Definition

Conflict of interest	A conflict of interest is a conflict between the **public duty** of a Member of the University's community to act in the best interests of the University and that person's **private interests. In other words, a conflict arises whenever** a Member of the University's community **has competing interests. A conflict** of interest exists in three broad contexts, that is, wherever there is: • **an actual conflict of interest**: that is, the conflict exists in fact; or • **a potential conflict of interest**: that is, a conflict might arise in the particular circumstances which exist; or • **a perceived conflict of interest**: that is, a member or members of the public could reasonably form the view that a conflict does exists, or might arise, in the particular circumstances which exist.
Conflict of duty	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 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).
Members of the University Community	Includes staff, members of the University's Council or its Committees and members of any board, committee or other body established by or constituted under the *Federation University Australia Act 2010 (Vic*.), the Federation University Australia Statute 2021 and/or its Regulations.
Private Interest	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: • 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). 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. **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): • 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. **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. A non-financial interest includes a **personal relationship**. A personal relationship may involve: • 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). A personal relationship can occur between a staff member and a current or prospective student of the University.
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 (not lower than an Executive Dean of an Institute, a Dean of a School, Director or equivalent) to which the staff member reports. Deputy Vice-Chancellors report to the Vice-Chancellor and the Vice-Chancellor reports to the Chancellor.

Actions

Declaration of Private Interests and related Party Disclosures

Members of Council and its Committee and members of the Vice-Chancellor's Senior Team

Upon appointment or election (as appropriate), each Council member, Council Committee member or member of the Vice-Chancellor's Senior Team will make a declaration of private interests using the *Declaration of Private Interests Form*.

Completed *Declaration of Private Interests Form* are provided to and recorded by the Secretary to Council.

Council and Committee members and members of the Vice-Chancellor's Senior Team must update their declarations annually using the *Annual Update to Private Interests Form* or sooner than annually if their circumstances change. Members of the Council and its Committees may also make declarations at Council and/or Committee meetings.

Council and Committee members and meeting procedure

The private interests declared by Council and Council Committee members are recorded by the Secretary to Council in a Register.

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

At the start of the Council meeting, the Chancellor will ask all Council members to confirm that their declarations of private interests is up-to-date and whether they have any further interests to declare. At Council Committee meetings, the Chair will ask the same questions of Committee members.

If any changes, or any additional private interests are declared, those changes or additions will be recorded in the minutes of the meeting.

Related party transactions

On an annual basis, Council members and members of the Vice Chancellor's Senior Team (also known as 'key management personnel') will complete a *Key Management Personnel Declaration Certificate. This* assists the University to identify related party transactions for possible disclosure in the University's annual 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)* (See also Financial Reporting Direction ("FRD") 21C and Australian Accounting Standard 124 ("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 conflicts 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 in the *Conflict of Interest Disclosure and Management Form for Staff Members*. Supervisors who receive a disclosure of a conflict of interest must consider whether any management actions should be taken, which actions are to be discussed and agreed with the staff member. The Supervisor must then complete the *Conflict of Interest Disclosure and Management Form for Staff Members* and lodge it with the Legal Office. The Supervisor is responsible for monitoring the staff member's compliance with the agreed management actions.

The process outlined above 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 for further information.

Council members

A Council member must take reasonable steps to avoid all conflicts of interests unless they are declared in accordance with clause 11 of Schedule 1 of Federation University Act 2010.

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 their 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 Australia Act 2010 (Vic)*).

If the declaration is by the Chancellor the declaration is made in writing 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.

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;
- the member not being entitled to vote on the matter;
- if the member does vote on the matter, the member's vote being disallowed;
- 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 a member of 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 has failed to disclose a conflict or breached the Managing Conflicts of Interest 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 Statute and Regulations (other than the Council)

A member of a body constituted under the Federation University Australia Statute 2021 or any of its Regulations, who has a conflict of interest in a matter being considered or about to be considered by that 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 relevant to that body in the interests of the University.

A conflict of interest will be managed by:

- 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 Resources 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 Managing Conflicts of Interest 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 Managing Conflicts of Interest Procedure may be removed from office or their association with the University in accordance with the provisions of the *Federation University Australia Act 2010 (Vic)* or disciplined in accordance with University legislation, policies and procedures.

Supporting documents

- Corporate Governance Policy
- Staff Code of Conduct
- Finance Governance Procedural Manual - Procurement of Goods & Services, Corporate Purchasing Card, Travel, and Motor Vehicles

Legislative context

- *Federation University Australia Act 2010* (Vic)
- Federation University Australia Statute 2021
  - Part 2 Sect.9 Conduct of council meeting
  - Part 5 Div 1 Sect 23 Meetings of the Academic Board
  - Part 5 Div 5 Sect 28 Conduct of a Meeting
- Federation University Australia (Academic) Regulations 2022 Schedule 1 - Academic Board Charter
- Federation University Australia (Operations) Regulations 2022 Part 6 - Conduct of Meetings

Forms.

- Conflict of Interest Disclosure and Management Form for Staff Members (DOCX 163.0kb)

Responsibility

- The Chief Operating Officer, as the Approval Authority, is responsible for monitoring the implementation, outcomes and scheduled review of this procedure.
- The Head of Legal, as the Document Owner, is responsible for maintaining the content of this procedure as delegated by the Chief Operating Officer.

Promulgation

The Managing Conflicts 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 the Vice-Chancellor's Senior Teams, Executive Deans of Institutes, Deans of School, Directors or equivalent.

Implementation

The Managing Conflicts 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 the Vice-Chancellor's Senior Teams, Executive Deans of Institutes, Deans of Schools, Directors or equivalent to cascade to all staff.

Records Management

As described in this Procedure.

Procedure Statement

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 Conflict of Interest Procedure.

Council members and Vice Chancellor's Senior Team members must comply with the Declaration of Private Interests and Related Party Disclosures processes detailed in the Conflict of Interest Procedure.