

2.8 POLICY ON CONFLICT OF INTEREST

Policy Context

Bright Futures seeks to be transparent, accountable and fair in its governance, management and operations and to that end has processes to identify, manage and record conflicts of interest, or perceived conflicts of interest, which if left undisclosed may be damaging to the operations and/or reputation of the organisation.

Definition - Conflict of Interest

For the purpose of this policy a conflict of interest is defined as a situation in which a person such as a public official, board member, employee or a professional has a private and/or personal interest sufficient to appear to influence the objective exercise of his or her official duties. A conflict of interest may be real or actual; apparent or perceived; potential or foreseen.

Application of Policy

The *Policy on Conflict of Interest* addresses situations where Board, staff or volunteers with decision making authority may have an actual, perceived or potential conflict between their Bright Futures role and their personal interests.

Where a conflict of interest exists the primary consideration in weighing the balance of interests will be to place the best interests of Bright Futures and those it exists to serve against the interests of the individual subject to the conflict of interest.

Conflicts of interest can occur in a wide range of contexts including those related to:

- Purchasing of goods and services where a Board Member, representative or relative has an association with the provider of the goods or services
- Employment or management of staff where the Board Member or representative is related to or has a close personal relationship with the prospective or existing staff member
- Association with other organisations, whether commercial or charitable, where the Board Member or representative also has a responsibility
- The receiving of gifts by Board Members and representatives where the giver is a party or related to a party that could be benefitted by a favourable decision by the Board Member or representative.

The range of potential conflicts is wide and cannot be fully defined, however, when in doubt whether a conflict or potential conflict exists the bias must be towards disclosure. In the old legal dictum, if in doubt disclose. Where uncertainty remains, the Board Chairperson or Executive Officer are to be consulted with a view to making a determination.

Conflict of Interest and the Board

Board members must complete a Conflict Declaration form and any actual or perceived conflicts are to be recorded in a Register which can be accessed by any Board member.

As a matter of practice, a standing agenda item is to be included at the beginning of each Board meeting at which Board members are asked to declare any actual or perceived conflicts that may occur in relation to any agenda items.

A director or member is not disqualified from contracting with the organisation merely because he or she is a member or Director (refer to the Bright Futures Constitution 14.8: Interested directors).

Unless otherwise permitted by law, a Director who has a material personal interest in a matter that is to be considered at a Board meeting must disclose their interest to the Board and must not:

- (1) be present while the matter is being considered at the meeting; or
- (2) vote on the matter.

Bright Futures and Authorised Representatives

Bright Futures representatives (eg a Board, staff member or volunteer with authority to act on behalf of the organisation) must disclose any real or perceived conflict of interest or any affiliation they have with an actual or potential supplier of goods or services, recipient of grant funds or organisation with competing or conflicting objectives.

Bright Futures representatives must disclose any material gifts or offers of gifts for their personal use and are not allowed to accept valuable or otherwise inappropriate gifts.

Where a conflict of interest occurs involving a Bright Futures representative, the following procedures should be adopted.

Unless otherwise approved by the Board, where goods or services with a value greater than \$5,000 are provided by a Bright Futures representative a procurement process should be established which includes obtaining at least three quotes.

Members of the governing body should absent themselves from proceedings at organisational meetings where decisions are taken which benefit themselves or any member of their family (including family companies).

Auditor

A person should not accept the office of auditor where he or she serves on the governing body of the organisation or is directly related to a member of the governing body or an office-bearer of Bright Futures.

Where an auditor acts on behalf of two clients (one of which is Bright Futures) involved in a common transaction of a significant nature (eg sale of land or buildings from one client to the other) the auditor should:

- a) Provide full disclosure of that conflict to both clients
- b) Disclose that conflict in the audit report of Bright Futures

Should there be a conflict of interest a full disclosure of the conflict is required to be reported and appropriate measures adopted to overcome the conflict, including not voting on matters concerning appointment and fees.

Recording of Conflicts of Interest

Where an interest is disclosed, it must be recorded in writing in the minutes of the Board or other organisational meeting most relevant to the situation. Where there is uncertainty about the matter, the Executive Officer will determine where the matter is recorded. If the conflict of interest is related to a Board member then it will be recorded in Board meeting minutes.

Gifts

When meeting with partners it is not uncommon for small personal gifts to be given or exchanged as an expression of hospitality in that particular cultural context. Gifts that have a greater than nominal value (eg \$50) must be disclosed to the Executive Officer or if the Executive Officer is the recipient then Board Chairperson. Under no circumstances are gifts intended to influence a beneficial outcome to be accepted.

Compliance

Where a conflict of interest has not been properly disclosed, and therefore this policy has been breached, the failure to disclose may lead to dismissal, reprimand or severance from the organisation. The circumstances of the breach will be considered by the Bright Futures Board in determining the appropriate disciplinary action.

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