

## CONFLICT OF INTEREST POLICY AND PROCEDURE:

### 1. Purpose

Sydney North Primary Health Network (SNPHN) is committed to conducting business and delivering services in a fair, transparent, accountable and impartial manner.

Everyone at SNPHN is responsible for anticipating, identifying, disclosing and resolving Conflicts of Interest. **Directors, employees and contractors of SNPHN must not act in a manner contrary to the interests of SNPHN, and where there is a conflict between their personal interests and the interests of SNPHN, the latter must prevail.**

This Policy deals with situations in which there may be an actual, perceived, anticipated or potential conflict of interest between one's role at SNPHN and one's personal interests. The purpose of this Policy is to set out a framework for employees and relevant persons to identify, disclose, manage and monitor conflicts of interest.

### 2. Scope

This Policy applies to:

- SNPHN Directors;
- any person being considered for:
  - appointment on the SNPHN Board, or
  - an Executive level position at SNPHN;
- successful candidates for non-Executive roles prior to commencing employment at SNPHN;
- invited and selected panel members;
- employees;
- volunteers; and
- suppliers or consultants whose contracts specify that they are bound by this Policy.

### 3. Policy Statement

All employees, contractors and Directors will avoid any actual, perceived, anticipated or potential Conflict of Interest with the primary responsibility being the disclosure of the conflict in advance.

SNPHN is committed to maintaining confidence in the probity of decisions and associated procurement activities undertaken at SNPHN by ensuring that Conflicts of Interest are identified, documented, and managed so that they do not affect the services, activities or decisions of SNPHN. In doing so, SNPHN recognises that it is not always possible to avoid a Conflict of Interest and although Conflicts of Interest need to be managed they are not necessarily unethical or wrong.

A Conflict of Interest exists when it is likely that employees, contractors or Board Directors could be influenced, or could be perceived to be influenced, by a personal interest in carrying out their duties as an employee/contractor or Board Director.

For Board Directors, the duty to avoid Conflicts of Interest is derived from both general law and statutory provisions found in the Corporations Act 2001 (the Act). The Act requires Directors to:

- exercise their powers and discharge their duties with a reasonable degree of care and diligence (section 180);
- act in good faith in the best interests of the company or for a proper purpose (section 181);
- not use their position to obtain an advantage for either themselves or a third party, or to cause detriment to the company (section 182); and
- not improperly use information gained through their position as a director to obtain an advantage for either themselves or a third party, or to cause detriment to the company (section 183).

The principles noted above are endorsed by SNPHN and applicable to the totality of the organisation and its activities including, the Board of Directors, employees and any commissioning process undertaken. All employees also have a common law duty to be faithful to SNPHN and its interests. Employees are not permitted to use any of SNPHN resources for income generation for themselves.

To achieve the above, SNPHN will:

- develop processes to identify and declare all Conflicts of Interest;
- develop, implement, and monitor action to appropriately manage the Conflict of Interest;
- report all identified Conflicts of Interest to:
  - a) the SNPHN Board for recording in the Board minutes and SNPHN Limited Disclosure of Interest Register,
  - b) the Board Sub-committees for recording in Committee minutes,
  - c) the Governance Manager for recording in the SNPHN Limited Employee/Contractor Interests Register,
  - d) the individuals personal file (where appropriate or required); and
- deal firmly with breaches of this Policy.

## 4. Policy

Persons to whom this Policy applies must disclose any Conflict of Interest (as defined in section 7. *Definitions* below) in accordance with this Policy.

### 4.1 Management of Conflict of Interest

Where a Conflict of Interest is identified, it should be dealt with as set out below. There are three components to the management of a Conflict of Interest:

- a) Reporting the Conflict of Interest;
- b) Resolving the Conflict of Interest; and
- c) Registering the Conflict of Interest.

#### 4.2 Reporting a Conflict of Interest

When a person becomes aware that they may have a Conflict of Interest, he or she must report it to the Chair of the Board, the Executive or Line Manager as appropriate. Reporting a Conflict of Interest provides SNPHN, the opportunity to determine whether the issue needs to be resolved noting that a Conflict of Interest may be actual, perceived or a potential conflict.

#### 4.3 Resolving a Conflict of Interest

The main ways to resolve a Conflict of Interest are by:

- a) Relinquishing the Conflict of Interest;
- b) Restricting the Conflict of Interest, or
- c) Engaging an independent person to assist with resolution.

These three ways of resolving a Conflict of Interest are explained below.

- a) **Relinquishing** a Conflict of Interest may be easier or preferable where the interest is impacting or could impact on the person's capacity to carry out their role at SNPHN.
- b) **Restricting** or removing the person with the Conflict of Interest from participation in decision-making is an appropriate method where the Conflict of Interest is not likely to arise frequently.

Restriction strategies could include one or more of the following:

- Not participating in any criteria setting or decision-making role.
- 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.

- c) **Engaging** an independent person (or panel) to oversee all or part of the process is an appropriate method where the Conflict of Interest is more significant and needs more proactive management.

Engaging strategies could include:

- Arranging for an independent third party to be involved in the decision.
- Requiring another person in the organisation to obtain separate written quotes to compare against any bid where there is a Conflict or potential Conflict of Interest
- Engaging an independent third party or auditor 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

reduce the influence of a single member who may have a Conflict of Interest and who has been authorised to remain on the committee.

- Seeking the view 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.

#### **4.4 Registration of Conflict of Interest**

Registration involves a formal process of recording disclosures of Conflicts of Interest in a register. A register of all conflict of interest reported will be kept by the Governance Manager (employees and contractors) and Company Secretary (Board Directors).

## **5. Procedures**

### **5.1 Examples of Conflicts of Interest**

A Conflict of Interest may arise, for example, in the following (but not limited to) circumstances:

- Financial interests – which may cover directorships, share-holdings, real estate or trusts that have the potential to conflict with official duties including taking part in certain decisions or transactions.
- Appointments – voluntary or otherwise including trusteeships, directorships or local authority membership.
- Any contractual relationship between a person to whom this Policy applies (or their Near Relative) and SNPHN.
- Personal relationships – with people who are engaged in activities that could have an interest in issues with which the employee deals or over which the employee has influence.
- Offering or accepting gifts or benefits – See SNPHN Gift Receiving Procedure.
- Secondary employment or an outside interest – that prevents an employee devoting their full attention or ability to their duties as an employee.
- Disclosing or using confidential information for personal profit or advantage.

### **5.2 Disclosure and Management of Conflict of Interest by those being considered for Board appointments or Executive level roles**

Those being considered for appointment as Directors on the SNPHN Limited Board or for employment to an Executive level role, must declare any Conflict of Interest at such time as they are seeking appointment.

Any such declaration will be referred to the Finance, Audit and Risk Management Committee for consideration and decision prior to recommendation of appointment or offer of employment.

### **5.3 Disclosure and Management of Conflict of Interest by SNPHN Directors**

SNPHN Directors have a legal obligation to act in the best interests of SNPHN Limited and in accordance with relevant legislation and the SNPHN Constitution.

Upon commencement of their term (and as soon as practicable if new Conflicts of Interest arise during their term), a Director must declare any Conflict of Interest and any gift or hospitality received in connection with their role at SNPHN. Such a declaration must be communicated to the Company Secretary who will record it in the appropriate register. The register will regularly be reviewed by the SNPHN Finance, Audit and Risk Management Committee who will flag any issues arising in relation to Conflicts of Interest with the relevant Director.

A Director must declare a Conflict of Interest as early as possible in the discussion of a matter (even though the general conflict may be noted in the register). Having done so, that Director must excuse themselves from the discussion and decision-making process related to that matter.

A Director invited to serve as a panel member who has a Conflict of Interest must act in accordance with the requirements set out in clause 5.5 below.

#### **5.4 Disclosure and management of Conflicts of Interest by employees, volunteers, suppliers and contractors**

##### *(a) Disclosure of Conflicts of Interest*

If an employee, volunteer, supplier or contractor identifies that they may have a Conflict of Interest, they must disclose it immediately in writing to the relevant Manager, as well as immediately taking steps to ensure that there is no deleterious impact upon their responsibilities as an employee, volunteer, supplier or contractor to the PHN, outlining:

- The name of the parties involved;
- A brief outline of the nature of the conflict; and
- A brief outline of their proposed solution to manage/resolve the conflict

##### *(b) Management of Conflicts of Interest*

Managers, who have had a Conflict of Interest disclosed to them by an employee, must inform an Executive member and the Governance Manager regarding the disclosed Conflict of Interest.

The Governance Manager should note the Conflict of Interest on the Employee/Contractor Register of Interests (and inform HR who may enter the Conflict of Interest on the employee's personal file).

The Executive may make a determination with respect to the appropriateness of any proposed solution to manage the Conflict of Interest. In general:

- Employees, volunteers, or contractors must exclude themselves from particular discussions or decision-making which may be perceived as inappropriate if they have a Conflict of Interest in respect of:
  - a) any procurement or commissioning activities they are carrying out on behalf of SNPHN;

- b) ongoing dealings they have with those doing or seeking to do business with SNPHN; and/or
- c) an organisation operating in the same area as SNPHN.
- Employees who are financial delegates must not approve payments to themselves, or to a spouse or Near Relative. In such cases, claims must be signed by a more senior financial delegate.
- Employees must adhere to the SNPHN Gift Receiving Procedure.
- Where employees have access to information obtained during their employment, they need to be aware of and maintain confidentiality and privacy of that information in order to protect the individuals concerned in accordance with the SNPHN Privacy Policy.

### **5.5 Disclosure and management of Conflicts of Interest by those invited or selected to be panel members in commissioning processes**

To ensure confidence in the probity of commissioning decisions and associated procurement activities undertaken by SNPHN, all invited and selected tender evaluation panel members (including Directors or employees) must complete a “*Tender Evaluation Panel Conflict of Interest and Confidentiality declaration form*” submitted to the Commissioning Coordinator or other relevant Manager. All such declared conflicts will be managed in accordance with the procedure outlined in the *Commissioning Procurement Policy & Procedure*.

## **6. Responsibilities**

An agenda item is included at meetings of the Board, Advisory Groups, Executive and commissioning meetings to provide an opportunity for disclosure and recording of action taken.

Specific responsibilities apply to:

<b>Employees:</b>	<p>Retain awareness of potential Conflicts of Interest that might affect them and avoid them where possible.</p> <p>Identify and report any Conflict of Interest in advance</p> <p>Disclose a Conflict of Interest.</p>
<b>Invited and selected panel members:</b>	<p>Disclose a Conflict of Interest.</p>
<b>Relevant Manager:</b>	<p>Disclose and manage a Conflict of Interest in accordance with the processes outlined above.</p>
<b>Governance Manager:</b>	<p>Ensure all identified Conflict of Interests are recorded in the appropriate register(s) which are provided to the Executive for quarterly review.</p>



<b>Executive:</b>	Disclose any Conflict of Interest. Provide leadership in implementing and giving effect to this Policy. Facilitate compliance with this Policy. Make a determination with respect to the appropriateness of the proposed solution to manage an identified Conflict of Interest.
<b>CEO:</b>	Disclose any Conflict of Interest. Ensure that the organisation complies with the requirements of this Policy when Conflicts of Interest arise.
<b>Board:</b>	Disclose any Conflict of Interest. Retain awareness when Conflicts of Interest arise to ensure that they are disclosed and resolved with all pertinent details recorded in the minutes of meetings.

## 7. Definitions

**“Conflict of Interest”** occurs when personal interests or activities influence, or could appear to influence:

- i) A person’s ability to exercise judgement or make decisions in the best interests of SNPHN; or
  - ii) to participate in a body such as a committee which makes decisions, on behalf of SNPHN, where the person also has (personal, financial or other) interest or obligations that might interfere or influence the exercise of his or her judgment;
- and can:

- iii) be actual (i.e. there is an obvious or demonstrable conflict of interest), perceived (i.e. an onlooker may reasonably assume there is a conflict), anticipated (i.e. where a conflict is expected to arise in the future) or potential (i.e. circumstances where it is foreseeable that a conflict may arise in future);
- iv) be based on personal and/or financial matters; and/or
- v) arise from the interests of persons or entities related to or associated with you; or from duties which you owe to persons or entities other than SNPHN.

**“Near Relative”** refers to:

- i) a spouse or former spouse, de facto partner or former de facto partner, child, parent, grandparent, grandchild, sibling; or
- ii) a child, parent, grandparent, grandchild or sibling of the employee's spouse or de facto partner (or former spouse or de facto partner); and
- iii) step-relations (eg. step-parents and step-children) as well as adoptive relations.



## 8. References

Code of Conduct  
Gift Receiving Procedure  
Commissioning Procurement Policy & Procedure  
Tender Evaluation Panel Conflict of Interest and Confidentiality declaration form  
SNPHN Gift Register  
SNPHN Limited Employee/Contractor Interest Register  
SNPHN Limited Disclosure of Interest Register (Board)  
SNPHN Privacy Policy

## 9. Approvals & Review

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Policy approved by title	SNPHN Board	Policy approved by signature	