

# Conflict of Interest Policy

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**Purpose:**

To ensure that all employees and Board Members of Koonwarra Village School (KVS) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of KVS and manage risk and comply with the VRQA minimum standards.

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**Scope:**

All staff and board members

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**Implemented by:**

All staff and board members.

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**Approved by:**

KVS Board

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**Reviewed:**

Every three years or as legislative changes arise or improvements are identified.

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**Communicated  
via:**

Staff Induction, Meetings and Handbook, Student Parliament, whole school agreements, Parent Handbook, Policies and Procedures Manual

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## Overview

KVS aims to ensure that all employees and board members are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of KVS.

## Definition of Conflict of Interest

Conflict of interest arises where a Board Member or an employee's duty to the School is affected by a personal interest. In such cases, the line between personal and professional conduct may become blurred and interfere with a Board Member or an employee's capacity to perform their position.

Personal interests may be financial or non-financial, and may be held in relation to:

- family members
- close friends

- associates
- associated business / financial interests

Conflict of interest is commonly 'positive' (e.g. motivated by financial/personal gain) but can also be 'negative' (e.g. motivated by harm to another person).

It is worth bearing in mind that conflict of interest can arise without intent to 'cross the line' between professional and personal interest. In other words, conflict of interest can be not only actual, but also **potential** or **perceived**.

- A **potential** conflict of interest is one which is foreseeable from the circumstances, but has not yet become actual (for example, where a job applicant is related to a recruitment panel member, but the applications have not yet been processed, or with regards the tendering of a contract, a tenderer may have a relationship with a Board Member or employee).
- A **perceived** conflict of interest is one where the circumstances indicate to a reasonable person that an employee or Board Member's duty to the School is affected, whether there is an actual conflict of interest or not (for example, a Board Member may be work in a section of a Bank which decides the School's interest rates, or a politics teacher may belong to a political party without that membership affecting their ability to grade student work, however, it may be perceived that such membership would affect their ability to impartially assess that work).

The fact that a staff or Board Member has a relationship (e.g. family, friendship) with someone connected with the School does not necessarily mean there is a conflict of interest. Whether a conflict of interest (actual, potential or perceived) exists depends on the circumstances.

## Examples

There are many situations where a conflict of interest may arise. Some of the more common situations are outlined below.

### ***Other employment/paid activities***

An employee or board member undertaking other employment or paid activities may give rise to a potential/actual/perceived conflict of interest, particularly when the other work is related to work duties. Depending on the circumstances, a board member or employee's ability to perform their duties may be adversely affected by the other employment/activities.

Apart from ongoing obligations under this policy, an employee or board member must meet certain conflict of interest obligations under their contract of employment and the Enterprise Agreement. Namely, the employee must notify the principal in writing of the other employment/activities. The principal will then determine whether a potential/actual conflict of interest exists. All conflicts of interest are to be managed in the interests of KVS.

Board members must inform the Board Chairperson, who will then determine whether a potential/actual conflict of interest exists. All conflicts of interest are to be managed in the interests of the KVS.

### ***Disposal of assets***

The disposal of assets has potential conflict of interest implications such as fraud or unofficial use of equipment.

Employees and board members do not have priority access to surplus assets. KVS reserves the right to notify the public of any asset sales. Employees may make an offer post-notification.

### ***Accepting gifts and benefits***

It is a policy at KVS that employees may accept 'token gifts' from external parties for work they have done, where the total value of the gift is under \$100. For example, a 'token gift' may be a bottle of wine or a moderately-sized food hamper.

Accepting gifts other than a 'token gift' or accepting gifts/benefits over the value of \$100 may be deemed a conflict of interest.

Note that this policy covers gifts/benefits from external parties. It does not preclude, for example, the school or collective staff providing a gift to a departing member of staff or the departing staff member accepting such a gift.

If it could be perceived that acceptance of a gift/benefit could constitute a potential conflict of interest, the employee should refuse the offer of the gift/benefit and declare the offer to the principal and the Board Chairperson. The minimum requirement for employees and board members when gifts/benefits, other than 'token gifts' or those of a nominal value below \$100 are offered are that employees:

- do not solicit gifts or benefits
- refuse all offers of gifts or benefits that could reasonably be perceived as undermining the integrity of KVS or themselves
- inform the gift giver that 'thanks is enough' and the gift is thoughtful but not required in relation to their work or services
- refuse all offers of gifts or benefits from individuals or organisations about which they are likely to make decisions (e.g. tender processes, procurement or licensing or regulation)
- refuse all offers of money or items easily converted to money, such as shares
- refuse bribes and report bribery attempts to the Principal / Chairperson
- seek advice from the Principal/Chairperson if unsure how to respond to an offer of a gift or benefit of more than a nominal value.

### ***Procuring goods and services***

A potential or perceived conflict of interest may exist when a contractor or supplier used at KVS is also engaged by an employee for private work. In some situations, a contractor may offer or provide private work at a discounted rate to ensure they remain in good favour for future contracts. This may mean that an employee receives a private benefit which could become a potential conflict of interest if they are also involved in decisions for the procurement of goods or services for KVS.

If it could be perceived that the contractor's work performed for the employee / board member in their private capacity is a conflict of interest then the employee should ensure that the private work is charged at standard and published rates. Furthermore, the employee / board member should declare the engagement of the contractor for private work and/or any relationship with the contractor prior to any future awarding of contracts for the procurement of goods or services for KVS.

To avoid a potential or perceived conflict of interest for the procuring of goods and services it is recommended that procurement decisions are made by a panel rather than one person.

### ***Discussion of Policies / Procedures in Board Meetings***

A conflict of interest exists if a policy or procedure agreed upon at a Board Meeting provides any form of advantage (for example financial, or personal) for a member of the board who is voting upon, and / or contributing to the discussion / agenda item / action / way forward.

### ***Staff recruitment***

A conflict of interest exists in the recruitment of a person with whom an employee / board member has a current or past professional/personal relationship or in whose recruitment they have a vested interest.

Where an employee or board member is part of a recruitment panel and becomes aware of such a relationship to a job applicant, they should declare the conflict of interest to the Principal. The Principal will then determine a conflict of interest management plan (see below 'Managing a conflict of interest') in consultation with the employee, for example the employee may remove himself/herself from the recruitment panel.

## **Identification and disclosure of conflict of interest**

All employees and board members have a continuing responsibility for identifying, declaring and managing any potential or perceived conflict of interest that applies to them.

Where an employee or board member suspects that they may have a potential/perceived/actual conflict of interest, the employee needs to discuss any conflict of interest with the principal or chairperson.

All board meetings begin with the chairperson referring to the agenda and asking board members to declare any conflict of interest. The outcome of the declarations is recorded in the board minutes.

There may be circumstances in which a potential/actual/perceived conflict of interest involves the Principal or Chairperson. In such a situation, the Principal should discuss the matter with the Chairperson, or in the case of the Chairperson, the Chairperson should discuss the matter with Principal.

## **Managing conflict of interest**

If the Principal / Chairperson determines there is a potential/perceived/actual conflict of interest, they will prepare and propose a conflict of interest management plan. The employee / Board Member has a responsibility to discuss any proposed conflict of interest management plan with the Principal or Chairperson

The Principal / Chairperson will consider any input the employee/ Board Member may have in relation to the proposed management plan, however the employee / Board Member is obliged to follow any conflict of interest management plan decided upon by the Principal / Chairperson.

There may be circumstances in which a potential/actual/perceived conflict of interest involves the Principal or Chairperson. In such a situation, the Principal and Chairperson will work together, and involve another Board member, to develop the conflict of interest management plan.

Conflict of interest management plans will ensure conflicts are managed and resolved based on the following strategies:

### **Record and disclose**

- Ensure all information surrounding the conflict of interest has been disclosed and documented appropriately.

### **Restrict**

- Restrictions are placed on the employee / Board Member's involvement in the matter or the scope of the work is reformulated or there is a restriction on access to certain information.

### **Recruit and monitor**

- A non-conflicted third party is used to oversee part or all of the process that deals with the matter.

### **Remove**

- The employee / Board Member removes themselves, or is removed, from the matter. For example, in a situation in which a job applicant is related to a member of the recruitment panel for that position, a conflict of interest management plan might be for that panel member to step down from their position during the selection process for that position only.

### **Relinquish**

- The employee / Board Member relinquishes the private interest that is creating the conflict. Where relinquishing the interest is not possible (e.g. relationship with family) and the conflict cannot be managed using one of the other options above, the employee / Board Member may consider removing themselves from the process.

Most Board Members are also parents of students enrolled at KVS and thus have an inherent yet managed Conflict of Interest as a result of their parental status. In the case of a Conflict of Interest, beyond parenting, being disclosed at a board meeting, the board member may be required to either remain silent, or leave the room, whilst the matter is discussed or voted upon.

A Conflicts of Interest Register is held by the Board Secretary.

Parents with children currently enrolled at the School have a recognised Conflict of Interest with regards school fees. This is therefore treated as an inherent, necessary and unavoidable conflict, and for the purposes of this policy is not required to be additionally documented (for example in the Conflict of Interest Register) when it is discussed in board meetings.

## **Consequences of breaching this policy**

Conflicts of interest are not in themselves unethical or contrary to this policy. However, if an employee / Board Member fails to identify (or, where required, manage/monitor) any actual/perceived/potential conflict of interest, this may result in disciplinary action or, depending on the seriousness of the circumstances, termination of employment.

Employees need to also be aware of the various KVS policies, guidelines and codes of conduct referred to in this policy which are relevant to conflicts of interest.

## Related Resources

*Conflict of Interest Register*

*Conflict of Interest Form*

*Staff Code of Conduct*

## Related Policies