

# GOV-Gov-1.3 Board Disclosure of Interests and Conflict of Interest Policy



## Policy

The Eastern Victoria GP Training (EV) Board will ensure that all actual, potential and perceived conflicts of interest are declared by Directors, documented appropriately and actively managed. This will ensure that the deliberations and decisions of the EV Board are made in the best interests of the organisation and to protect its interests when contemplating entering into a transaction, contract or arrangement that might benefit the private concern of a Director.

## Principles

1. The Board is committed to high standards of ethical conduct and accordingly places importance on making clear any actual, potential or perceived conflicts of interest.
2. The reputation of EV is to be protected by maintaining ethical standards of good judgement, fairness and integrity in all its dealings.
3. A Director may have an interest in an item of business, but they may not necessarily have a conflict.
4. Directors have a responsibility to put their duty to EV above their private interests and those of any other organisation or group they represent when carrying out their role as a Board Director.
5. Confidentiality regarding conflicts of interest and/or sensitive information is to be maintained at all times.
6. No Director will accept payment, gifts or gratuities from a third party in relation to the provision of goods and services to or from EV.
7. Directors will not make use of information gained through their governance role to obtain a personal gain.
8. Directors will receive education about conflict of interest and their duty to act in the best interest of EV as part of Board induction.
9. All decisions made will take into consideration the current wind-up status and its impact.

## Procedure

### Appointment to the Board

1. Upon appointment to the Board, Directors are required to sign a *Consent to Act as a Director and Confidentiality Statement* ensuring that matters discussed at the Board and/or Committees, or information acquired by virtue of the Board position during and following the term, remains confidential.
2. Board Directors are required to complete a *Declaration of Personal Interest and Probity form* when they become a Director and then review and update it at the start of each year. This information forms part of the *Board Conflict of Interest Register*.

### Conflict of Interest Register

1. The Company Secretary will maintain the Conflict of Interest Register; it will be made available to all Directors on the Board portal.
2. Information obtained from Board Directors' Declarations of Personal Interest and Probity will be transferred to the Conflict of Interest Register.
3. The Conflict of Interest Register will be included in the Board papers of each meeting under item 1.3 Disclosure of interests/conflicts. This will be for 'noting' and as a reference to all Directors.
4. The Conflict of Interest register will be reviewed and updated annually as per the Board Governance Planner.
5. Directors must also update their interests during the year if their circumstances change.

### Board and Board Committee Meeting Process

1. Declaration of interest of a conflict of interest will be a permanent agenda item at all Board and Board Committee meetings.
2. Directors will declare any conflicts of interest either at the start of the Board meeting or as early as possible in a discussion where an interest or conflict of interest is emerging.

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3. During the preparation of Board and Board committee agendas and meeting papers, consideration will be given to potential or actual conflicts of interests. If deemed necessary by the Chair, a paper may be redacted from the papers if it is obvious that a Director/s has a conflict of interest and should not receive the paper or the ensuing minutes and/or actions. The redacted paper will be sent via email to Directors who have no conflict; the same principle will apply to the minutes concerning this item of business. A full set of minutes will still be entered into the minute book as per the Corporations Act, but not available on the Board portal.
4. Where a conflict of interest or potential conflict of interest is identified and/or registered, the Director concerned will leave the meeting as soon as that item comes up for discussion. The concerned Director will not vote on that issue, nor initiate or take part in any Board discussion on that topic (either in the meeting or with other Directors before or after the Board meetings), unless expressly invited to do so by unanimous agreement by all other Directors present.
5. The Board Director's absence from the meeting, including the time the Director left and returned to the meeting and the reasons for the absence will be recorded in the minutes. This provides documented evidence should Board decisions or processes be called into question at any time.
6. At all times, including when a Director declares an existing or potential conflict of interest, the duty of confidentiality will be respected.
7. A Board Director who believes another Board Director has an undeclared conflict of interest should specify in writing the basis of this potential conflict and provide this to the Company Secretary.
8. If the Chair has reasonable cause to believe that a Director has failed to disclose an actual or possible conflict of interest, he/she will inform the individual of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Director and making such further investigation as may be warranted in the circumstances, the Chair determines that the Director has in fact failed to disclose an actual or potential conflict of interest, they will recommend to the Board appropriate disciplinary and corrective action. The violation of this policy is a serious matter and may constitute cause for removal or termination of a Director, or the termination of any arrangements EV may have with an interested person or other party.
9. If a person alleges that another Director has a conflict of interest, whether actual, potential or perceived, and if the Board cannot resolve this allegation to the satisfaction of both parties, the matter will be referred for external mediation.
10. In the event of an unresolved conflict the grievances procedures will be followed.
11. Directors unsure if they might have a conflict of interest to declare should seek a decision from the Chair in the first instance. The Chair may refer the matter to the full Board for advice. Where the Chair has a conflict of interest, the matter should be taken to the full Board for a decision.

## Definitions

*Conflict of interest:* A conflict of interest could be (but is not limited to) when a current serving Board Director or ex officio:

1. Or their immediate family or business interests stand to gain financially, professionally or personally from any business dealings or inside knowledge of the organisation;
2. Offers a professional service to the organisation;
3. Has a role on the governing body of another organisation, where the activities of that organisation may be in direct conflict or competition with EV.

*Actual conflict of interest:* a real conflict exists between a Board Director's private interests and his or her responsibilities to EV

*Potential conflict of interest:* a Board Director has private interests that could potentially conflict with his or her responsibilities to EV.

*Perceived conflict of interests:* a third party, or the public, could form the view that a Board Director's private interests could improperly influence his or her decisions or actions, now or into the future.

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## Additional Information

- Conflicts of Interest and Duty, Australian Institute of Company Directors (2012)
- Good Governance Guide: Conflicts of interest in not for profit organisations, Governance Institute of Australia
- GOV-Gov 1.11 Related Party Transactions Policy
- GOV-Gov 1.12 Public Interest Disclosure Policy

## Relevant Legislation

- Corporations Act 2001 (Cth).

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