

Conflicts of Interest Policy

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1. Introduction

1.1. Purpose

- 1.1.1. This conflict of interest policy outlines how conflicts of interests should be managed in the organisation. It sets out the collective and individual responsibilities for identifying and managing actual potential and perceived conflicts of interest when acting on behalf of WAPHA.
- 1.1.2. This policy includes the requirements for identifying, disclosing and managing conflicts of interest and reviewing determinations on conflicts of interest in order to ensure that:
 - a. Employees and Board Members understand the definition of a conflict of interest and the mechanism by which they can be determined and managed;
 - b. Employees and Board Members understand that they are individually responsible for arranging their private affairs as far as reasonable possible to prevent conflicts of interest arising and to protect their impartiality;
 - c. Any conflict of interest or appearance of a conflict of interest in an employee's personal or business relationships with individual(s) and/or organisations outside of WAPHA are avoided or managed appropriately;
 - d. A mechanism is provided whereby conflicts of interest are identified and reported appropriately and that procedures for the resolution of any conflict is followed; and
 - e. The trust and confidence of the community, funders, employees and organisations and individuals dealing with WAPHA is maintained.
- 1.1.3. This policy should be read in conjunction with the WAPHA constitution and operating frameworks, including the Code of Conduct, Employment Contract, Commissioning and Procurement Frameworks and Gifts/Benefits Procedures. Proper management of conflicts of interest is required to comply with the *Corporations Act 2001* and with *The APS Code of Conduct detailed under Section 13 of the Public Service Act 1999*.

1.2. Application

- 1.2.1. This policy applies to:
 - a. all Board members;
 - b. all employees, whether on a permanent or fixed-term contract, and also to other individuals engaged on a temporary basis, whether full-time or part-time; and
 - c. all external members and co-opted individuals of Clinical Commissioning Committees, the Consumer Advisory Committee, the Audit Committee and any other committee formed by the Board.
 - d. All actual and potential service provider staff members who are involved in any commissioning or contractual process.

1.3. Relevant legislation

- 1.3.1. Proper management of conflicts of interest is required to comply with the *Corporations Act 2001* and with *The APS Code of Conduct detailed under Section 13 of the Public Service Act 1999*.

1.4. Related policies

- 1.4.1. Gift Policy– which sets out the responsibilities when receiving or giving gifts and hospitality;
- 1.4.2. Fraud Policy – which sets out the responsibilities when individuals think they may be faced with any form of fraud or corruption;
- 1.4.3. Code of Conduct - which, among other things, sets out the standards of conduct expected when employed as a staff member.

2. Definitions

2.1. Interest

- 2.1.1. An interest is anything that can have an impact on an individual or group. It includes not only an employee’s own personal, professional or business interests, but also the personal, professional or business interests of individuals or groups with whom they are closely associated.
- 2.1.2. There are two main types of interests:
 - a. Financial interests: These involve an actual or potential financial gain or loss. They may result from the individual or related party owning property, holding shares or a position in a company bidding for funding, accepting gifts or hospitality, or receiving an income from a second job.
 - b. Non-financial interests: These do not have a financial component but may arise from personal or family relationships or involvement in external activities. They include any tendency toward favour or prejudice resulting from friendship, animosity or other personal involvement that could bias judgement and decision making.

2.2. Material interest

- 2.2.1. A material interest refers to the realistic expectation that the individual or an associate directly or indirectly stand to gain a benefit or suffer a loss, depending on the outcome of the issue.
- 2.2.2. There are two main ways to measure materiality:
 - a. Quantitative threshold of 10% or more of the investment’s shares or securities on issue; or
 - b. Qualitative threshold that a reasonable person might conclude that the conflict has the potential to influence the decisions of the individual.

- 2.2.3. It is a legal requirement (under the APS Code of Conduct) that all employees must at a minimum declare all material interests they hold.

2.3. Conflict of interest

- 2.3.1. A conflict of interest is any situation in which the private interests of a WAPHA employee or Director interferes with or influences, or appears to interfere with or influence their official duties and responsibilities. A conflict of interest can involve gaining a personal advantage as well as avoiding or minimising personal disadvantage. That is, a conflict of interest may allow an individual to avoid a loss, expense, or something else that has a negative impact on their personal or private interests.
- 2.3.2. There are three main types of conflicts to be managed:
 - a. Actual conflict of interest: These involve a direct conflict between a public official's current duties and other existing duties;
 - b. Perceived conflict of interest: These can exist where it appears that a public official's other interest could improperly influence the performance of their duties. A perceived conflict of interest can cause significant reputation damage if not seen to be dealt with appropriately; and
 - c. Potential conflict of interest: These arise when a public official has private interests that could conflict with their official duties in the future.

2.4. Disclosure Register

- 2.4.1. The Disclosure Register is the central record of all interests held by individuals and connected persons. It is the duty of all employees and Board members to regularly declare their interests, which must be recorded on this register

2.5. Conflict of Interest Register

- 2.5.1. The Conflict of Interest Register is the record of all identified conflicts of interest, and includes details on and how they these conflicts have been identified, managed and monitored.

2.6. Interest Holder

- 2.6.1. The individual (as per section 1.2.1) who holds an interest which could give rise to a conflict of interest

3. Principles

3.1. General principles

- 3.1.1. All employees and Board members must ensure that all decisions they make on behalf of WAPHA are free from any undue external influence.
- 3.1.2. Employees and Board members must act with integrity and impartiality and to be open, fair and unbiased when making decisions on behalf of WAPHA, and to act in a way that serves the best interests of WAPHA.
- 3.1.3. Where a conflict of interest arises individuals are required to put WAPHA's interest before their private interests.
- 3.1.4. In considering whether a conflict arises, individuals should treat the interests of any Connected Person as their own interests.
- 3.1.5. All conflicts which arise must be clearly identified, and carefully and transparently managed.
- 3.1.6. Staff members, Board members, managers and the organisation itself must work collaboratively to manage conflicts of interests.
- 3.1.7. WAPHA - rather than the individual - must determine whether a specific interest gives rise to a conflict of interest

4. Roles and Responsibilities

4.1. Compliance Officer

- 4.1.1. The Compliance Officer is responsible for establishing and maintaining a framework for managing conflict on interests.
- 4.1.2. This includes managing a clear policy and set of procedures, monitoring adherence with this policy, ensuring this policy is kept up to date and maintaining the Disclosure Register and the Conflict of Interest Register.
- 4.1.3. The Compliance Officer is responsible for reviewing the interest register when potential service providers are identified to manage potential conflict of interests which may arise.
- 4.1.4. The Compliance Officer is responsible for ensuring the relevant Conflict of Interest procedures, including the Conflict of Interest Communication Strategy are implemented and reviewed.
- 4.1.5. The role of the Compliance Officer will be undertaken by the Chief Operations Officer (COO).

4.2. Employee and Board member responsibilities

- 4.2.1. Each WAPHA employee and Board member is responsible for identifying potential conflicts of interest that might affect them and avoid them where possible. They must promptly disclose any actual or potential conflicts of interest that might be perceived to affect the proper performance of their duties.
- 4.2.2. Each WAPHA employee and Board member is responsible for identifying and managing their own conflicts of interest by:
 - a. Disclosing outside interests that could give rise to potential conflicts so that relevant people are aware of these in advance;
 - b. Determining whether they have an actual or perceived conflict before being involved in any decision on behalf of WAPHA; and
 - c. Managing any conflicts as they arise, in a manner that protects the integrity of WAPHA's decision making, whilst allowing the employee the right level of input to enable informed decisions.
- 4.2.3. WAPHA's Management are responsible for:
 - a. Complying with the policy with respect to their own interests and conflict of interests; and
 - b. Supervising the compliance of those that they manage by:
 - i. Ensuring staff are aware of the policy and procedures for complying with it;
 - ii. Recording the disclosures of COI reported to them;
 - iii. Advising staff about appropriate ways to manage conflicts; and
 - iv. Monitoring the work of staff and the risks they are exposed to.
- 4.2.4. All WAPHA job descriptions should include each role's conflict of interest responsibilities.

5. Declaring Interests

- 5.1.1. All employees and Board members are required to declare all interests within one month of commencing employment at WAPHA.
- 5.1.2. All Service providers and Contractors are required to declare all interests during the contractual / commissioning process.
- 5.1.3. All employees, board members and contractors are required to update their declaration of interest every six months, or as required by legislation.
- 5.1.4. Disclosed interests must be recorded in the Disclosure Register and in the employee's personal records.
- 5.1.5. The Disclosure Register is required to be reviewed at every Board meeting.

6. Identifying Conflicts of Interest

- 6.1.1. The Compliance Officer must review all interests on a monthly basis to determine whether any conflict of interest (actual, perceived or potential) exists.
- 6.1.2. Any uncertainty as to whether an interest should be classified as a conflict of interest must be escalated to the Chief Executive Officer (CEO) for a decision to be made.
- 6.1.3. All actual, perceived and potential conflicts of interest must be recorded in the Conflict of Interest Register.

7. Disclosure of Conflicts of Interest

- 7.1.1. The Compliance Officer is required to disclose all types of conflicts of interest promptly to the interest holder and to the CEO.
- 7.1.2. If a potential conflict of interest arises during any WAPHA meeting, the relevant individual is required to raise the potential conflict immediately. The matter should be recorded in the minutes of the meeting, and the Compliance Officer informed
- 7.1.3. All new conflicts of interest must be reported to every Board meeting

8. Managing Conflicts of Interest

8.1. Overview

- 8.1.1. All identified conflicts of interest must be managed according to at least one of the following six strategies:
 - 1. Register: The conflict is registered in the Conflict of Interest Register (appropriate only for low significance and low risk conflicts).
 - 2. Restrict: Restrictions are placed on the interest holder's involvement in the matter including withdrawing from voting or taking part in discussions relating to the matter.
 - 3. Recruit: An impartial third party is used to oversee part or all of the process which is relevant to matters which give rise to the conflict.
 - 4. Remove: The interest holder is removed from involvement in the matters which give rise to the conflict.
 - 5. Relinquish: The interest holder relinquishes the interest that is creating the conflict.
 - 6. Resign: The interest holder resigns from their position with the organisation.

- 8.1.2. The Compliance Officer should consult with the interest holder and determine which management approach the holder prefers, which should be documented on the Conflict of Interest Register.
- 8.1.3. The Compliance Officer should propose the management strategy, reasons for choice of strategy and the specific steps to manage the conflict. All proposals and associated steps must be approved by the CEO.
- 8.1.4. The decision relating to step 8.1.3 must be recorded on the Conflicts of Interest Register.

8.2. Managing Conflict of Interests during the Commissioning / Contracting Process

- 8.2.1. In addition to the requirements listed above, the following requirements must be taken during any commissioning / contracting process:
 - a. All staff involved in the process must update their interests prior to the commissioning process
 - b. Service providers must declare their own material interests which relate to the commissioning / contracting process
 - c. All individuals involved in the Innovation hub and other forums relating to commissioning must also declare their interests as per section 5 of this policy.
 - d. Management must seek providers' declaration of interests through the contractual / commissioning information submission process
 - e. The Compliance Officer must review these interests and identify, disclose and manage any conflict as per sections 6-8 of this policy, prior to any commissioning / contracting decision being taken

9. Monitoring Conflicts of Interest

- 9.1.1. All progress against the conflict of interest management strategies must be updated in the Conflict of Interest Register.
- 9.1.2. The Compliance Officer and the CEO must monitor the progress of conflict of interest management strategies on a monthly basis, and take corrective action if required.

10. Record Keeping

- 10.1.1. Documentation relating to the management of conflicts of interest including the Disclosure Register, Conflict of Interest Register, minutes from Board and other relevant meetings must be regularly updated and stored in a secure location.
- 10.1.2. Access to the Disclosure Register and the Conflict of Interest Register must be restricted to the Compliance Officer. Access by other parties must be approved by the CEO.

11. Reporting

- 11.1.1. The Disclosure and Conflict of Interest Registers must be reported to the Board on a monthly basis
- 11.1.2. Reports outlining performance on key conflict of interest metrics, compliance with policies and procedures, individual conflicts and resolutions should be presented to the FARM and CEO on a quarterly basis.

12. Review of Policy and Documentation

- 12.1.1. The Compliance Officer is responsible for ensuring this policy is reviewed every year at a minimum.
- 12.1.2. This policy should be continually assessed to ensure it aligns with any changes in the regulatory environment.
- 12.1.3. Any proposed changes to the policy must be approved by the Board.
- 12.1.4. Documentation outlined in section 10.1.1 must be audited on an annual basis. A report of these findings should be presented to the Board.
- 12.1.5. Internal Audit (or an Independent Review) must review how particular boards, committees, teams, departments or divisions are complying with this policy as part of their standard audits in accordance with the annual Internal Audit Plan, as agreed by the FARM Committee.

13. Communications and Training

- 13.1.1. This policy and associated procedures should be sent to all new employees and board members.
- 13.1.2. This policy should be made publically available on the WAPHA internet site.
- 13.1.3. Management must communicate to employees on a regular basis the importance of compliance with the policy, and associated procedures.
- 13.1.4. Management must establish sufficient processes for whistleblowing and safe channels for communication for employees.
- 13.1.5. Conflict of Interest training must be completed by all employees and Board members within three months of commencement of employment.

14. Exceptions

- 14.1.1. Where it is in the best interests of WAPHA, the CEO may agree to modify or waive certain elements of this policy. Such a decision must be recorded and stored along with the documentation outlined in section 10, and be subject to annual audit as outlined in section 12.1.4.
- 14.1.2. Any modification or waiver must be reported to the Board at the next Board meeting.

15. Breaches of the Policy

- 15.1.1. Failure to disclose an interest is a breach of the Code of Conduct, and for Directors is also a breach of the Board Governance Charter and Corporations Act 2001.
- 15.1.2. Such a failure may result in disciplinary action for employees and board members ranging from counselling to dismissal.

- 15.1.3. Some breaches of policy or non-disclosure may be required to be reported outside the organisation or, if they involve criminal activity, the police.
- 15.1.4. Sanctions based on obligations for businesses or individuals who enter into contracts or tenders for services with the organisation may result in disqualification from a tender process, withdrawal of a contract or removal of the contractor from the organisation's preferred supplier list.

16. Privacy

- 16.1.1. The reporting of potential or actual conflicts of interest may involve disclosing personal information.
- 16.1.2. WAPHA will treat information disclosed confidentially according to legislation and the WAPHA Privacy Policy.

17. Advice and Guidelines

- 17.1.1. If any individual is in doubt about how to comply with this policy or about any matter relating to conflicts of interest, they should contact the Compliance Officer.
- 17.1.2. If any individual is concerned that a conflict exists which has not been dealt with in accordance with this policy, they should raise this with the Compliance Officer.

Appendix A: Table of Procedures and Guidelines

The procedures and guidelines detailed in this policy are outlined in the table below.

Procedure/ Guideline	Procedure outline
Declaration of Interests	<ul style="list-style-type: none"> • The procedure describes how employees and service providers are required to declare all interests. • It also outlines the responsibility of the Compliance Officer in managing the Disclosure Register and noting disclosed interests.
Disclosure of conflicts of interests	<ul style="list-style-type: none"> • The disclosure procedure states the role of the Compliance Officer as the individual to whom conflicts should be disclosed and describes the way they should be disclosed. • It includes processes for disclosing conflicts of interest prior to meetings and as they arise during meetings.
Managing Conflicts of Interests	<ul style="list-style-type: none"> • The procedure outlines the process to be followed once a conflict of interest arises. It includes the set of options and guidelines for managing the conflict of interest. • It also describes the use of the Conflicts of Interest Register to document all identified potential conflicts and how they have been evaluated and mitigated.
Record keeping	<ul style="list-style-type: none"> • The procedure describes the types of records required to be kept for managing interests and conflicts of interest, the locations of the records and the defined access restrictions for the records.
Reporting	<ul style="list-style-type: none"> • The procedure outlines the information to be included in the conflict of interest reports, how it will be collected and how performance will be measured against metrics. It includes a reporting template and timeframe.