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Purpose and Overview

HNECC views risk management as integral to the accomplishment of its core business objectives. Managing risks arising from conflict of interest is imperative in maintaining business integrity and reputation and in managing risks of fraud and corruption in line with the Independent Commission Against Corruption Act 1988.

This policy aims to assist employees to avoid potential or real conflicts of interest, or the perception of conflicts of interest, and to set out guidelines for the process to be followed in the event a potential or real conflict of interest arises.

Several types of conflicts of interest can arise for employees during the course of their official duties. Knowing how to identify and manage conflicts of interest is an effective way to prevent corruption and misconduct. Conflicts of interest are not necessarily wrong in themselves, but such conflicts must be disclosed and effectively managed. Conflicts of Interest must be seen to be managed in a transparent and accountable manner. The perception that conflicts of interest are not being managed properly can undermine confidence in the integrity of HNECC.

Scope

A separate policy applies to the HNECC Board, Chief Executive Officer (CEO) and Executives. This policy applies to all other HNECC staff at all times in the performance of their duties at HNECC.

Policy Statement

Conflicts of interest can arise in many forms and all employees have an ethical and moral responsibility to identify and disclose any conflicts or potential conflicts of interest arising from their employment with HNECC.

The potential consequences of conflicts of interest include, but are not limited to:

- Misuse of Company funds or fraud
- Loss of funding
- Reputational damage to HNECC and/or its officers
- Loss of staff
- Staff illness or injury
- Legal action, e.g. unfair dismissal, inappropriate behaviour, work health and safety breaches
- Impairment of Company performance

All Employees are required to:

- Serve the public interest by making decisions on their merits without regard for private interest, personal attitudes or opinions

- Disclose and discuss any interests and conflicts as they arise to support transparency
- Work as and lead by personal example
- Formally raise any concerns about perceived conflict of interest with the appropriate Authorised Person.
- Ensure that there is no conflict or incompatibility between their personal interests and the impartial fulfilment of their duties.
- Refrain from engaging in private work with or for any person or body with an interest in a proposed or current dealing with HNECC without first making disclosure to the Authorised person/s.
- Refrain from using knowledge obtained through their position to their advantage in any business dealings outside of HNECC.
- Make disclosure before dealing with relatives or persons with whom they are closely associated where the employee is involved in recruitment or other discretionary functions
- Make disclosure before being assigned as a line Manager to any relatives or persons with whom they are closely associated
- Consider all perceptions when identifying potential conflicts of interest
- Refrain from undertaking activities as a result of their employment with HNECC (such as presenting at conferences etc.) to receive payments. All such payments shall be paid to HNECC as the employee's primary employer as a general principle unless prior approval has been received.
- Declare any involvement with, or financial interest in, professional or commercial activities outside of HNECC where there is perceived or actual conflict with work obligations. Financial interest includes, but is not limited to, anything of monetary value including salary or other payments for services or equity interests.
- Refrain from accepting gifts, rewards or benefits related to their responsibility to HNECC, other than those of a token kind or moderate acts of hospitality for themselves or any other person.
- Refrain from misusing or taking advantage of company policies or guidelines for personal gain e.g. the travel policy
- Ask for guidance from the Authorised person/s in situations that are not covered by disclosure procedures in this policy.

Where a conflict of interest exists, a plan to manage the conflict of interest is to be developed and approved by HNECC. If the conflict can not be managed in a way that is acceptable to HNECC, actions to remove the conflict must be taken. This may include:

- ceasing/not commencing private work,
- removing oneself from a decision-making process,
- ending employment with HNECC, or
- implementing other remedies that result in removal or mitigation of the conflict of interest.

Authorised person/s

Executive Managers are authorised to make decisions and take actions in relation to real or potential conflicts of interest for staff.

Disciplinary Action

Any employee who fails to notify the Authorised person/s in accordance with the procedure outlined below may be subject to disciplinary action, particularly if it is determined that the omission to notify is deemed to be deliberate or if there has been personal gain as a result of the conflict. Failure to notify a conflict of interest in these circumstances will be regarded as misconduct. Disciplinary action may include any of the following actions depending on the seriousness of the breach of this policy and the associated misconduct:

- Summary dismissal
- Formal warning
- Informal warning

Process for Notification and Management of Conflicts of Interest

When a real or potential conflict of interest arises, employees are to immediately, in writing, advise the Authorised person/s of the real or potential conflict through the normal management structure. This should include the nature and extent of the conflict. If the issue is raised at a meeting, the minutes of the meeting will suffice for written notification unless advised differently.

The Authorised Person/s will review all such disclosures and determine whether a conflict of interest exists and if so, will determine what, if any, action should be taken to manage, reduce or eliminate such conflicting interest. The Authorised Person may consult with a broader group, e.g. Executive Management Team, for further input in the process. The Authorised Person will also consult with parties to the conflict of interest during the development of the conflict of interest management plan when applicable.

Once a decision has been made, the employee will be advised in writing the outcome of the decision and any restrictions that will be imposed or the processes required to manage the conflict.

For conflicts of interest concerning staff, the nature of the conflict of interest, the outcome and any restrictions/processes will be communicated to the HR & OD Manager for recording in the register of conflicts so that the strategies are reviewed by the responsible person at the agreed intervals.. Conditions or restrictions that might be imposed by HNECC to manage, reduce or eliminate the conflict include, but are not limited to:

- Public disclosure of relevant significant financial interests;
- Monitoring of activities by independent reviews;
- Modification of the employee's activities;
- Disqualification from participation in the portion of activity that would be affected by the significant financial interests;
- Divestiture of significant financial interests,
- Changes to reporting structure, or
- Severance of relationships that create actual or potential conflicts.

The conflict of interest and method of managing the conflict will be discussed with the relevant employees to demonstrate transparency and accountability.

Appeal Process

If an employee disagrees with a decision about how a particular conflict is to be managed, the employee may appeal in writing to the Authorised person/s by outlining the rationale for disagreeing with the decision.

- The appeal will be managed in accordance with the Grievance Procedure. The appeal will be reviewed by the Authorised person/s and referred to the next level within HNECC, i.e. the CEO where an Executive Manager is the Authorised person.

In the event that the conflict remains unresolved it is the prerogative of the aggrieved person to take the matter to an appropriate external agency or regulatory body.

Supporting Procedures

- Conflict of Interest Declaration form

References/Related Documents

- www.opssc.wa.gov.au/icg/index.htm for ICAC (The Integrity Coordinating Group) (Western Australia)
- OECD Guidelines for Managing Conflict of Interest in the Public Service – September 2005

Definitions

Private Interests includes not only the personal, professional or business interests that each of us has, but also the personal, professional or business interests of the individuals we associate with. This might include relatives, friends, rivals and enemies. Private interests may be pecuniary or non-pecuniary.

Pecuniary interests (known as ‘material personal interests’ in some jurisdictions) involve an actual or potential financial gain or loss.

Money does not need to change hands for an interest to be pecuniary. People have a pecuniary interest if they (or a relative or other close associate) own property, hold shares, have a position in a company bidding for work, or receive benefits (such as concessions, discounts, gifts or hospitality) from a particular source.

Non-pecuniary interests do not have a financial component. They may arise from personal or family relationships, or involvement in sporting, social or cultural activities. They include any tendency toward favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group.

Private interests are not only limited to pecuniary interests or to interests that can bring direct personal gain or help avoid personal loss. They also include many social and professional activities and interests.

Moreover, we all have our own personal opinions, prejudices and attitudes, which we are expected to set aside when performing our official duties. However, if personal values are likely to impact on the proper performance of our duty, then these can also lead to a conflict of interest.

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