

MACS Conflict of Interest Policy for Responsible Persons



Purpose

The purpose of this policy is to ensure that all responsible persons of Melbourne Archdiocese Catholic Schools Ltd (MACS) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of MACS and manage risk.

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to MACS if they are openly and effectively managed. It is the policy of MACS, as well as a responsibility of the Board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to MACS or a MACS school.

Scope

This policy applies to all responsible persons of MACS. A separate policy covers employees of MACS who are not responsible persons.

Responsible persons of MACS in accordance with the Responsible Persons Policy includes:

- the sole Member of MACS, being the Archbishop of the Archdiocese of Melbourne
- each director of MACS
- each member of a MACS Board Committee
- the Executive Director of MACS and any other person who is concerned with, or takes part in, the management of MACS in accordance with the Delegations and Authorities Protocols such as members of the Executive Leadership Team (ELT), general and regional general managers and the Chief Planning and Infrastructure Officer
- each principal, deputy principal in each MACS school and each other person who is concerned with, or takes part in, the management of a MACS school in accordance with the Delegations and Authorities Protocols
- the Chief Financial Officer or a person holding a similar position in MACS or any other person with responsibility for managing MACS schools' finances in accordance with the Delegations and Authorities Protocols
- the business manager or person holding a similar position in each MACS school and each other person with responsibility for managing the school finances in accordance with the Delegations and Authorities Protocols
- any other person who, by the person's conduct, assumes a position of authority over the governance or management of a MACS school.

Definitions

Board or MACS Board

MACS Board of Directors

MACS

Melbourne Archdiocese Catholic Schools Ltd

Principles

MACS is committed to ensuring that all responsible persons disclose conflicts of interest and that they are effectively identified and managed, in accordance with this policy.

MACS recognises the importance of providing a framework in which conflicts of interest are identified, disclosed and managed appropriately.

This policy has been developed because conflicts of interest may arise, and do not need to present a problem for the responsible persons of MACS if they are openly and effectively managed. For these reasons it is important that all responsible persons share a responsibility for strengthening this commitment to identify, disclose and manage conflicts of interest appropriately.

Policy

1 Definition of conflict of interest

- 1.1 A conflict of interest arises where a person's personal interest conflicts with their responsibility to act in the best interests of MACS or a MACS school. In such cases, the line between personal and professional conduct may become blurred and interfere with a person's capacity to perform the duties of their position at MACS or a MACS school. This results in a situation where a responsible person may be tempted to make decisions for reasons other than the best interests of MACS or a MACS school.
- 1.2 Personal interests include direct interests as well as those of family, friends or other organisations a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between a person's duty to act in the best interests of MACS or a MACS school and another duty that the responsible person has (for example, to another charity or any other entity).
- 1.3 Personal interests may be financial or non-financial, and can be identified as follows:
 - **pecuniary interests** exist where there is financial gain or loss involved, even if money does not specifically change hands
 - **non-pecuniary interests** exist when no financial component exists but an interest exists due to relationships, social or cultural ties or involvement in an outside organisation.
- 1.4 Conflict of interest is commonly 'positive' (e.g. motivated by financial/personal gain) but can also be 'negative' (e.g. motivated by harm or detriment to another person).
- 1.5 A conflict of interest can be identified as follows:
 - 1.5.1 **actual** conflict of interest, where a real conflict exists between a person's private interests and the interests of the company
 - 1.5.2 **potential** conflict of interest, where a person's private interests do not currently conflict with those of the company, but it is foreseeable from the circumstances they could potentially conflict in the future
 - 1.5.3 **perceived** conflict of interest, where a third party could reasonably believe a conflict exists.
- 1.6 These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of MACS and must be managed accordingly.
- 1.7 For the remainder of this policy, these three categories of conflict will all be considered equivalent. No special treatment will be accorded to one type of conflict above another.

2 Managing conflicts of interest

- 2.1 MACS will manage conflicts of interest by requiring responsible persons to:
 - 2.1.1 avoid conflicts of interest where possible
 - 2.1.2 identify and disclose any conflicts of interest
 - 2.1.3 carefully manage any conflicts of interest
 - 2.1.4 follow this policy and respond to any breaches.

3 Responsibility of the MACS Board

- 3.1 The Board is responsible for:
 - 3.1.1 establishing a system for identifying, disclosing and managing conflicts of interest across MACS and MACS schools
 - 3.1.2 monitoring compliance with this policy
 - 3.1.3 reviewing this policy regularly to ensure that it is operating effectively.

4 Identification and disclosure of conflict of interest

- 4.1 All responsible persons have a continuing responsibility for identifying, declaring and managing any potential or perceived conflict of interest that applies to them.
- 4.2 All responsible persons must complete a Conflict of Interest Disclosure Statement to the effect of the form at Appendix A of this policy:
 - 4.2.1 at the time they are appointed to their role with MACS or a MACS school, whether or not they have any conflicts to disclose
 - 4.2.2 at the commencement of every year thereafter, whether or not they have any conflicts to disclose
 - 4.2.3 where their circumstances have changed since their existing Conflict of Interest Disclosure Statement was submitted and the person has an actual, perceived or potential conflict of interest in undertaking their duties.
- 4.3 All responsible persons in office at the time of adoption of this policy must complete a Conflict of Interest Disclosure Statement.
- 4.4 Records of the Conflict of Interest Disclosure Statements must be retained for a period of at least seven years before archiving or disposing.

5 Register of Interests

- 5.1 Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Register of Interests, to be maintained to the effect of the form at Appendix C of this policy by:
 - 5.1.1 the Company Secretary, with respect to the **Register of Interests for Directors, Board Committee members and Executive Leadership Team members** (including for the avoidance of doubt the Executive Director).
 - 5.1.2 a person or persons determined by the Executive Director, with respect to all other responsible persons of MACS (other than those holding a position at a MACS school but including a Principal of a MACS school)
 - 5.1.3 a person determined by the principal of each MACS school, with respect to responsible persons holding a position at a MACS school, who shall also be responsible for receiving and maintaining the Conflict of Interest Disclosure Statements.
- 5.2 The Conflict of Interests Disclosure Statements prepared by responsible persons will be used to update the Register of Interests.
- 5.3 The Register of Interests must be maintained and regularly updated and record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).
- 5.4 The Register of Interests for directors, committee members and Executive Leadership Team Members will formally be tabled at every board meeting.

- 5.5 The Register of Interests for other responsible persons will be presented to the Executive Director or principal (as is applicable) in regular periodic reporting.
- 5.6 The Executive Director (or delegate) may on reasonable notice to a principal of a MACS school at any time during the year request a copy of the Conflict of Interest Register maintained under their respective delegation.
- 5.7 Each entry in the Register of Interests must be maintained for seven years following the date of the entry in the register before archival or disposal.

6 Confidentiality of disclosures

- 6.1 The Conflict of Interest Disclosure Statements and the Registers of Interests should be treated confidentially and only be accessed by the MACS Board and those with:
 - 6.1.1 delegated authority for dealing with and recording such matters; and
 - 6.1.2 relevant expertise whose advice and/or assistance has been sought.

7 Managing conflict of interest for directors and board committee members

- 7.1 Directors and Board Committee members must raise any actual, perceived or potential conflicts of interest in regard to items on the agenda of a meeting of the Board or a Board Committee on which they serve. Any conflict of interest raised must be recorded in the minutes of the Board or the Board Committee meeting by the relevant minute taker.
- 7.2 Once the conflict of interest has been appropriately disclosed, the conflicted person should not be present in the room during the debate and voting for a particular matter. The Board or Committee (as applicable) may determine that in the circumstances of the actual, perceived or potential conflict it is appropriate that the conflicted person remain for part of the debate if it is considered that the person can assist the debate and provide explanation or context. Under no circumstances should a conflicted person be permitted to vote in any such matter where a conflict exists.
- 7.3 The MACS Board acknowledges the importance of focusing on managing conflicts of interest in substance rather than in form. Excluding a conflicting board director/board committee member from a debate and voting may not necessarily be a cure for a systemic, unmanaged conflict of interest where the Board may nevertheless be accustomed to act in accordance with the wishes and expectations of the conflicted director/board committee member.
- 7.4 The MACS Board also acknowledges that some conflicts may be inherent and permanent due to the unique nature of the structure and governance of MACS and the role that a director/committee member may be holding in related or affiliated organisations of MACS. In these circumstances, the Board must consider strategies and mechanisms to ensure that it is acting independently and free of influence or conflict that may result in the Board or a board committee member not acting in the best interests and for the purposes of MACS and each MACS school as required by school regulation.
- 7.5 Having regard to the complex authorising environment for MACS as informed by its Constitution, its role as an operator of MACS schools that are part of the Victorian Catholic School system, its role as an agency of the Church with educational pursuits and as well as the overarching relationship with affiliated and related entities within the Church, it is essential for the Board to set, implement and embed a culture of conflict disclosure and transparent and efficient management of any conflicts that may arise from time to time. The nature of the operations of MACS are such that the priority consideration in making a decision regarding management of conflicts must be that decisions are made always in the best interests of each school and the purposes and interests of MACS overall.
- 7.6 In this context, this policy must also be implemented in conjunction with the Related Party Transactions Policy and the Board or a Board Committee must in each instance consider the substance, purpose and rationale for a proposed transaction where any form of conflict exists. The Board and Board Committee must ensure that the decision-making that will be implemented in each and every concerned case can clearly evidence that the main driver in the decision-

making is the purposes and the best interests of MACS and each MACS school and not those of any other party.

- 7.7 In exceptional circumstances, such as where a conflict is very significant or likely to prevent a director/board committee member from regularly participating in discussions, it may be prudent for the Board and Board Committee to consider whether it is appropriate for the conflicted director or a committee member to resign from the Board or Board committee (as applicable), but having regard to the limitations imposed by the structure and governance of the Company) and the principles set out in clauses 7.3 to 7.5 above.
- 7.8 In deciding what approach to take when a Board Director/Board Committee member has a conflict of interest, the Board or Board Committee will consider:
 - 7.8.1 whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
 - 7.8.2 the most adequate option to manage the conflict and ensure any considerations and decision making of the Board or a Board Committee (as applicable) would be undertaken in a manner that the integrity of the Board or Board committee decisions are not compromised
 - 7.8.3 MACS' Objects and relevant elements of its authorising environment;
 - 7.8.4 the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, MACS
 - 7.8.5 at all times making decisions that are solely for the purposes of each MACS school and MACS and in the best interests of MACS.
- 7.9 The approval of any action for managing conflicts of interest requires the agreement of at least a majority of the Board or Committee members (excluding any conflicted board director(s) or Committee member(s)) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the Register of Interests. The Chair of the Board or the Chair of the Board Committee must complete and sign the Review of Declared Conflict of Interest statement to the effect of the form in Appendix B with respect to each such conflict for a board director or a committee member. If the identified conflict related to the Chair of the Board or of a Board Committee, then another member of the Board or a Board committee authorised by the Board or the Committee (as applicable) will complete and sign the Review of Declared Conflict of Interest statement.

8 Managing conflict of interest for responsible persons (other than directors and board committee members)

- 8.1 Responsible persons (other than directors and board committee members) must disclose any actual, perceived or potential conflicts of interest that may in any way affect their ability to act in the best interests of MACS or MACS schools.
- 8.2 In determining whether a conflict of interest exists in relation to a matter, responsible persons should consider the following:
 - 8.2.1 Is there a realistic expectation that I will, directly or indirectly, gain a financial or other material benefit or suffer a financial or other material loss?
 - 8.2.2 Will the matter affect my earning capacity or financial situation?
 - 8.2.3 Will the matter have an impact on the value of any shares or property that I own?
 - 8.2.4 Do I have a second job or private business that may be affected by the matter?
 - 8.2.5 Do I have any debts owing to a person who will be affected by the matter?
 - 8.2.6 Have I accepted hospitality, sponsored travel or other benefits from a person who will be affected by a decision under my authority?
 - 8.2.7 Is there a realistic expectation that someone in a personal or business relationship with me will, directly or indirectly, gain a financial or other material benefit or suffer a financial or other material loss?

- 8.2.8 By nature of my relationship with this individual or entity, would any benefit or loss they receive be expected, under normal circumstances, to flow through to me?
- 8.2.9 Will the matter have a direct or indirect financial or other material impact on a member of my family?
- 8.3 If in doubt, responsible persons should raise the potential conflict of interest with:
- 8.3.1 the Board Chair, in the case of the Executive Director;
- 8.3.2 the Executive Director (or delegate), in the case of a responsible person of MACS (other than a person holding a position at a MACS school but including a principal of a MACS school); or
- 8.3.3 the principal, in the case of a responsible person holding a position at a MACS school.
- 8.4 Once a responsible person discloses a conflict of interest:
- 8.4.1 the Executive Director (or delegate), in the case of a Responsible Person of MACS (other than a person holding a position at a MACS school but including a Principal of MACS school); or
- 8.4.2 the principal of each MACS school, in the case of a responsible person holding a position at a MACS school,
- will prepare a Conflict of Interest Management Plan (**Conflict Management Plan**) and must complete and sign the Review of Conflict of Interest Declared statement to the effect of the form in Appendix B in respect of each such conflict.
- 8.5 The Executive Director (or delegate) or the principal (as applicable) will consider any input the responsible person may have in relation to the proposed Conflict Management Plan, however the responsible person is obliged to follow the Conflict Management Plan as determined by the Executive Director (or delegate) or the principal (as applicable).
- 8.6 There may be circumstances in which a conflict of interest involves the Executive Director. In such circumstances, the Executive Director will work with the Board to develop a Conflict Management Plan for the Executive Director. The Chair of the Board must complete and sign the Review of Conflict of Interest Declared statement to the effect of the form in Appendix B with respect to any such conflict.
- 8.7 Conflict 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 responsible person'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 responsible person removes themselves, or is removed, from the matter. For example, in a situation in which a job applicant is related to a responsible person on the recruitment panel for that position, a conflict of interest management plan might be for the panel member to step down from their position during the selection process for that position only.
 - **Relinquish**
The responsible person 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 options above, the responsible person may consider removing themselves from the process.

9 Notification obligation

- 9.1 If any person suspects that a responsible person in MACS has failed to disclose a conflict of interest, they must notify in writing, as soon as practicable:
 - 9.1.1 The Board if the failure to disclose relates to a Board Director, a Committee Member or the Executive Director. The Board will consider the circumstances and take appropriate action;
 - 9.1.2 the Executive Director (or delegate), if the suspected failure to disclose concerns responsible persons of MACS (other than those holding a position at a MACS school but including a Principal at a MACS School). The Executive Director will investigate the circumstances and take appropriate action; and
 - 9.1.3 the Principal, if the failure to disclose concerns responsible persons holding a position at a MACS school. The principal will investigate the circumstances and take appropriate action.
- 9.2 When investigating an alleged non-disclosure of a conflict of interest and undertaking appropriate action, the relevant body or person with delegated authority to act pursuant to clause 9.1 will:
 - 9.2.1 raise the concern with the relevant person that is alleged to not have disclosed a conflict of interest and provide an opportunity for a response;
 - 9.2.2 follow any applicable complaint handling policy and/or the MACS Whistleblowers Policy;
 - 9.2.3 ensure any relevant action undertaken rectifies any non disclosed conflict of interest and steps are taken for the conflict to be managed; and
 - 9.2.4 take necessary steps to increase awareness and understanding of conflicts and the operation and implementation of this policy.

10 Review

- 10.1 This policy will be reviewed regularly by the Board and at least once every three years, and may be revised to improve existing procedures or reflect changes in any applicable legislation. The Chair of the Board is responsible for ensuring that this policy, and any related documents, are updated when necessary to reflect changes in the law or when otherwise appropriate.
- 10.2 Any changes to this policy must be communicated to responsible persons in a timely manner.

Procedures

1. Conflict of interest checklist for responsible persons

- 1.1 Complete the Declaration of Interest Disclosure Statement annually.
- 1.2 Discuss circumstances of the conflict of interest situation with the Board.
- 1.3 Follow the Conflict of Interest Management Plan.
- 1.4 Monitor the conflict of interest situation on an ongoing basis, declaring any change to circumstances of the conflict of interest situation.

External references

Conflict of Interest Disclosure Statement
MACS Gifts and Entertainment Declaration Policy
Gifts and Entertainment Declaration Form
MACS Fraud Control Procedures
MACS Acceptable Use Policy
MACS Procurement Policy
MACS Conflict of Interest in Procurement Case Studies
MACS Media Protocols
MACS Travel and Accommodation Policy
MACS Employment Checks Policy

Responsible director	Director, Governance and Strategy
Policy owner	Company Secretary
Approving body/individual	MACS Board of Directors
Approval date	September 2021
Date of next review	September 2024

POLICY DATABASE INFORMATION	
Related documents	MACS Conflict of Interest Policy for Employees, Contractors and Consultants
Superseded documents	
New policy	New

Appendix A: Conflict of Interest Disclosure Statement

I, _____
(full name)

of _____,
(address)

hereby declare I have (tick whichever is applicable):

- no conflicts of interest to declare
- a conflict of interest considered to be:
Actual Potential Perceived

Please provide a brief outline of the nature of the conflict, if applicable. (Details may be included privately in a separate confidential envelope, if appropriate.)

Please detail the arrangements proposed to resolve/manage the conflict if noted above. (Details may be attached separately, if appropriate.)

I, _____, hereby agree to:
(full name)

- update this disclosure throughout the period of my tenure as a responsible person on an annual basis or until such time as the conflict ceases to exist, or at such a time a conflict arises;
- comply with any conditions or restrictions imposed by MACS to manage, mitigate or eliminate any actual, potential or perceived conflict of interest and/or commitment.

Signed: _____ Date: _____

Appendix B: Review of Declared Conflict of Interest

I, _____ hereby confirm
(full name and position)

that the following action has been taken in relation to the Conflict of Interest Disclosure Statement (and plan) with respect to [insert name of concerned responsible person]:

Signed: _____ Date: _____

