

Conflict of Interest Policy

1. PURPOSE AND CONTEXT

The Victorian Institute of Teaching (VIT) recognises that associated individuals and entities will encounter conflicts of interest when they are performing functions, or conducting activities on VIT's behalf.

VIT requires associated individuals and entities to avoid conflicts of interest where possible, and to identify, declare and actively manage any conflicts of interest that cannot be avoided.

VIT also requires associated individuals and entities to declare related party transactions.

These obligations and responsibilities will help ensure that VIT earns and maintains the highest levels of integrity and public trust.

This policy will assist associated individuals and entities to comply with these obligations and responsibilities.

This policy should be read in conjunction with the *Code of Conduct for Victorian Public Sector Employees* and the *Code of Conduct for Directors of Victorian Public Entities*.

2. SCOPE

This policy applies to all VIT Council members, VIT sub-committee members, hearing panel members, VIT employees, contractors, consultants, auditors, and any other individuals or entities undertaking activities or providing services for or on behalf of VIT.

For the purpose of this policy, these will be collectively referred to as associated individuals and entities.

3. DEFINITIONS

TERM	DEFINITION
Actual conflict of interest	An actual conflict of interest refers to situations where there is a real conflict between an associated individual or entity's duties or obligations to the VIT and their other public duties or their private interests. ¹
Associated individual or entity	All VIT Council members, VIT sub-committee members, hearing panel members, VIT employees, contractors, consultants, auditors, and any other individual or entities undertaking activities or providing services for or on behalf of VIT.
Conflict of interest	A conflict of interest is where an associated individual or entity has other public duties or private interests that could improperly influence, or be seen to influence, the performance of their duties or obligations for or on behalf of the VIT. A conflict of interest can be actual, potential or perceived. ²

¹ Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

² Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

Control (of an entity)	<p>The power or ability to govern or direct the financial and operating policies of an entity; or the rights to the financial and non-financial returns of the entity.</p> <p>This may include the following examples:</p> <ul style="list-style-type: none"> - a company where you have 30% voting shares and your spouse has 30% voting shares; - a partnership of two people where your spouse is one of the partners; or - a trust where you and your spouse are two of three trustees.²
Direct hierarchical relationship	<p>Direct hierarchical relationship is a relationship where employees are of different levels of seniority in an entity, within the same reporting line. The senior employee may not have direct management or supervision of the subordinate employee, but has some level of decision making power or other authority over their role.</p>
Executive Officers	<p>Executive Officers of the VIT means:</p> <ul style="list-style-type: none"> - Chief Executive Officer; and - all Directors.
Family	<p>This includes your immediate family (e.g. husband, wife, spouse, domestic partner, child, parent or sibling); or children of your husband, wife, spouse or domestic partner; or those family members who are wholly or substantially dependent on you or your spouse or domestic partner, and whose affairs are closely linked.</p> <p>Children include step, adoptive, dependent, non-dependent, adult children and children not living at home (unless they are estranged).</p> <p>Spouse or domestic partner includes married, de facto, civil union partnerships, but excludes separated or divorced spouses or partners.</p> <p>Dependents are any family members who are financially supported by you or your spouse or your domestic partner, and may include siblings, parents, elderly dependents such as grandparents, or disabled family members.</p>
Entity	<p>Entities include companies, partnerships, sole traders and trusts.</p>
Key management personnel (KMP)	<p>People who have the authority and responsibility for planning, directing and controlling the activities of VIT, directly or indirectly. That is, people with decision making responsibilities and those that are accountable for:</p> <ul style="list-style-type: none"> - the strategic direction and leadership of VIT; - management of VIT; - monitoring and evaluation of VIT activities; - compliance and enforcement activities; and - stakeholder management. <p>At VIT, this includes:</p> <ul style="list-style-type: none"> - VIT Council members;

	<ul style="list-style-type: none"> - sub-committee members; - hearing panel members; - Chief Executive Officer; - Directors; and - Managers.
Other paid employment	Other paid employment includes full time, part time, casual, sessional work performed for another employer that is rewarded by income, fees, benefits or other rewards; contracting work through an employment agency, a contract for services, or an informal arrangement to provide goods or services; consulting services; or otherwise conducting a business, profession or trade outside the employment at VIT.
Perceived conflict of interest	A perceived conflict of interest refers to situations where the public could form the view that an associated individual or entity's public duty or private interests could improperly influence the performance of their duties or obligations for or on behalf of VIT, now or in the future. ³
Potential conflict of interest	A potential conflict of interest refers to situations where an associated individual or entity has other public duties or private interests that could conflict with their duties or obligations to VIT. This refers to circumstances where it is foreseeable that a conflict may arise in the future and steps should be taken now to mitigate that future risk. ⁵
Private interests	<p>Private interests are interests of an associated individual or entity that are separate to the functions or activities that they perform for or on behalf of VIT. They can be financial and non-financial interests, and may also include the interests of family members, close friends and associates.</p> <p>Private interests that have the potential to create an actual, potential or perceived conflict of interest include the following:</p> <ul style="list-style-type: none"> - relationships – personal and family, both past and present, that may conflict with the associated individual or entity's activities or decisions made for or on behalf of VIT; - financial and economic interests – these can include personal interests (e.g. real estate, shares, debts, assets, businesses etc.) and family interests (e.g. family trusts, family owned businesses etc.) and benefits (e.g. concessions, discounts, gifts or hospitality from a particular source); - other employment – this can include paid and unpaid employment, and voluntary work; - outside work activities – this can be affiliations with for profit or non-profit entities, sporting bodies, clubs and associations; - previous employment or contracts or engagement; - future employment prospects or plans; - other public duties - this may include membership of an entity (private or public), or membership of a board or committee, that may conflict with current duties or responsibilities; - personal interests, beliefs, or strong pre-conceived views – this may include obligations to professional, community, ethnic or religious groups; and - participation in political activity.

3 Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4 ⁵ Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

Related party transactions	<p>Commercial transactions valued at \$100,000 or more between VIT or an associated individual or entity, and one or more of the following individuals or entities:</p> <ul style="list-style-type: none"> - KMP; - a member of the KMP’s family; - a person or entity that has a significant influence on the KMP; and - entities controlled or jointly controlled by KMP, or a member of KMP’s family, or a person who has significant influence on KMP. <p>Examples include:</p> <ul style="list-style-type: none"> - your spouse owns 50% of an advertising agency that is contracted to design the web page for VIT; or - your son owns an IT company and sells PCs to VIT.⁴ <p>Related party transactions do not include typical citizen transactions where the person is acting as a public citizen e.g. paying tax or accessing a community service that is available to all citizens such as a public hospital.</p>
Responsible Officer	<p>A Responsible Officer, in the context of this policy, is an individual who has the following roles and responsibilities under this policy:</p> <ul style="list-style-type: none"> - to educate associated individuals and entities about this policy; - to implement this policy; - to monitor compliance with this policy; - to report and escalate conflicts of interest to the CEO and / or the VIT Council in appropriate circumstances; and - to report alleged non-compliance with this policy.
Typical citizen transactions	<p>Transactions where you and / or any close family members interact with a government entity in the capacity of a citizen. This includes the following examples:</p> <ul style="list-style-type: none"> - paying personal taxes or receiving tax refunds; - receiving public health services; - receiving education services; or - paying license fees.⁵
Voluntary work	<p>Work performed for a person, business or entity that is conducted without income, fee or reward.</p>

4. STATEMENT OF POLICY

4.1. OVERARCHING OBLIGATIONS

All associated individuals and entities are responsible and accountable for identifying, declaring and managing any actual, potential or perceived conflicts of interest.

A conflict of interest is where an associated individual or entity undertaking activities for or on behalf of VIT has other public duties or private interests that could improperly influence, or be

⁴ Department of Treasury and Finance, *Related Party Disclosures for Victorian Public Sector Financial Reports* (Dec 2017), p. 14

⁵ Department of Treasury and Finance, *Related Party Disclosures for Victorian Public Sector Financial Reports* (Dec 2017), p. 14

seen to influence, the performance of their duties or obligations for or on behalf of the VIT. A conflict of interest can be actual, potential or perceived.⁶

An actual conflict of interest refers to situations where there is a real conflict between an associated individual or entity's duties or obligations to the VIT, and their other public duties or their private interests.⁷

A potential conflict of interest refers to situations where an associated individual or entity has other public duties or private interests that could conflict with their duties or obligations to VIT. This refers to circumstances where it is foreseeable that a conflict may arise in the future and steps should be taken now to mitigate that future risk.⁸

A perceived conflict of interest refers to situations where the public could form the view that an associated individual or entity's public duty or private interests could improperly influence the performance of their duties or obligations for or on behalf of VIT, now or in the future.¹¹

In order to comply with their obligations under this policy, all associated individuals and entities must:

- avoid conflicts of interests wherever possible;
- regularly assess whether there may be an actual, potential or perceived conflict of interest between their other public duties or private interests, and their official duties for or on behalf of VIT;
- identify, declare and manage any conflicts of interest that cannot be avoided in accordance with this policy;
- abstain from involvement in any VIT activities or decisions that could reasonably be seen to be compromised by their other public duties or private interests and affiliations;
- avoid private actions which could be seen to have an improper advantage from inside information they have accessed due to their official duties for or on behalf of VIT;
- refrain from using their position for or on behalf of VIT inappropriately (including for private gain);
- comply with this *Conflict of Interest Policy* and related policies and procedures; and
- notify the relevant Manager, Director, CEO or VIT Council Chairperson to consider whether a conflict of interest within VIT may not have been declared, or is not being appropriately managed.

All Managers, Directors, the CEO and the VIT Council Chairperson must also:

- be aware of conflicts of interest that may be inherent in the work of the associated individuals or entities;
- ensure that the associated individuals or entities are aware of this *Conflict of Interest Policy*;
- ensure that all actual, potential or perceived conflicts of interests are documented and managed in accordance with this policy;
- work with any associated individuals or entities to identify, declare and manage any actual, potential or perceived conflicts of interest in accordance with this policy; and
- report and manage any actual, potential or perceived conflicts of interest in accordance with this policy.

Any associated individuals who seek to engage in other paid employment must also comply with the *Other Employment Policy*.

4.2. DECLARATION OF PRIVATE INTERESTS

The following individuals **must** complete the **Declaration and Management of Private Interests Form in Appendix 1** upon appointment, annually after their appointment, and within five (5) working days after their circumstances change:

- VIT Council Members;

6 Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

7 Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

8 Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4 ¹¹

Victorian Public Sector Commission, Model Conflict of Interest Policy, s. 4

- VIT Council sub-committee members;
- CEO;
- all Executive Officers;
- Internal Auditor;
- Accountants and all financial officers;
- employees holding a delegation of \$20 000 or more; and
- employees assessed by the CEO as warranting a declaration of private interests on the basis of an actual, potential or perceived conflict of interest.

These individuals are required to make full disclosures of all relevant shareholdings, employment of relatives, friends and associates, and also to scrutinise and disclose any links between the interests of relatives, friends and associates that supply goods and services to VIT.

The Declaration and Management of Private Interests Form must be submitted to the Governance Manager who will manage the declaration in accordance with this policy.

4.3. DECLARATION OF RELATED PARTY TRANSACTIONS

The following individuals **must** complete the **Declaration of Related Party Transactions Form in Appendix 2** within five (5) working days of entering into a related party transaction:

- VIT Council Members;
- VIT Council sub-committee members;
- CEO;
- all Executive Officers;
- Internal Auditor
- Accountants and all financial officers; and
- employees holding a delegation of \$20 000 or more.

The Declaration of Related Party Transaction Form must be submitted to the Governance Manager who will manage the declaration in accordance with this policy.

4.4. DECLARATION OF CONFLICTS OF INTEREST

4.4.1. OBLIGATIONS OF SPECIFIC INDIVIDUALS AND ENTITIES

All associated individuals and entities performing the functions or activities specified in Column 1 of the Table below **must** complete a **Conflict of Interest Form in Appendix 3** within the timeframe specified in Column 3 of the Table below, and submit it to the Responsible Officer (specified in Column 4 of the Table below) who will manage the declaration in accordance with this policy.

ACTIVITY	DESCRIPTION	TIME OF DECLARATION	RESPONSIBLE OFFICER *
Recruitment and selection of employees	Any person or entity involved in the process of recruiting and selecting VIT employees.	Whenever appointed as a Responsible Officer under the <i>Recruitment and Selection Policy</i> .	People and Culture Manager
		The Declaration should be completed once all of the job applicants for that position are known, and before any shortlisting, interviews or other assessment tools take place.	

<p>Procurement, contract management, and tendering</p>	<p>Any person or entity involved in procuring goods or services, tendering for goods and services, entering into contracts or agreements, or managing the performance of an individual or entity who has a contract or an agreement with VIT.</p>	<p>For those persons who regularly procure goods and services for or on behalf of VIT, the declaration must be completed at the time of their appointment, annually, within (5) business days of their circumstances changing, and whenever they identify an actual, potential or conceived conflict of interest whilst performing their duties for VIT.</p> <p>For all other persons or entities who become responsible for these activities, the declaration must be completed before procuring, tendering, entering into contracts, or managing performance under a contract or agreement.</p>	<p>Accountant (CFO)</p>
<p>Regulatory functions</p>	<p>VIT regulatory functions include:</p> <ul style="list-style-type: none"> - approving initial teacher education programs; - registering, monitoring and regulating members of the teaching profession; - imposing, altering and removing conditions on teachers' registrations; 	<p>For those persons who regularly perform regulatory functions for or on behalf of VIT, the declaration must be completed at the time of their appointment, annually, and within (5) business days of their circumstances changing or the identification of an actual, potential or perceived conflict of interest.</p> <p>For all other persons or entities who become responsible for these</p>	<p>Relevant Director:</p> <p>Director Accreditation, Professional Practice and Policy</p> <p>Director Teacher Engagement and Registration</p> <p>Director Conduct and Compliance</p>

	<ul style="list-style-type: none"> - granting permission to teach in Victorian schools and early childhood services; - receiving and assessing complaints, notifications or other information about teachers; - investigating the conduct, competence and fitness to teach of registered teachers; and - investigating whether a registered teacher's ability to practice as a teacher is seriously detrimentally affected or likely to be seriously detrimentally affected because of an impairment. 	<p>activities, the declaration must be completed before performing any regulatory functions.</p>	
Finance functions	<p>VIT financial functions include:</p> <ul style="list-style-type: none"> - collecting, depositing and withdrawing funds; - provision of goods or services; - payment of invoices and accounts; and - issuing invoices and accounts. 	<p>For those persons who regularly perform finance functions for or on behalf of VIT, the declaration must be completed at the time of their appointment, annually and within (5) business days of their circumstances changing or the identification of an actual, potential or perceived conflict of interest.</p> <p>For all other persons or entities who become responsible for these activities, the declaration must be completed before performing any financial functions.</p>	Accountant (CFO)

Stakeholder engagement	Interacting with other public sector entities and stakeholders for the purpose of consultation, provision of advice, sharing information, and engagement in joint projects.	<p>For those persons who regularly engage in stakeholder engagement, the declaration must be completed at the time of their appointment, annually and within (5) business days of their circumstances changing or the identification of an actual, potential or perceived conflict of interest.</p> <p>For all other persons or entities who become responsible for significant stakeholder engagement, the declaration must be completed before engaging in any stakeholder engagement activities.</p>	Stakeholder Engagement and Communications Manager
VIT Council	Responsible for managing the affairs of VIT and may exercise the powers of the VIT. ⁹	The declaration must be completed at the time of their appointment, annually, within (5) business days of their circumstances changing, and as soon as practicable after they identify an actual, potential or perceived conflict of interest.	Governance Manager
VIT Council subcommittee members	VIT may establish subcommittees to exercise any of the powers of the VIT Council. ¹⁰	The declaration must be completed at the time of their appointment, annually and within (5) business days of their circumstances changing, and as soon as practicable after they identify an actual, potential or perceived conflict of interest.	Governance Manager
Hearing panel members	The Governor in Council, on the recommendation of the Minister, may approve a pool of	The declaration must be completed at the time of their appointment, annually	Governance Manager

⁹ Education and Training Reform Act 2006, s. 2.6.6(2)

¹⁰ Education and Training Reform Act 2006, s. 2.6.66

	<p>persons who may be appointed to a hearing panel established under Part 2.6 of the Act ¹¹</p> <p>VIT may then choose persons from this pool to conduct:</p> <ul style="list-style-type: none"> - informal and formal hearings; and - medical panel hearings. 	<p>and within (5) business days of circumstances changing or as soon as practicable after they identify an actual, potential or perceived conflict of interest.</p>	
Volunteering outside VIT	<p>Any associated individual who engages in volunteering outside their employment, or performing functions for or on behalf of VIT should consider whether the volunteering poses an actual, potential or perceived conflict of interest.</p>	<p>The declaration must be completed at the time of their appointment or prior to volunteering (whichever comes first).</p>	<p>People and Culture Manager</p>

* Where the Responsible Officer has an actual, potential or perceived conflict of interest, the Responsible Officer must escalate management of the matter or issue to their Director, or the Governance Manager, who will perform the roles and responsibilities of the Responsible Officer in those circumstances.

4.4.2. OBLIGATIONS OF ALL ASSOCIATED INDIVIDUALS AND ENTITIES

All associated individuals and entities also have an obligation to regularly consider the relationship between their private interests and duties for or on behalf of VIT, in order to identify any actual, potential or perceived conflict of interest. If any of these associated individuals and entities identify an actual, potential or perceived conflict of interest, they **must** complete a **Conflict of Interest Form in Appendix 3** and submit it to their relevant Manager or Director who will manage the declaration in accordance with this policy.

In addition, a relevant Manager or Director may assess any associated individual or entity as warranting a completion of a Conflict of Interest Form on the basis of an actual, potential, or perceived conflict of interest. The associated individual or entity must comply with the request of the relevant Manager or Director as soon as practicable.

4.5. MANAGING CONFLICTS OF INTEREST

The relevant Manager or Director will then work with the VIT Chairperson and / or CEO (as appropriate) to discuss appropriate strategies to manage any actual, potential or perceived conflicts of interest. Which strategies are used will depend on the nature of the conflict of interest, what opportunities are available to manage the conflict of interest, and the level of risk.

The range of strategies that can be used consist of the following:

STRATEGY	DESCRIPTION	WHEN CAN IT BE USED
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¹¹ Education and Training Reform Act 2006, s. 2.6.35F

Register	<p>Details of the actual, potential or perceived conflict of interest are registered with VIT.</p> <p><i>Note: This policy requires all actual, potential or perceived conflicts of interest to be registered. It is important to note that additional strategies may also be required.</i></p>	<p>Very low risk conflicts of interest.</p> <p>Where the act of transparency through registering the conflict of interest may be sufficient.</p>
Restrict	<p>Restrictions are placed on the associated individual or entity's involvement in the matter.</p>	<p>The associated individual or entity can be effectively separated from parts of the activity or process.</p> <p>The conflict of interest is not likely to arise frequently.</p>
Recruit	<p>A disinterested third party is used to oversee part or all of the process that deals with the matter.</p>	<p>It is not feasible or desirable for the associated individual or entity to remove themselves from the activity or decision making process.</p>
Remove	<p>The associated individual or entity removes themselves or is removed from the matter.</p>	<p>For ongoing serious conflicts of interest, where ad hoc restriction or recruitment of others is not appropriate.</p>
Relinquish	<p>The associated individual or entity relinquishes the private interest that is creating the conflict.</p>	<p>Where the associated individual or entity's commitment to the duties for or on behalf of VIT outweighs their attachment to their private interest.</p>
Resign	<p>The associated individual or entity resigns from their position at VIT.</p>	<p>No other options are workable.</p> <p>The associated individual or entity cannot or will not relinquish their conflicting private interest, and changes to their work responsibilities or environment are not feasible.</p> <p>The associated individual or entity prefers this course of action.</p>

The strategies used to manage any actual, potential or perceived conflict of interest must be documented in a **Conflict of Interest Management Plan in Appendix 4** and attached to the Conflict of Interest Declaration Form.

The relevant Manager or Director will then submit the Conflict of Interest Declaration Form and the Conflict of Interest Management Plan to the CEO (or his / her delegate) for inclusion in the Register of Instruments.

4.6. REGISTER OF INTERESTS

The CEO (or his / her delegate) will maintain a Register of Interests in accordance with **Appendix 5**.

4.7. MONITOR

VIT will monitor compliance with this policy in the following ways:

The Accountant (CFO) (or delegate) will:

- conduct random searches of public information such as LinkedIn and ASIC Registers to determine whether all actual, potential or perceived conflicts of interest and other employment or financial interests have been disclosed in accordance with this policy; and
- analyse VIT data to identify any possible relationships or connections between KMPs and associated individuals or entities that have not been declared in accordance with this policy. This may include performing searches of accounts payable, accounts receivable and the contract register.

The Audit, Risk Management and Finance Committee will review and oversee:

- VIT Register of Interests; and
- monitoring activity conducted by the Accountant (CFO) (or delegate).

5. BREACHES OF THIS POLICY

A failure of an employee, contractor or consultant to take reasonable steps to identify, report and manage a conflict of interest in accordance with this policy may result in disciplinary action including:

- performance management;
- formal counselling;
- formal warning;
- termination of employment

Any contracted individuals or entities who fail to identify, declare and manage conflicts of interest in accordance with this policy may be subject to contract re-negotiation, including termination.

Any VIT Council members who fail to comply with this policy may be reported to the Minister for appropriate action. This may include a referral to the Governor in Council who may at any time remove a member from office.¹²

Any sub-committee member who fails to comply with this policy may be reported to the VIT Council for appropriate action. This may include a decision to remove the person from their position.¹⁶

Any hearing panel member who fails to comply with this policy may be reported to the Governance Manager for appropriate action. This may include a decision not to include the hearing panel member on any future hearing panels, or to restrict the type of hearings in which the hearing panel member may be used.

For all associated individuals and entities, and in appropriate circumstances, it may also involve reporting the alleged behaviour to other agencies such as the Victoria Police and Independent Broad-based Anti-corruption Commission (IBAC).

6. FURTHER INFORMATION

A conflict of interest is not always clear to those who have them. Associated individuals and entities who are unsure about an actual, potential or perceived conflict of interest, or the application of this policy, should speak with the Governance Manager for advice.

7. RELATED LEGISLATION AND POLICY

Public Administration Act 2004

Financial Management Act 1994

Code of Conduct for Victorian Public Sector Employees

¹² *Education and Training Reform Act 2006*, s. 2.6.62(2)

¹⁶ *Education and Training Reform Act 2006*, s. 2.6.72(2)

Code of Conduct for Directors of Victorian Public Entities

Australian Accounting Standards Board (AASB), *AASB 124 Related Party Disclosures guidelines*

Declaration of Private Interests Form

Declaration of Conflict of Interest Form

Conflict of Interest Management Plan

8. APPENDICES

APPENDIX	DOCUMENT NAME	DOCUMENT CODE
1	Declaration of Private Interests Form	GOV-TEM-2019-012
2	Declaration of Related Party Transactions	GOV-TEM-2019-013
3	Declaration of Conflict of Interest Form	GOV-TEM-2019-014
4	Conflict of Interest Management Plan	GOV-TEM-2019-015
5	Register of Interests	GOV-TEM-2019-016