

CONFLICT OF INTEREST POLICY:

1. Purpose

Sydney North Health Network (SNHN) is committed to conducting business and delivering services in a fair, transparent, accountable and impartial manner. SNHN is a not-for-profit organisation that commissions and delivers services to optimise the health and well-being of communities, striving to achieve the quadruple aim – better population health, better experience of care, better value for the system and doing so with an exceptional workforce. Commissioning is a strategic process of engaging and working in partnership with both providers and the community to co-design, commission and co-deliver and manage services that best meet the local communities needs and improves health outcomes.

SNHN recognises that by working in partnership, we can't avoid conflict of interest, however they can be proactively managed within our inclusive organisational culture and how we operate. SNHN is committed to maintaining confidence in the probity of decisions and associated procurement activities undertaken at SNHN by ensuring that Conflicts of Interest are identified, documented, and managed so that they do not affect the services, activities or decisions of SNHN.

The purpose of this policy is to help everyone at SNHN to effectively anticipate, identify, disclose and manage any actual, potential or perceived conflicts of interest and related party transactions in order to protect the integrity of **SNHN** and manage risk.

Those covered in the scope of this policy must act in the best interests of SNHN. Where there is a conflict between their personal or professional interests, the interests of SNHN must prevail.

2. Scope

This Policy applies to:

- SNHN Directors;
- any person being considered for:
 - appointment on the SNHN Board, or
 - an Executive level position at SNHN;
- successful candidates for non-Executive roles prior to commencing employment at SNHN;
- invited and selected members for the Consumer and Clinical Councils and working groups
- invited and selected panel members;
- employees; and
- Volunteers.

Refer to Commissioning Procurement Policy for obligations of commissioned service providers

Within this policy "everyone" and "person" refers to those identified above.

3. Policy

This policy has been developed to address conflicts of interest including related party transactions affecting **SNHN**.

Conflicts of interest are common, and they do not need to present a problem to SNHN as long as they are openly and effectively managed.

It is the policy of **SNHN** as well as a responsibility of everyone 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 **SNHN**.

SNHN will manage conflicts of interest by requiring everyone to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest or related party transactions
- carefully manage any conflicts of interest or related party transactions and follow this policy and respond to any breaches.

4. Identification and management of Conflicts of Interest

4.1 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered in the **SNHN** register of interests, as well as being raised with the board.

Where every other board member shares a conflict, the board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register must 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). The register of interests must be maintained by the secretariat of the Clinical and Community councils, the Company Secretary (for the executive and directors) and the Governance manager (for all others).

When an Interest included on the Registers is no longer active or relevant it would be removed from the register after a period of 3 years.

4.2 Confidentiality of disclosures

The Director and executive register of interests is reviewed at all Board and Committee meetings.

The employee and contractor register of interests is reviewed quarterly by the executive and annually by the Finance, Audit and Risk Management committee.

The Councils register of interest are reviewed at Council meetings.

The Conflict of Interest Policy is on the SNHN Website. For questions about this policy, contact the Chair of the Board or the Company Secretary.

4.3 Management of Conflict of Interest

There are three components to the management of a Conflict of Interest:

- a) Reporting the Conflict of Interest;
- b) Resolving the Conflict of Interest; and
- c) Registering the Conflict of Interest.

4.4 Resolving a Conflict of Interest

Where a conflict of Interest is identified and reported, the appropriate remedial action to be taken to address the conflict needs to be determined:

- by the SNHN board (excluding any conflicting board members) who are present and voting at the meeting if the conflict of interest involves:
 - a Director;
 - a member of the Executive,
 - any person being considered for appointment on the SNHN Board, or an Executive level position at SNHN
 - invited and selected members for the Consumer and Clinical Councils and working groups.

The action and result of voting will be recorded in the minutes of the meeting and its register of interests.

- by the CEO if the matter involves:
 - an SNHN Employee;
 - a volunteer; or
 - successful candidates for non-Executive roles prior to commencing employment at SNHN;
- in accordance with the *Commissioning Procurement Policy* if the Conflict involves:
 - a commissioned service provider or
 - invited and selected panel members.

In determining the appropriate approach to resolve the conflict, matters such as the following need to be considered:

- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making?
- SNHN's objects and purpose; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of SNHN.

SNHN uses 3 ways to resolve a Conflict of Interest:

- a) **Relinquishing** a Conflict of Interest may be easier or preferable where the conflict is serious or which is impacting or could impact on the person's capacity to carry out their role at SNHN and act in its best interest.

- b) **Restricting** or removing the person with the Conflict of Interest from participation in discussion and/or decision-making is an appropriate method where the Conflict of Interest is not likely to arise frequently.

Restriction strategies could include one or more of the following:

- Not participating in any criteria setting or decision-making role.
- Limiting access to information and/or denying access to sensitive documents or confidential information in the process.
- Withdrawing from discussion of the plan or proposal.
- Abstaining from voting on the decision.

- c) **Engaging** an independent person (or panel) to oversee all or part of the process is an appropriate method where the Conflict of Interest is more significant and needs more proactive management.

Engaging strategies could include:

- Arranging for an independent third party to be involved in the decision.
- Requiring another person in the Organisation to obtain separate written quotes to compare against any bid where there is a Conflict or potential Conflict of Interest
- Engaging an independent third party or auditor to oversee or review the integrity of the decision-making process – this strategy is particularly appropriate where there is a reasonably perceived (but not actual) Conflict of Interest or the Conflict of Interest is only identified at or near the conclusion of the process or after the making of the decision.
- Increasing the number of people sitting on decision-making committees to reduce the influence of a single member who may have a Conflict of Interest and who has been authorised to remain on the committee.
- Seeking the view of those likely to be concerned about a potential, actual or reasonably perceived Conflict of Interest about whether they object to the person with the conflict having any, or any further, involvement.

4.5 Notification to Commonwealth Department of Health and Aged Care (DoHAC)

On discovery or notification that a conflict has arisen or is likely to arise, in respect of SNHN or SNHN personnel, SNHN will:

- a) inform the FARM—if it is envisaged that the DoHAC needs to be notified about the matter—prior to notifying the DoHAC; and
- b) notify the DoHAC using the Conflict Notification Template in Appendix A of all relevant information relating to that conflict setting out the steps SNHN proposes to take to resolve or otherwise deal with it.

5. Identification and management of Related Party Transactions

All identified Related Party Transactions will need to be entered in the Related Party Transactions Register as well as being raised with the SNHN Board.

Related Party transactions involve a conflict of interest because the Related Party is in a position to influence whether a benefit is provided to it and the terms of that benefit and when identified are to be resolved in the same way that conflicts of interests are resolved in section 4.4 above.

As Related Party transactions are not permitted under the DoHAC Standard Funding Agreement Terms and Conditions without the Department's prior written consent, SNHN will seek and obtain written departmental consent before paying any grant funds or transferring any Asset (as defined in the DHaAC Standard Funding Agreement Terms and Conditions) to a Related Party using the Related Party Transactions Application in Appendix B.

6. Compliance with this Policy

If the board has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the person's response and after making further investigation as warranted by the circumstances, the board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

7. Responsibilities

It is the responsibility for everyone to retain awareness of potential conflicts of interest and abide by this policy.

Responsibility of the board

The board is responsible for:

- Establishing a system for identifying, disclosing and managing conflicts of interest across SNHN.
- Monitoring compliance with this policy.
- Reviewing this policy every two years to ensure that the policy is operating effectively.

SNHN must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

6. Definitions

Conflict of interest means any matter, circumstance, interest or activity involving or affecting SNHN, or SNHN's personnel which may, or may appear to impair SNHN's ability to perform an activity diligently, fairly and independently. A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

Actual conflict refers to a direct and existing conflict between the personal interests of an individual and the performance of their duties and responsibilities to the PHN.

Perceived conflict refers to personal interest (direct, indirect or involving a third party) that appears to improperly influence the performance of the PHN's duties, whether or not this is in fact the case.

Indirect interest refers to a matter or decision where an individual does not personally have an interest, but their spouse, immediate family member or a person with whom they are closely associated does.

Potential conflict refers to personal interest that could interfere with the performance of the PHN's duties and responsibilities in the future.

Related Party is:

- an entity (or Board member of that entity) that controls or has significant influence over SNHN¹ at any time;
- an entity (or Board member of that entity) that SNHN controls or has significant influence over at any time;
- a person who is a member of SNHN's Board;
- a member of SNHN's personnel, other than in their capacity as an employee; or
- a spouse or immediate family member of:
 - a member of SNHN personnel; or
 - an SNHN Board member or Board member of entities mentioned above, who is not themselves an employee of SNHN.

Related Party Transaction is when a PHN pays part of the grant funds it receives under a Funding Agreement or transfers an asset to another party that is related to it.

SNHN personnel refers to SNHN directors, employees or one of its contracted commissioned service providers.

¹ Examples of "control or significant influence over SNHN" may include, but are not limited to:

- the power to veto business decisions of SNHN;
- the power to appoint or remove SNHN's CEO or other key management personnel; or
- having representation on the Board of SNHN (e.g. reserved positions on the Board).

7. ACNC Governance Standard 5

This standard requires charities to take reasonable steps to make sure that the following duties apply to Responsible Persons and that they follow them. The duties can be summarised as follows:

- To act with reasonable care and diligence.
- To act honestly and fairly in the best interests of the charity and for its charitable purposes.
- Not to misuse their position or information they gain as a Responsible Person.
- To disclose conflicts of interest.
- To ensure that the financial affairs of the charity are managed responsibly.
- Not to allow the charity to operate while it is insolvent.
-

Generally, the duties mean that responsible persons should act with standards of integrity and common sense.

8. References

Code of Conduct
 Gift Receiving Procedure
 Commissioning Procurement Policy & Procedure
 Tender Evaluation Panel Conflict of Interest and Confidentiality declaration form
 SNHN Gift Register
 SNHN Limited Employee/Contractor Interest Register
 SNHN Limited Disclosure of Interest Register (Board and Executives)
 SNHN Related Party Transactions Register
 SNHN Privacy Policy

9. Approvals & Review

Version	Date Approved	Owner (title)	Approver (title)	Review Date	Comments
01	19/03/2018	Lynelle Hales (CEO)	Board	Feb 2019	<i>Initial creation.</i>
02	29/5/2019	Lynelle Hales (CEO)	Board	May 2021	<i>FARM reviewed.</i>
03	26/5/2021	Lynelle Hales (CEO)	Board	May 2023	<i>FARM reviewed May 2021.</i>
04	31/5/23	Kevin Barrow (CEO)	Board	May 2026	<i>FARM reviewed May 2023</i>
05	29 May 2024	Kevin Barrow (CEO)	Board	May 2027	<i>FARM reviewed May 2024</i>

Appendix A – Conflict Notification Template

Conflict Notification	
Standard Funding Agreement Terms and Conditions Clause 9.4.2	
PHN Name: Choose an item.	
Location:	
Contact Details:	
Detail of the Conflict:	
Conflict type and description:	
Names and contact details of all parties involved in the conflict:	
Dates relevant to the conflict: <i>(include whether the conflict is new or historical)</i>	
Further information: <i>(if any)</i>	
Proposed strategy for resolving or managing the Conflict:	
Attachments: <i>list all attachments provided support of the proposed approach</i>	
Signature:	
Personnel Name:	
Position:	
Date:	

Appendix B – Related Party Transaction Application

Related Party Transaction Application		
Standard Funding Agreement Terms and Conditions Clause 9.5.3		
PHN Name:		
Location:		
Contact Details:		
Details of Related Party		
Name:		
ABN (if applicable):		
Address:		
Related Party Relationship Type		Mark as applicable
9.5.1.a	An entity that controls or has significant influence over the PHN	<input type="checkbox"/>
9.5.1.b	An entity that the PHN controls or has significant influence over at any time, including the PHN's subsidiary	<input type="checkbox"/>
9.5.1.c	A person who is a member of the PHN's Board or governing body	<input type="checkbox"/>
9.5.1.d	A person who is a member of the Board of an entity referred to in clause 9.5.1.a or 9.5.1.b	<input type="checkbox"/>
9.5.1.e	A member of the PHN's Personnel, other than in their capacity as a PHN employee	<input type="checkbox"/>
9.5.1.f	A spouse or immediate family member of: (i) the PHN's Personnel; or (ii) a person specified in 9.5.1.c or 9.5.1.d, who is not themselves a PHN employee.	<input type="checkbox"/>
Related Party Description		PHN to complete <i>Please attach supporting documents, if required</i>
Description of Related Party relationship:		
Description of steps taken to resolve or manage conflict:		
The relevant Activity: <i>(include Schedule and Activity Work Plan reference)</i>		
The proposed amount of Grant funds to be transferred to the Related Party and how the amount was determined (or the Asset proposed to be transferred):		
A complete description of the part of the Activity that Your Organisation expects the Related Party to perform:		
The reason(s) why it is necessary to pay the Grant funds (or transfer the Asset) to the Related Party:		
Dates relevant to the Related Party Transaction:		
Signature:		
PHN Personnel Name:		
Position:		
Date:		