

Conflict of interest guidelines and procedures

TRIM ID:

Date: 6 February 2017

Version: 2.0



Victorian Commission for
Gambling and Liquor Regulation



Contents

1	Introduction	3
2	Document purpose	3
3	Scope	3
4	Guidelines.....	3
5	Procedures	3
	5.1 Responsibilities	3
	5.2 Managing conflicts of interests	4
	5.3 Recording conflicts of interest.....	4
	5.4 Actions	5
6	Frequently asked questions	6
	Appendix 1 VCGLR Conflict of interest declaration form.....	8
7	Document information.....	11

1 Introduction

The Victorian Commission for Gambling and Liquor Regulation (VCGLR) is committed to ensuring that all of its employees understand their obligations under the Code of Conduct for Victorian Public Sector Employees 2015 (VPS Code of Conduct), the VCGLR Conduct and ethics policy and where applicable, the Code of Conduct for Directors of Victorian Public Entities (Directors' Code of Conduct),.

Section 3.7 of the VPS Code of Conduct outlines an employee's obligation regarding conflicts of interest whilst employed by the VCGLR.

Sections 2.5 and 3.12 of the Directors' Code of Conduct detail the obligations for VCGLR Directors and Commissioners regarding conflicts of interest and duty.

2 Document purpose

This document supports and should be read in conjunction with the VCGLR Conduct and ethics policy, in particular section 5 (Conflict of interest). It sets out the VCGLR's guidelines and procedures in relation to the declaration and management of actual, potential and perceived conflicts of interest.

3 Scope

These guidelines and procedures relate to section 5 of the Conduct and ethics policy and apply to all staff employed by, or who work for, the VCGLR, including:

- permanent ongoing, fixed term, full time, part time, casual;
- contractors including both agency and independent contractors; and.
- external appointees of boards and committees.

4 Guidelines

The onus is on the employee to notify their manager if a potential, actual or perceived conflict of interest arises. If an employee is in doubt as to whether a conflict exists, they must raise this with the appropriate manager.

Employees must advise their manager when any part of their VCGLR duties deals with relatives, partners, close friends, business acquaintances, associations, community groups and similar organisations to which the employee has an affiliation.

Directors and Commissioners are responsible for adhering to their obligations in relation to conflicts of interest under the Directors' Code of Conduct.

5 Procedures

5.1 Responsibilities

Managing conflict of interest risks is the shared responsibility of the VCGLR, Commissioners, the CEO, Divisional Heads, managers and employees:

The VCGLR is responsible for:

- Establishing a system for identifying and managing conflicts of interest in the form of detailed policies and procedures
- Building an organisational culture that supports the implementation of all relevant policies through appropriate education and training and activities
- Reviewing relevant policies and procedures on a regular basis to ensure they are effective
- Receiving and investigating complaints regarding possible breaches of the Conflict of interest policy
- Monitoring compliance with the Conflict of interest policy, including responses to alleged breaches.

The CEO, Divisional Heads and Managers are responsible for:

- Being aware of the risks of conflicts inherent in the work of the staff they manage and their own responsibilities
- Making staff aware of relevant policies and procedures
- Advising staff about appropriate ways to manage conflicts of interest
- Acknowledging the receipt of disclosures of conflicts of interest reported to them by staff on the VCGLR Conflict of interest declaration form and submitting the form to People and Culture for recording in the Conflicts of interest register
- Preparing management responses for staff who disclose conflicts of interest
- Monitoring the work of staff and the risks of conflicts of interest.

Commissioners and Employees are responsible for:

- Being aware of their obligation to avoid conflicts of interest
- Assessing their private and personal interests and whether or not they conflict or have the potential to conflict with their official duties
- Declaring conflicts of interest (whether actual, potential or perceived) in accordance with the VPS Code of Conduct, Directors' Code of Conduct, Conduct and ethics policy and these guidelines and procedures
- Complying with the requirements of the Conduct and ethics policy and these guidelines and procedures.

In addition, the Chairperson is responsible for promoting the public sector values in relation to conflicts of interest within the VCGLR.

5.2 Managing conflicts of interests

Where a manager or Divisional Head is notified by an employee of a conflict of interest, the following options for the management of the associated risks are to be followed:

REGISTER	Details of the existence of a possible conflict of interest are formally advised and noted by completing the VCGLR Conflict of interest declaration form
RESTRICT	Restrictions are placed on the employee's involvement in the matter
RECRUIT	A disinterested third party is appointed to oversee part or all of the process that deals with the matter
REMOVE	The employee does not participate at all in the matter
RELINQUISH	The private interest concerned is relinquished
RESIGN	The employee steps down from the position they hold on a temporary or permanent basis

5.3 Recording conflicts of interest

Where a manager or Divisional Head is notified by an employee of a potential or actual conflict of interest, the relevant details of the issue and the decision as to what management action is taken in relation to that interest must be recorded in the VCGLR's Conflicts of interest register.

People and Culture are responsible for updating the Conflicts of interest register with the relevant information provided in the Conflict of interest declaration form with the Management plan section completed.

5.4 Actions

Procedure	Responsibility	Timeline
<p>1a <u>New employees</u></p> <p>i. Prior to issuing the letter of offer (LOO) for employment with the VCGLR, the potential employee is provided with the following documents in relation to conflict of interest:</p> <ul style="list-style-type: none"> • VPS Code of Conduct • Directors' Code of Conduct (if applicable) • Conduct and ethics policy • Gifts, benefits and hospitality policy • Conflict of interest guidelines and procedures • Conflict of interest declaration form <p>ii. The potential employee is required to read the policies, guidelines and procedures, complete the Conflict of interest declaration form and submit it to their relevant manager.</p> <p>iii. The manager is to review the declaration.</p> <p>iv. Where there is no declared conflict of interest (actual, potential or perceived) the manager is to sign the form and return it to People and Culture (P&C). The LOO may then be issued (subject to other probity requirements).</p> <p>v. Where there is a declared conflict of interest (actual, potential or perceived), the manager is to develop a management plan in consultation with the potential employee. Steps on developing a management plan are outlined below. Following receipt of the agreed management plan, the LOO may then be issued (subject to other probity requirements).</p> <p>vi. For new agency staff and contractors a documented management plan is required to be submitted to P&C before their commencement with the VCGLR.</p>	<p>Potential employee and Manager or Divisional Head</p>	<ul style="list-style-type: none"> • Prior to letter of offer • Prior to commencement (for agency staff and contractors)
<p>1b <u>Existing employees</u></p> <p>Employees should regularly consider the relationship between their private interests and public duties in order to identify any conflict of interest.</p> <p>A manager or Divisional Head who becomes aware of a potential or actual conflict of interest may also instigate this procedure.</p>	<p>Employee and Manager or Divisional Head</p>	<p>When potential for conflict of interest is identified</p>
<p>2</p> <p>A staff member involved in a situation where there is or may be a conflict of interest must disclose this situation by completing and submitting the VCGLR Conflict of interest declaration form to their manager or Divisional Head.</p> <p>The staff member must also withdraw himself or herself immediately from the situation giving rise to the conflict, pending advice from the manager to whom the disclosure was made.</p>	<p>Employee</p>	<p>Immediately when potential for conflict of interest is identified</p>
<p>3a</p> <p>Where the manager or Divisional Head decides there is no conflict of interest, or the conflict of interest can be managed appropriately, then the staff member is authorised to continue the activity.</p> <p>However, the manager or Divisional Head and staff member must identify the circumstances in which a conflict of interest could occur, and how it would be resolved.</p>	<p>Divisional Head</p>	<p>Following review of declaration</p>

Procedure	Responsibility	Timeline
<p>3b Where the disclosed situation reveals a conflict of interest, or is likely to be perceived as involving a conflict of interest, the manager or Divisional Head must:</p> <ul style="list-style-type: none"> ask the staff member to take action to remove the conflict of interest; or reorganise the duties of the staff member so as to remove the conflict of interest; or if considered necessary, ensure that the staff member's involvement in the situation or activity is withdrawn immediately, and establish parallel or alternative arrangements specifically for the purpose of the activity. 	Divisional Head	Following review of declaration
<p>4 The manager or Divisional Head must record agreements regarding how to manage the potential or actual conflict of interest in writing. The manager or Divisional Head will retain a copy, provide a copy to the staff member and forward a copy to People & Culture.</p>	Divisional Head	Following review of declaration
<p>5 Where the withdrawal of the staff member's involvement in the situation is not practical or appropriate and their involvement does not breach any statutory or other duty, the manager or Divisional Head (following consultation with the staff member) will ensure that others involved in the situation are informed of the potential conflict of interest (following consultation regarding confidentiality with the Legal Division).</p>	Manager or Divisional Head	Following review of declaration
<p>6 Where the manager or Divisional Head does not agree to allow the staff member to continue the activity that is the subject of the disclosure, the staff member may seek to renegotiate this through a meeting with the CEO.</p>	Staff member	Following a decision by the Divisional Head that the staff member must cease the activity

6 Frequently asked questions

Question	Answer
Who completes the VCGLR Conflict of interest declaration (Declaration)?	All employees, potential employees, contractors and consultants of the VCGLR.
Why is it important to complete the Declaration?	The VCGLR recognises that employees will have private interests that may conflict with their duties within the VCGLR. Failure to declare a conflict of interest, whether actual or perceived, may result in disciplinary action against the employee. In serious cases, it may result in the termination of the employee's contract of employment.
How often is the Declaration made?	The Declaration is made prior to commencing employment and whenever an employee's circumstances change or at the request of the VCGLR. Employees must declare all interests as set out in the schedule to the Declaration (the Schedule).
What are the consequences of making the Declaration?	The relevant manager and Divisional Head of the VCGLR (or delegate) will discuss with the employee and resolve what steps (if any) need to be taken to resolve any conflict of interest for a person employed to continue to perform any duties within the VCGLR so long as they hold an interest as set out in Part A or Part B of the VCGLR Conflict of interest declaration Schedule.

Question	Answer
	<p>These steps may include requesting the employee to dispose of the business or financial interest, requiring the employee to stand aside from any duties or decisions involving a particular licensee or licensed premises, or simply asking for a regular update on the employee's interest.</p>
<p>Who sees the Declaration?</p>	<p>The Declaration will be seen by the employee's manager, the Divisional Head, People and Culture and potentially the CEO. The Declaration may be provided to other third parties for the purposes of obtaining advice on any actual or perceived conflict of interest. The Declaration will be kept on a confidential file.</p>
<p>How to complete the form?</p>	<p>Persons completing the Declaration should either declare their interests under Part A and/or B, including details of any recently disposed interests, or tick the box to declare that they do not have any actual, perceived or potential conflicts of interest.</p> <p>Additional pages may be attached if there is insufficient space on this form for all the information required. Each additional page must be dated and signed.</p> <p>Persons completing the Declaration should advise third parties of any personal information relating to them disclosed on this form and how it will be used.</p>
<p>What is a conflict of interest and what is an actual conflict of interest?</p>	<p>The VCGLR defines a conflict of interest as a situation in which an employee's private interests may conflict with or compromise, or have the appearance of conflicting with or compromising, his or her professional judgment and/or performance of duties. Conflicts can be actual, perceived or potential. The test is whether an individual could be influenced, or appear to be influenced, by a private interest in carrying out their duties and responsibilities. An actual conflict of interest is one where there is a real conflict between an employee's public duties and responsibilities and their private interests</p>
<p>What is a potential conflict of interest?</p>	<p>A potential conflict of interest arises where an employee has private interests that could conflict with their public duties.</p>
<p>What is a perceived conflict of interest?</p>	<p>A perceived conflict of interest can exist where a third party could form the view that an employee's private interest could improperly influence the performance of their duties now or in the future.</p>
<p>What is public duty?</p>	<p>All public sector employees have a duty to always put the public interest above their private interest when carrying out their official duties. The public interest can be defined as the interest of the community as a whole. It is not the sum of individual interests or the interest of a particular group, but the collective interest of the entire community.</p>
<p>What is private interest?</p>	<p>The term private interest includes an employee's own personal, professional or business interests as well as the personal, professional or business interests of an individual or groups with whom they are closely associated with such as relatives and friends</p>
<p>What is the difference between pecuniary and non-pecuniary interests?</p>	<p>Pecuniary interest involves an actual, potential or perceived financial gain or loss. Money does not need to exchange hands for an interest to be pecuniary. People have pecuniary interests if they (or relative or close associate) own property, hold shares, have a position in a company bidding for government work, or receive benefits such as concessions, discounts, gifts or hospitality from a particular source.</p> <p>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.</p>

Appendix 1 VCGLR Conflict of interest declaration form

I,	<Insert full name>
of,	<Insert full address>

am aware of my obligations to:

- declare all interests as set out in the schedule to this declaration;
- avoid all conflicts of interest in carrying out my duties.

1	Details of interests as set out in Part A of the VCGLR Conflict of interest declaration schedule (Attachment 1)
---	---

2	Details of interests as set out in Part B of the VCGLR Conflict of interest declaration schedule (Attachment 1) (This includes interest(s) that may be perceived by a reasonable person to be a conflict of interest. If there is any doubt as to whether an interest constitutes an actual, potential or perceived conflict of interest, it should be declared.)
---	--

OR I declare that I do not have any actual, potential or perceived conflicts of interest.

By signing below, I agree that I have declared all actual, potential or perceived conflicts of interest and acknowledge that a false declaration may result in disciplinary action being taken which may include the termination of my contract of employment.

I declare that I have read the VPS Code of Conduct

I declare that I have read the Conduct and ethics policy

I declare that I have read the Gifts, benefits and hospitality policy

Signature

-----/-----/-----

DD/MM/YYYY

VCGLR Conflict of interest declaration schedule (Attachment 1)

Collection notice

We will only use the information you provide on this form to manage conflicts of interest. We will usually disclose the information you give us to your Divisional Head and may disclose the information to relevant parties in order to manage the conflict fairly. In case of a challenge to a decision by this office, we may need to disclose information to the Victorian Privacy Commissioner, a court or review body.

This section is to be completed by the manager or Divisional Head of the person completing the Conflict of Interest Declaration. The completed form must be forwarded to People and Culture for recording the details in the Conflicts of interest register.

Management plan			
Is there a conflict of interest (actual, potential or perceived)?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
What is the type of conflict?	<input type="checkbox"/> Actual	<input type="checkbox"/> Potential	<input type="checkbox"/> Perceived
How will the conflict of interest be managed? (Management plan)			
<i>Please provide details below (refer to the VCGLR Conflict of interest guidelines and procedures for information on managing and recording conflicts of interest)</i>			

Agreement of Management plan			
Staff member name		Staff member position title	
Signature		Date	
Manager name		Manager position title	
Signature		Date	
Divisional Head name		Divisional Head position title	
Signature		Date	

Attachment 1

Conflict of Interest Schedule

Part A

1. holder of a liquor licence or BYO permit issued under the *Liquor Control Reform Act 1998 (LCR Act)*
2. owner of a premises in respect of which a liquor licence or permit is issued under LCR Act (a licensed premises)
3. employment with the holder of a liquor licence or permit issued under LCR Act, or with the owner of a licensed premises
4. disqualification from holding a liquor licence or permit, or any other disqualification made by the Victorian Civil and Administrative Tribunal under section 92 of the LCR Act.

Part B

5. a business or financial association, whether direct or indirect, with a person or entity that holds a liquor licence or BYO permit issued under the Act, or is the owner of a licensed premises.

Examples:

- a shareholding in ABC Pty Ltd, a company that produces and supplies liquor to licensees in Victoria
- a partnership in a business that provides good or services to pubs and hotels in Victoria

6. a personal association, membership, position or affiliation, whether direct or indirect, with a person or entity that holds a liquor licence or BYO permit issued under the Act, or is the owner of a licensed premises.

Examples

- a position with the local football club (such as the secretary or president) which holds a liquor licence
- a treasurer of an association that holds a liquor licence

7. a personal association such as a close friend or relative who has an interest described in (1) to (6) above.

Examples

- a relative who is a winemaker in Victoria
- a spouse who has a partnership in a business that provides goods or services to pubs and hotels in Victoria

8. any source of income other than employment with the VCGLR relating to an interest in employment, trade, business or profession described in (1) to (6) above.

9. any other interest that conflicts with or may conflict with their duties as employees within the VCGLR.

Example

- holder of a private security licence to operate as a crowd controller

7 Document information

Document details

Criteria	Details
TRIM ID:	
Document title:	Conflict of interest guidelines and procedures
Document owner:	People and Culture

Version control

Version	Date	Description	Author
V0.1	27/11/12	Rebranded	Lyssa Lai
V0.2	12/12/12	First draft	Prue Steer
V0.3	05/06/13	Review	Lyssa Lai
V0.4	11/2013	Review	Johanna Ortiz
V0.5	22/4/14	Review	John Veale
V.1.0	16/02/16	Final	John veale
V1.1	13/12/16	Review procedure and declaration form	Danielle Kaplan
V1.2		P&C review	Danielle Kaplan
V1.3	04/01/17	P&C review	Danielle Kaplan
V1.4	09/01/17	P&C review	Danielle Kaplan
V1.5	20/01/17	P&C review	Danielle Kaplan
V2.0	06/02/17	Final	Danielle Kaplan

Document approval

This document requires the following approval:

Name	Title	Organisation
Executive		VCGLR

Reference material

Code of Conduct for Directors of Victorian Public Entities (Directors' Code of Conduct)	
Code of Conduct for Victorian Public Sector Employees 2015 (VPS Code of Conduct)	
Conduct and ethics policy	
Gifts, benefits and hospitality policy	

Outside employment policy
Recruitment and selection policy
Personal information policy

Acronyms	Description
VCGLR	Victorian Commission for Gambling and Liquor Regulation

Terms	Description
Entity	includes (but is not limited to): an agency, body corporate, business, company, club, organisation or trust.
Relative	means: <ul style="list-style-type: none"> • the spouse or domestic partner of the person • a parent, son, daughter, brother or sister of the person • a parent, son, daughter, brother or sister of the spouse or domestic partner of the person.