

## Employee Conflict of Interest Policy

**Number:** KASC\_STAT\_011  
**Responsible Manager:** Executive Manager Governance and Operations  
**Head Policy:** N/A  
**Legislation:**

- a) Local Government Act 2009
- b) Local Government Regulation 2012
- c) Public Sector Ethics Act 1994

**Associated Policies:**

- a) Council's Code of Conduct
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### 1. Purpose

All Council employees have a duty to make decisions free of conflicts and carry out their public duties to high ethical standards.

The purpose of this policy is to clearly define the obligations, roles and responsibilities that concern actual, potential or perceived employee conflicts of interest, to ensure decision-making and actions are fair, unbiased and carried out in the public interest.

### 2. Application

This policy applies to all employees of Kowanyama Aboriginal Shire Council

Conflicts of Interest relating to the role of Councillors have not been provided for in this policy due to the specific legislative requirements under the *Local Government Act 2009* and *Local Government Regulation 2012*, and the Councillor Code of Conduct.

### 3. Legislation/Policies

This policy is established with reference to obligations specified in the *Local Government Act 2009*, the *Local Government Regulation 2012*, and the *Public Sector Ethics Act 1994*, as well as Council's Code of Conduct, and Procurement Policy.

### 4. Definitions

**Associate** – Includes a spouse, parent, child, parent-in-law, or other relative, friend, co-worker, an entity which an associate has an interest in, whether direct, or indirect, or a legal or beneficial interest, including companies and directorships related to associates.

**Conflict of interest** - a “conflict of interest” means any matter that arises when a person’s private interest conflict with their duty to serve the public interest. A conflict of interest exists when a reasonable person might think that a Council employee’s personal interest interferes or appears to interfere, or where an employee’s personal interest may influence, or be seen to influence, their decisions or actions in the performance of their official duties.

**Perceived conflict of interest** – The public or a third party could form the view that personal interests could improperly influence an employee’s decision or action, now or in the future. Whilst it may or may not eventuate as a real conflict, it is important to disclose a perceived conflict of interest, for transparency purposes.

**Potential conflict of interest** - Personal interests that could conflict with a Council employee’s official duty. 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.

**Real conflict of interest** – situation where there is an actual conflict between the Council employee’s official duties and their personal interests.

**Employee/s** – Any person employed directly by Kowanyama Aboriginal Shire Council, regardless of their employment status (full time, part time, casual, volunteer) and contractors, undertaking duties on behalf of Council.

**Official Duties** – Means the performance of an employee’s role at Council, including their public duty to act with the highest ethical standards and integrity when making decisions, and when exercising any power or authority which has been entrusted by Council.

**Personal interests** – Personal interests include private, professional or business interests, as well as the interests of individuals that you associate with, such as family, dependants and friends.

**Public interest** – Acting in the public interest means carrying out duties for the benefit of the public, in a fair and unbiased way, and making decisions that are not affected by personal interests, private associations or the likelihood of personal gain or loss for employees or associates.

## 5. Conflict of Interest

All employees must perform their duties in a fair and unbiased way and in the public interest, ensuring that decisions and actions are not impacted by their personal interests or the likelihood of gain or loss for them or others that they may wish to benefit or disadvantage.

A conflict of interest occurs when personal interests interfere, or appear to interfere, with the performance of official duties.

### 5.1 Employee obligations

It is important to understand that conflicts of interest occur, and inevitably Council employees will have occasions when their personal interests come into conflict, with carrying out their official duties. However, when conflicts of interest are not identified, disclosed and managed appropriately, adverse consequences such as serious misconduct or corruption may arise.

All employees must regularly consider the relationship between their personal interests and official duties in order to honestly and transparently identify, disclose and manage any conflicts in the public interest.

Council will ensure adverse consequences that arise from employee conflicts of interest are prevented by:

- educating staff on the identification, disclosure and management of conflicts of interest
- proactively identifying and monitoring business processes that are prone to high risk of conflicts
- maintaining supporting structures, systems, clear processes and procedures for the disclosure, management and monitoring of conflicts of interest.

## **5.2 Areas within Council that pose a higher risk with regard to conflicts of interest**

Some business functions and processes of Council may be more prone to conflicts of interest, extra care should be taken when engaging in these processes. These may include, but are not limited to:

- recruitment, selection processes, promotions and remuneration reviews
- managing of staff
- procurement
- contract management
- regulatory roles including:
  - inspecting, testing, regulating or monitoring standards, business, equipment or premises;
  - issuing, or reviewing the issue of, fines or other sanctions;
  - issuing permits, qualifications or licences;
- complaints management

## **6. Roles and Responsibilities**

Councillors and Employees are responsible for declaring Conflict of Interests.

Mayor and Councillors are responsible for:

- demonstrating leadership and good governance of the Council and decision-making that is made in the public interest.

The Chief Executive Officer and Executive Managers are responsible for:

- providing leadership in disclosing, managing and monitoring conflicts of interest
- ensuring policies, procedures and other work instructions requiring reference to

this policy and any supporting procedure or processes are in place, in particular, for higher risk areas of Council.

- ensuring employees are aware of conflict of interest policies and procedures
- ensuring employees conflict of interests are reported to Governance and Operations

Employees who also have supervisory responsibilities must:

- ensure employees who they manage, disclose and manage any conflicts of interest and take appropriate action
- monitor any management approach that is required to be taken by their direct reports for any conflicts of interest that may exist

All employees are responsible for:

- regularly considering the relationship between their personal interests and official duties in order to proactively identify any actual, perceived or potential conflicts of interest that may influence any actions or decisions made while carrying out official Council duties
- being honest, open and transparent in their disclosure of conflict of interest
- when a potential conflict is identified the employee must cease discussions or actions and refer the matter to their line manager

Finance is responsible for

- Requiring tenderers to provide Conflict of Interest declarations
- Providing suppliers with Council's code of conduct and any other fraud/corruption related guidance materials
- Monitoring risk areas and raising potential breaches with the Executive Manager Governance and Operations

Human Resources is responsible for

- ensuring all employees receive conflict of interest training on induction, during their employment and when conflict of interest policy or procedures are revised
- maintaining a secondary employment register

Governance and Operations is responsible for:

- ensuring clear policy and procedures are in place for Council employees to follow, to identify, disclose and manage conflicts of interest;
- maintaining a confidential centralised system for the disclosure, management and monitoring of conflicts of interest for Council employees
- assessing whether the action taken mitigates risk of conflict of interest

- Raising potential breaches with the CEO and Audit and Risk Committee

### **Conflict of Interest Register**

A Conflict of Interest Register is held by the Executive Manager Governance and Operations and is accessible to the Office of the CEO, Governance and Operations and Finance Department employees.