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| <b>RESPONSIBLE EXECUTIVE</b>   | Chief Executive  |
| <b>PRIMARY AUTHOR</b>          | General Counsel  |
| <b>IMPLEMENTATION STRATEGY</b> | A cross functional support team has been developed to support an organisation wide communication plan.   |
| <b>EVALUATION STRATEGY</b>     | Conflict of Interest Committee and Audit Committee to review the Register of Conflicts of Interest<br>Audit Committee to review the Gifts, Benefits and Hospitality Register |
| <b>NATIONAL STANDARD/S</b>     | VPSC Model Conflict of Interest Policy (August 2018)   |
| <b>VERSION SUMMARY</b>         | Updated to align with most recent version of VPSC Model Conflict of Interest Policy (August 2018), which includes references to consensual relationships.                    |

## EXECUTIVE SUMMARY

1. All Royal Melbourne Hospital (RMH) employees have a duty to ensure that their private interests do not improperly influence, or be seen to influence, their decisions or actions in the performance of their RMH duties, in line with the [Royal Melbourne Hospital Code of Conduct](#).
2. Employees must avoid conflicts of interest arising wherever possible, or otherwise identify, declare and actively manage any conflict that cannot be avoided.
3. Employees must assess their private and personal interests and whether they conflict, or have the possibility to conflict, with their official duties.
4. Gifts, benefits or hospitality with an estimated value greater than \$50, and which are associated with a legitimate business benefit, should not be accepted unless approval is obtained from the relevant line manager.
5. All gifts, benefits and hospitality with an estimated value greater than \$50, whether accepted or not, must also be recorded on the Gift, Benefit and Hospitality Register.

## 1. PURPOSE AND SCOPE

### 1.1. Conflicts of interest

This policy explains the RMH position on Conflicts of Interest and works in tandem with [MH36.01 Identifying and Responding to Conflicts of Interest Procedure](#).

This policy:

- [applies to all RMH](#) personnel including Board members, contractors, employees, deemed employees, students, visiting medical officers and consultants; and
- covers all forms of conflict of interest, whether actual, potential or perceived, which are referred to generally as 'conflict/s of interest'.

Specific categories of conflicts of interest include the receipt of offers of gifts, benefits or hospitality or the conflict that may arise as a result of private relationships. Private relationships include family relationships, business relationships and consensual personal relationships. The RMH policy regarding conflicts of interest that may arise as a result of either offers of gifts, benefits or hospitality or the existence of private relationships is discussed separately below.

### 1.2. Gifts, benefits and hospitality

Any decision made in relation to the RMH business must be, and must be seen to be, made with complete impartiality to any external factors. The RMH must be confident and comfortable that all of its personnel's business decisions are made objectively and only on the basis of merit.

Therefore, whilst offers of gifts, benefits or hospitality may be common practice in business, RMH personnel must not accept such offers if doing so could raise actual, or a reasonable perception of, bias or preferential treatment.

This policy, together with the processes set out in [MH36.02 Managing our Gifts, Benefits and Hospitality](#)

Obligations Procedure must be adhered to whenever an offer of a gift, benefit or hospitality is received. This helps to protect and promote public confidence in the integrity of The RMH.

This policy has been developed with respect to the requirements of the Victorian Public Sector - Gifts, Benefits and Hospitality Framework and the expectations of the Department of Health and Human Services.

### 1.3. Private relationships

The RMH recognises that many people have family relationships and consensual personal relationships with colleagues or business associates. It is important to be aware of and to manage the impacts that these relationships may have in the workplace and when making business decisions, especially where these give rise to actual, potential or perceived conflicts of interest (refer to [MH09.01.07 Personal Relationships and Relatives in the Workplace Procedure](#)).

## 2. DEFINITIONS

|                                   |   |
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| Advisory Committees               | Includes any committee or panel, such as a taskforce, expert or assessment, established by The RMH.   |
| Benefit                           | Preferential treatment, privileged access, favours or other advantage offered to an individual. They may include invitations to sporting, cultural or social events, access to discounts and loyalty programs, and promises of a new job. The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual's behaviour.  |
| Business associate                | An external individual or entity which the organisation has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.   |
| Conflict of interest              | A conflict of interest is where an employee has private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their public duties.<br><br>Conflicts may be actual, potential or perceived: <ul style="list-style-type: none"> <li>• <b>Actual</b> conflict of interest: there is a <u>real</u> conflict between an employee's public duties and private interests.</li> <li>• <b>Potential</b> conflict of interest: an employee has private interests that <u>could conflict</u> with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.</li> <li>• <b>Perceived</b> conflict of interest: the public or a third party could <u>form the view</u> that an employee's private interests could improperly influence their decisions or actions, now or in the future.</li> </ul> |
| Consensual personal relationships | Personal relationships include consensual sexual, intimate or romantic relationships between adults of any sex or gender identity and whether they are conducted on a casual, periodic or regular basis. A relationship of spouse or de facto partner also constitutes a consensual personal relationship.  |
| Gifts                             | Free or discounted items and any item that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers) and consumables (e.g. chocolates).<br><br>Fundraising by public sector organisations that is consistent with relevant legislation and any government or RMH policy is not prohibited under the minimum accountabilities.  |
| Hospitality                       | The friendly reception of and conduct with guests e.g. entertainment, refreshments, meals, travel and/or accommodation.   |

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| Legitimate business benefit              | Gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the RMH, public sector or State.  |
| Nominal Value                            | Refers to the estimated value of the gift, benefit of hospitality.   |
| Non-token offer                          | An offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than \$50 are non-token offers and must be recorded on a gift, benefit and hospitality register.  |
| Private interest                         | A private interest means anything that can influence an employee. Private interests include <b>direct</b> interests, such as an employee's own personal, family, professional or business interests, as well as <b>indirect interests</b> , such as the personal, family, professional or business interests of individuals or groups with whom the employee is, or was recently, closely associated.<br><br>Private interests may be pecuniary (i.e. financial), which includes any actual, potential or perceived financial gain or loss, as well as non-pecuniary, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting, cultural or social activities. |
| Public official                          | This has the same meaning as under section 4 of the <i>Public Administration Act 2004</i> . This includes: <ul style="list-style-type: none"> <li>• Public sector employees</li> <li>• Statutory office holders</li> <li>• Directors of public entities.</li> </ul>  |
| Register of Conflicts of Interest        | A register of all actual, potential and conflicts of interest declarations made by employees using the Declaration of Conflict of Interest Form.   |
| Register of Private Interests            | A register of the private interests of all employees made using the Declaration of Private Interests Form.   |
| Gifts, Benefits and Hospitality Register | The register is a record of all reportable gifts, benefits and hospitality.<br><br>It records the date an offer was made and by whom, the nature of the offer, its estimated value, the raising of any actual, potential or perceived conflicts of interest or reputational risks and how the offer was managed. For accepted offers, it details the business reason for acceptance and the officer approving the acceptance.  |
| Reportable gifts                         | Gifts that must be recorded.<br><br>At a minimum, they include: gifts, benefits and hospitality exceeding an estimated value of \$50.  |
| Token offer                              | An offer of a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy).<br><br>Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the RMH as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12 month period).  |

### 3. RESPONSIBILITIES

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| All employees | <ul style="list-style-type: none"> <li>• Have a duty to always put the public interest, which is the interest of The RMH, above the private interest when carrying out their RMH duties; in line with the <b>Melbourne Health Code of Conduct</b></li> <li>• Must avoid wherever possible, or identify, declare and manage conflicts of</li> </ul> |
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|  | interest in accordance with this policy.  |
| Board Audit Committee                  | <ul style="list-style-type: none"> <li>The Committee will review the <b>Conflicts of Interest</b> Register and Gifts, Benefits and Hospitality Register annually.</li> </ul>  |
| Business processes                     | <p>Induction and refresher training for employees</p> <ul style="list-style-type: none"> <li>A role/position to provide employees with a central point for advice and guidance materials</li> <li>Contracts for 'in house' contractors and consultants (including those engaged through employment agencies) explicitly stating their obligation to this policy and the Code of Conduct for Victorian Public Sector Employees</li> <li>External stakeholders (including prospective tenderers and suppliers) having ready access to relevant information in this policy (including suitable guidance material)</li> <li>Patterns of frequent or prohibited gift offers being identified and, where appropriate, remedial action taken</li> <li>Contracts of suppliers and external contractors being revoked (or renegotiated) if they offer a prohibited gift to an employee.</li> </ul> |
| Conflict of Interest Committee         | <p>The Committee will meet at least 6 monthly to review the <b>Register of Conflicts of Interest</b> and the <b>Gift, Benefits &amp; Hospitality Register</b> and as required and will have the following Membership:</p> <ul style="list-style-type: none"> <li>Chief Executive (Chair).</li> <li>Chief Operating Officer</li> <li>Director of Procurement</li> <li>Executive Director People &amp; Culture (Deputy Chair).</li> <li>Executive Director Finance and Logistics</li> <li>Executive Director Clinical Governance and Medical Services Executive</li> <li>Director Nursing Services</li> <li>Executive Director NorthWestern Mental Health</li> <li>General Counsel</li> </ul>   |
| Chief Executive                        | <p>The Chief Executive shall attest annually to the Public Sector Standards Commissioner, that The RMH has a Conflicts of Interest and Managing our Gifts, Benefits and Hospitality Obligations policy in place that is:</p> <ul style="list-style-type: none"> <li>consistent with the minimum requirements and accountabilities outlined in the <i>Managing Conflicts of Interest: A guide to policy development and implementation</i> that the Victorian Public Sector Commission (VPSC) has developed, and</li> <li>reviewed by the Board Audit Committee</li> </ul>   |
| Executive Director, People and Culture | <ul style="list-style-type: none"> <li>On behalf of the Board, to review and update this policy including in accordance with any external requirements relating to managing conflicts of interest</li> <li>Maintain the <b>Register of Conflicts of Interest</b></li> <li>Disclose related party transactions<sup>1</sup> (as applicable) in the RMH Financial Statements</li> </ul>  |

<sup>1</sup> In accordance with Accounting Standards and Financial Reporting Directives

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| Compliance and breaches | <p>Failure to disclose a material conflict of interest may render a Board member or employee liable to disciplinary action.</p> <p>A Board member or employee who suspects they may have breached this policy must immediately notify their line manager (or the Executive Director People and Culture, the Chief Executive, or the Board Chair as appropriate) and appropriate steps will be taken to remedy any breach.</p> |
| Director of Procurement | Should consider, when nearing widely observed public holiday periods and events such as Christmas, communicating to their suppliers to ensure that they are aware of the requirements of giving and receiving gifts.  |

#### 4. POLICY

##### 4.1. Conflicts of interest – Principles and accountability

The RMH is committed to identifying and managing conflicts of interest openly and honestly. All employees must:

- a Avoid conflicts of interest wherever possible or **identify, declare and manage** any conflict of interest that cannot be avoided, in accordance with the processes set out in [MH36.01 Identifying and Responding to Conflicts of Interest Procedure](#).
- b Demonstrate:
  - i integrity, by avoiding real or apparent conflict of interest;
  - ii impartiality, by making decisions and providing advice on merit without bias, caprice, favouritism or self-interest; and
  - iii accountability, by seeking to achieve best use of resources and submitting themselves to appropriate scrutiny.
- c Seek to:
  - i earn and sustain public trust;
  - ii be honest, open and transparent in their dealings;
  - iii use their powers responsibly; and
  - iv Report improper conduct.
- d Regularly consider the relationship between their private interests and public duties in order to identify any conflict of interest, particularly in high risk situations such as in recruitment, before major projects, when making tender decisions, conducting legal proceedings or developing policy.
- e Take reasonable steps to restrict the extent to which a private interest could compromise, or be seen to compromise, their impartiality when carrying out their official duties.
- f Abstain from involvement in official decisions and actions that could objectively be seen to be compromised by their private interests and affiliations.
- g Avoid private action in which they could be seen to have an improper advantage from inside information to which access might be had because of those official duties.
- h Not use their official position or government resources for private gain.
- i Ensure that there can be no perception that they have received an improper benefit that may influence the performance of their official duties.
- j Not take improper advantage of their official position or privileged information gained in that position when seeking employment outside the public sector.
- k Declare any potential conflicts of interest as soon as becoming aware of their existence.

Employees with direct reports will ensure they are aware of the conflicts inherent in their team's work and functions, and monitor the risks to which their direct reports are exposed. They are also

accountable for overseeing management of their direct reports' conflicts of interest, modelling good practice and promoting awareness of conflict of interest policies and processes.

#### 4.2. Private relationships

- a The RMH has a responsibility to ensure a safe and fair workplace for all employees. Private relationships, including family relationships, business relationships and consensual personal relationships, carry a high risk of conflict with public duties. Although private relationships between RMH employees may occur, they may give rise to an actual, potential or perceived conflict of interest and must be managed in accordance with the specific processes set out in [MH09.01.07 Personal Relationships and Relatives in the Workplace Procedure](#).
- b The RMH considers any consensual personal relationship involving people in a direct hierarchical relationship (i.e. in the same reporting line, where one person has supervisory or decision making authority over the other) to represent a potential conflict of interest, which is likely to be heightened for officers in senior leadership positions. All employees who are in a consensual personal relationship with a direct hierarchical relationship must disclose the relationship to their manager or a designated Human Resources officer.
- c Employees who are in a consensual personal relationship without a direct hierarchical relationship are required to manage the risk of a conflict of interest arising by confidentially disclosing the relationship to their manager where an actual, potential or perceived conflict of interest cannot be appropriately avoided.

#### 4.3. Gifts, Benefits and Hospitality

All employees who receive an offer of a gift, benefit or hospitality, must follow [MH36.02 Managing our Gifts, Benefits and Hospitality Obligations Procedure](#).

Employees must not accept gifts, benefits or hospitality:

- a that could raise actual, or a reasonable perception of, bias or preferential treatment; or
- b from those about whom they are likely to make business decisions; or
- c that are not Token offers unless, where an exception applies, they have sought and obtained approval to accept the offer from line managers (or the Chair in the case of Board members/Chief Executive).

All non-token offers, whether accepted or not, must also be recorded on the Gift, Benefit and Hospitality Register.

#### Minimum Requirements

As a minimum, and in order to ensure offers that may give rise to an actual, potential or perceived conflict of interest are avoided or refused, RMH employees are required to:

- a Avoid directly or indirectly soliciting or accepting (either for themselves, their family members or others) gifts, benefits and hospitality of any kind from any patient/resident or patient/resident's friends or relatives that could be reasonably perceived as influencing actions or decision making.
- b Not accept gifts or benefits from current or potential suppliers, contractors and consultants if they might reasonably compromise (or reasonably be seen to compromise) the integrity of the purchasing process.
- c Refuse all offers of gifts, benefits or hospitality of any value that could reasonably be perceived as undermining their own or The RMH integrity and impartiality.
- d Refuse all offers of gifts, benefits or hospitality from people or organisations who are involved in or are the subject of current RMH considerations that might be related to their role as a decision maker involving:
  - i Tender/quotation processes (clinical and non-clinical)
  - ii A current procurement process or decision (clinical and non-clinical)

- iii Research evaluation or review process
- iv A current commercial consideration (clinical and non-clinical) or
- v Current legal action.
- e Carefully consider the consequences of accepting the above gifts, benefits and hospitality where they may have indirect influence.
- f Refuse all offers money or items easily converted to money such as shares or gift cards.
- g Refuse bribes and report bribery attempts to the Executive Director People and Culture (or the Chair in the case of Board members). The Executive Director People and Culture/Chair will then determine necessary action including reporting the matter to Victoria Police, Auditor-General, etc.

Employees should be aware that multiple gifts/benefits from the same person/organisation over a period of time together might become reportable.

## **2. ASSOCIATED POLICIES, PROCEDURES OR GUIDELINES**

- 2.1. [MH36.01 Identifying and Responding to Conflicts of Interest Procedure](#)
- 2.2. [MH36.02 Managing our Gifts, Benefits and Hospitality Obligations](#)
- 2.3. [MH09.01.07 Personal Relationships and Relatives in the Workplace Procedure](#)
- 2.4. [MH08 Financial Management Policy](#)
- 2.5. [MHS002 The Royal Melbourne Hospital Code of Conduct](#)
- 2.6. [MH08.06 RMH Foundation – Philanthropic Fundraising Responsibilities Procedure](#)
- 2.7. [MH08.07 Department Raffles/Fundraising](#)
- 2.8. [MH08.08 Donation Management Procedure](#)
- 2.9. [MH08.14 Financial Code of Practice](#)
- 2.10. [MH08.16 Fraud, Corrupt Conduct and Other Losses](#)
- 2.11. [MH24 Procurement Policy](#)
- 2.12. [MH24.01 Procurement Procedure](#)
- 2.13. [MH09.04.02 Disciplinary Procedure](#)
- 2.14. [MHS003 Delegations of Authority Manual](#)
- 2.15. [MH09 People and Culture Policy](#)

## **3. REFERENCES**

- 3.1. The Code of Conduct for Victorian Public Sector Employees 2015
- 3.2. Victorian Public Sector, Model conflict of interest policy 2018
- 3.3. Victorian Public Sector, gifts, benefit and hospitality guide 2018
- 3.4. Standing Directions of the Minister for Finance, 2018
- 3.5. Managing Conflicts of Interest: A guide to policy development and implementation

## **4. FURTHER INFORMATION**

- 4.1. Chief Executive or Executive Director, People and Culture.
- 4.2. Victorian Public Sector Commissioner

## **5. DOCUMENTATION**

- 5.1. Declaration of Conflict of Interest Form
- 5.2. Declaration of Private Interests Form
- 5.3. Gifts, Benefits and Hospitality Notification Form

## 6. REVISION AND APPROVAL HISTORY

| Date          | Version | Approval   |
|---------------|---------|--|
| February 2018 | 1       | Executive Director Finance and Logistics; Melbourne Health Executive; Melbourne Health Boards. Approved and authorised by the Non-clinical policy, Procedure and Guidelines Committee. |
| June 2022     | 2       | Senior Legal Counsel and Director of Procurement.  |

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