



# Diocese of Cairns Policy

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<b>Previous approval / review dates:</b>	New

## Conflict of Interest Policy

### 1. Purpose

The Roman Catholic Trust Corporation for the Diocese of Cairns (the "Diocese") is committed to ensuring that our operational decisions are not negatively impacted by conflicts of interest. The Diocese expects all conflicts of interest to be declared and managed. The purpose of this policy is to assist workers, volunteers, clergy, board and committee members, contractors and any other persons engaging with the Diocese to effectively identify, disclose and manage any actual, potential or perceived conflict of interest in order to protect the integrity of the Diocese.

### 2. Background

The Diocesan guidance on ethical decision-making and management of conflict of interest is underpinned by two key documents:

1. *Integrity in the Service of the Church: A Resource Document of Principles and Standards for Lay Diocesan staff in the Catholic Church in Australia* (2011)  
In particular, attention is drawn to provisions under section 5.3.3 that require Diocesan workers to commit themselves to effective professional working relationships with colleagues, clients and all to whom they serve by being alert to the inherent risks of conflict of interest, personal gain, manipulation and emotional dependence.
2. *Integrity in Ministry: A Document of Principles and Standards for Catholic Clergy & Religious in Australia* (2004)  
Specifically, provisions under section 4.4 in relation to exercising prudent judgment before ministering in a situation where a conflict of interest may arise; section 6.3 in relation to recording of all financial gifts or benefits for and on behalf of the ministry in which one is engaged; refusing gifts, rewards or benefits which might compromise the integrity of one's ministry; and not soliciting gifts, rewards or benefits for oneself.

### 3. Scope

This Diocesan-wide Policy applies to all parishes, divisions, departments and any other activities established under the authority of the Bishop of Cairns ("Division(s)"). Consistent with this Policy, there are separate division-specific conflict of interest policies and procedures for Diocesan-operating divisions, such as Catholic Education, Centacare FNQ and Catholic Early Learning and Care.

The Policy applies to all Diocesan staff, meaning any person who serves in any capacity on paid or voluntary basis for the Diocese, including, without limitations, employees, casual workers, contractors, associated



persons, interns, and volunteers. Work, for the purposes of this document, means both paid and unpaid activity undertaken by staff in their service for the Diocese. Associated persons include members of any board, committee, panel or council such as the Diocesan Finance Council.

## 4. Policy Statement

It is the policy of the Diocese and responsibility of staff members and associated persons, that all conflicts of interest be identified, disclosed and managed so that staff do not compromise their obligations to the Diocese. The Diocese will manage conflicts of interest by:

- avoiding conflicts of interest, where possible;
- identifying and disclosing conflicts of interest;
- managing conflicts of interest by implementing a conflict of interest risk management strategy, and by taking appropriate actions to manage conflict;
- monitoring, reviewing and addressing actual or potential breaches of this policy; and
- regularly auditing compliance with this policy.

## 5. Definition of Conflict of Interest

A conflict of interest can arise in any area of Diocesan activity and at any level of seniority of staff. A conflict of interest occurs when a person's personal interest conflicts with their duty to act in the best interest of the Diocese, and to undertake their duties and responsibilities in an objectively fair and impartial way.

There are three types of conflict of interest: actual, perceived and potential.

Actual Conflict of Interest	Perceived Conflict of Interest	Potential Conflict of Interest
When a staff member's duties are in conflict with their personal interest and they <b>can be influenced</b> by personal interest in providing their service to the Diocese	When a staff member has a personal interest that could at some time conflict with their service to the Diocese and they <b>could appear to be influenced</b> by the personal interest	Where it would appear to an impartial observer that a staff member's <b>personal interests may conflict</b> with their duties for the Diocese at some time in the future

Conflicts of interest may occur where:

- there is a conflict between a person's role within the Diocese and an external role or position in another organisation;
- there is a conflict between a person's private financial or non-financial interests to third parties (family, friendships or other relationships) and the interests of the Diocese;
- a person's current or previous personal interests (family, friendships or other relationships) may be seen to influence decisions affecting the recruitment of employees; engagement of contractors or other service providers for the Diocese; and
- a person receives a benefit which is, or may be perceived as an incentive for the person to exercise their duties and responsibilities in a manner that is favourable to the person providing the benefit.

A conflict of interest may still arise, and must be disclosed, even if:

- the person is confident in their objectivity;
- the person means well and intends to advance the interests of the Diocese;



- the outcome achieved as a result of the affected transaction did no harm to the Diocese or achieved a better outcome than would otherwise have been the case; and
- the outcome of the relevant dealing was not likely to be or was not ultimately affected.

## 6. Conflict of Interest in High Risk Areas

Staff members working or volunteering in some areas of the Diocesan activity may be especially susceptible to conflicts of interest, and must accordingly serve with the highest degree of care and due diligence to manage conflict, both pro-actively and when it is disclosed. Special care must be taken at all times that conflicts of interest do not lead to biased decision-making.

Risks of conflict of interest can be significantly higher in activities such as:

- **Internal Boards, Committees, and Panels**

It is particularly important for any person on a board, committee or in a leadership role to identify and appropriately deal with conflicts of interest and minimise reputational and/or financial risks to the Diocese, such as poor substantive outcomes arising from decisions which are compromised; erosion of proper processes; loss of trust in Diocesan governance; and loss of public confidence in the Diocese. Decision-makers have the obligation to act in good faith, for a proper purpose and in the best interest of the Diocese.

Staff at committee and board meetings should note any involvement any person with a conflict of interest has in the decision. The Diocesan Bishop or the chair should pass a unanimous and documented resolution that the members are satisfied the person's interest should not disqualify the person from considering or voting on the matter. Otherwise, where a person with conflict has been privy to sensitive information in relation to a decision, the person will be excluded from the decision-making process.

- **Human Resources**

Diocesan Human Resources departments must implement and follow internal protocols that mitigate the risk of conflict of interest arising in the Human Resources activity of the Diocese. Selection committees and staff responsible for appointments should ensure both panels and job applicants disclose whether they are known to existing Diocesan staff or have external roles that may conflict with the prospective position.

- **Complaints Management**

Reviews or investigations should not be conducted by any staff member, associated person or person named in a complaint. Where a staff member or associated person receives a complaint, they should advise their supervisor / line manager or parish priest as soon as practicable.

- **Disciplinary Processes**

Disciplinary processes should not be conducted without approval by the relevant Human Resources Department or Executive Director. Relatives or friends of staff members or associated person must not administer or make decisions about any aspect of a disciplinary process concerning that staff member.

- **Personal Relationships**

Personal relationships that may affect or influence a decision are to be disclosed as soon as practicable. This includes current or previous business or personal relationships.

- **Procurement**

The Diocese expects parties with which it partners and contractors it engages to comply with responsible practices in relation to managing conflict of interest. Where possible, this expectation should be incorporated



into the instruments that determine mutual expectations, such as memoranda of understanding and contracts.

Each staff member or associated person who is involved in engaging external service providers, contractors or suppliers must manage those relationships in a manner consistent with this policy and procedure. Diocesan staff have the obligation to disclose if they have potential conflicts with third parties. Tendering, purchasing and contracting must be performed in a transparent and impartial process.

Disclosure of conflicts of interest obligation extends to a range of procurement processes and transactions, such as disposal of assets, identification of assets, tendering, pricing, and purchasing, where staff members must not seek to obtain personal gain, but act in the interest of the Diocese.

- **External engagements or positions**

External engagements must be disclosed by staff members to their line manager or board chair for approval prior to engagement with the third party. These engagements may include, without limitations, other employment, volunteering, directorships, board appointments, consultancy and business ownership.

- **Receiving of gifts, benefits or incentives**

Diocesan staff must not solicit gifts, rewards or benefits. Staff must decline all offers of gifts or benefits that have the potential to interfere with their objectivity and independence. Any doubts relating to gifts must be disclosed to line managers, supervisors or board chairs before acceptance. Staff must abide by division-specific protocols relating to gifts, especially if a Diocesan division prohibits acceptance of gifts.

In some Diocesan divisions, minor and modest gifts of minimal material value may be accepted without disclosure provided they are infrequent (i.e. annually or less frequent), and do not interfere with the staff member's objectivity in performing Diocesan duties. Prudent judgement must always be exercised to determine if receiving the gift, however minor, is acceptable and appropriate.

## **7. Identification and Disclosure of Conflict of Interest**

- **Identification of Conflict of Interest**

Private interests are usually known only to an individual. The checklist in Appendix 2 will assist staff to self-assess if a conflict of interest exists. If a staff member answers yes to any question on the checklist this is an indication that a conflict of interest may exist and should be disclosed to a line manager, coordinator, or board or committee chair. Where doubt exists about who should be consulted, the Diocesan Professional Standards Office should be contacted for advice.

- **Disclosure of Conflict of Interest**

Once the conflict is identified, Diocesan staff have the obligation to disclose it to their line manager as soon as possible. Where the person with the conflict of interest is the decision-maker, the person must disclose the interest to a more senior executive office holder involved in decision-making. The level of conflict must be assessed at this stage and documented in writing.

- **Confidentiality of Disclosure**

Declarations of interest may include personal, sensitive or otherwise confidential information. Declarations must at all times be treated with discretion, and confidentiality should be respected where possible.

- **Role of Line Managers and Decision-makers in managing conflict of interest**



Line managers, committee or board chairs, parish priests or other individuals involved in the relevant decision-making process play a critical role in managing the conflict of interest by assessing it, devising the action plan, reviewing it and escalating the matter if needed.

Line manager means any staff member who has staff reporting to them in any Diocesan division. Line managers have the obligation to register, assess and manage the conflict with due diligence. If the conflict appears to be medium or high following the line manager's risk assessment, the line manager has the duty to escalate the conflict to their supervisor, such as Executive Director or Parish Priest.

- **Concerns raised by a third party**

A third party may raise concerns about an actual, potential or perceived conflict of interest. A third party may be a person directly affected by the conflict of interest (e.g. competing applicant, supplier) who genuinely believes that the interests of the Diocese have been, or will be, influenced by the conflict of interest. Third parties are directed to the Diocesan policy on feedback and complaints published on the Diocesan website.

## 8. Conflict of Interest Management Strategies

Conflict management strategy will depend on the significance of the conflict. The line manager will assess each disclosure and decide on the appropriate approach. Conflict management will fall into one of the four categories:

	Strategy	Risk	Action
1.	<b>Register</b>	Low	For low-risk conflict, risk assessment and registration of the conflict may be sufficient to maintain transparency.
2.	<b>Restrict</b>	Low - Medium	For a conflict that is not likely to arise frequently, restrictions may be put in place on the staff member's participation in decision-making, e.g. withdrawal from discussion about the proposal.
3	<b>Recruit and Monitor</b>	High	The Diocese may recruit an independent consultant to oversee a more significant conflict that needs to be managed pro-actively, especially if it requires particular expertise.
4.	<b>Remove, Relinquish or Resign</b>	Very high	Conflict may be managed by removal of staff member (e.g. transfer to another team) in cases of a serious conflict; or a staff member may be asked to relinquish the interest or resign from their position with the Diocese if no other options are workable.

## 9. Register of Interest

Each Diocesan Division has the responsibility to keep the register of disclosed conflicts according to Division-specific procedures and protocols.

Escalated, higher-risk disclosures of conflict must be kept in the relevant Executive Director's or Parish Priest's office. Escalated matters will be reviewed by Executive Director / Parish Priest or delegate on annual basis.

Disclosure of conflicts should always be recorded in writing in a Division-specific form, or Diocesan form attached in Appendix 1.



## 10. Breach of Policy

Where it is determined that a breach has occurred, the nature and gravity of the breach will be considered. Undisclosed breaches may result in disciplinary action, or, depending on the nature and severity of the breach, termination.

Should a dispute arise in relation to a conflict of interest, the matter should be referred to the Diocesan Professional Standards Unit, the relevant Human Resources Department or the Diocesan Moderator of the Curia. Any matters requiring final adjudication will be referred to the Bishop of Cairns.

## 11. Enquiries

Diocesan Professional Standards Unit

Ph: 4050 9705

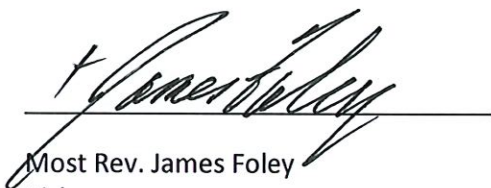
Diocesan Human Resources Department

Ph: 4046 5647

Catholic Education Human Resources Department

Ph: 4031 6134

## 12. Approval



Most Rev. James Foley

Bishop

Diocese of Cairns

15 November 2021



## Appendix 1:

### CONFLICT OF INTEREST DISCLOSURE FORM

Please complete this form if you believe that you may be involved in a conflict of interest situation, or if you are unsure and seek to disclose a potential or perceived conflict of interest.

Section 1: PERSONAL DETAILS	
FIRST NAME:	
LAST NAME:	
POSITION:	
LOCATION:	
EMAIL:	
PHONE:	

Section 2: DISCLOSURE DETAILS			
<b>NATURE OF CONFLICT</b> (Tick only one box)	Actual <input type="checkbox"/>	Perceived <input type="checkbox"/>	Potential <input type="checkbox"/>
<b>WHEN WAS THE CONFLICT IDENTIFIED?</b>			
<b>OTHER PARTY:</b> (The name of the other person or organisation with whom there is a conflict of interest)			
<b>RELATIONSHIP:</b> (Nature of personal or professional relationship that could give rise to the conflict of interest.)			
<b>NATURE OF THE INTEREST:</b> (E.g. financial, personal, material, and/or does it relate to a particular event/process or time period)			
<b>DETAILS OF ACTION TAKEN:</b> (The action taken to avoid/negate the conflict of interest.)			
<b>ARE THERE ANY ATTACHMENTS TO THIS DOCUMENT?</b> (Append attachments as appropriate)	Yes <input type="checkbox"/> No <input type="checkbox"/>		



### Section 3: DECLARATION

1. To the best of my knowledge any actual, perceived or potential conflicts between my Diocesan duties and my personal and/or business interests have been fully disclosed in this form in accordance with the requirements of the Diocesan Conflict of Interest Policy.
2. I declare that the above details are correct and I make this declaration in good faith.
3. I agree to update this disclosure throughout the period of my service for the Diocese to my line manager on an annual basis or until such time as the conflict ceases to exist.
4. I agree to comply with any conditions or restrictions imposed by the Diocese to manage, mitigate or eliminate any actual, potential or perceived conflict of interest.

SIGNATURE:

DATE:

### Section 4: TO BE COMPLETED BY LINE MANAGER

**In my opinion the details provided:** *(tick appropriate box)*

- ☐ do not constitute a conflict of interest, and I authorise the staff member to continue the activity.
- ☐ do constitute a conflict of interest *(please provide a detailed action plan below)*.

**I have reviewed the above considerations and request that the staff member takes the following action to eliminate/manage the conflict:** *(Describe action plan here)*

I will ensure this action plan is reviewed within 1 / 3 / 6 / 12 *(circle)* months.

NAME OF LINE MANGER:

SIGNATURE:

DATE:



## Checklist for Identification of Conflict of Interest

*Staff members are encouraged to use this checklist to assess their conflict of interest concerns.*

- Would I or anyone associated with me (family, friend or relative) benefit from or be detrimentally affected by my proposed decision or action?
- Could there be benefits for me in the future, arising from my decision or action that could cast doubt on my objectivity?
- Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?
- Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?
- Do I or a relative, friend or associate stand to gain or lose financially directly or indirectly from my decision or action?
- Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
- Have I made any promises or commitments to someone who stands to gain or lose from my proposed decision or action?
- Have I received a benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
- Am I a member of an association, club or an organisation or do I have particular affiliations with organisations or individuals who stand to gain or lose by my proposed decision or action?
- Could this situation have an influence on any future employment opportunities outside my current official duties?
- Does my proposed decision conflict with my responsibility to act in the best interests of the Diocese?
- Does the proposed decision provide a benefit to another party over which I have either control or influence?
- Could there be any other benefits or factors that could cast doubts on my objectivity?
- Would I be happy if my colleagues and the public became aware of my involvement or connection with the proposed decision or action?
- Would I feel comfortable if my actions were highlighted in the community or in the public?
- Do I still have any doubts about my proposed decision or action?

*If any of the questions above is answered in the affirmative, conflict of interest may exist and needs to be disclosed.*