

Board Policy for Conflict of Interest



ST ANDREWS
CHRISTIAN COLLEGE

INSPIRED BY
FAITH

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CHARACTER

LEADERS BY
INFLUENCE



Board Policy for Conflict of Interest

PREAMBLE

All policy, protocols and procedures flow from the St Andrews Christian College Mission Statement:

“To educate our students so that they are well skilled, understand life on the basis of biblical truth, and are motivated to walk with God and serve Him in their lives, so that they will be a positive Christian influence in the world.”

POLICY DOCUMENT INFORMATION

TITLE: Board Policy for Conflict of Interest

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ACKNOWLEDGEMENTS:

PURPOSE: To provide policy and direction for all the College Community.

RELATED DOCUMENTS:

KEY DATES

ISSUE DATE: April 2011

REVIEWED AND APPROVED: August 2017

SCHEDULED REVIEW DATE: August 2018



1. OBJECTIVE

To ensure Board members act in the interest of the College, not bringing personal or financial interests to the Board table; to provide a mechanism that allows for interest to be declared so as to maintain appropriate accountability.

2. GENERAL PRINCIPLES

- Conflict of interest is defined as a circumstance where the duties and responsibilities of a Board member towards the College overlap with their private interests. This results in a situation where the Board member may be tempted to make decisions for reasons other than the best interests of the College.
- There are three specific types of conflict of interest:
 - **Actual conflict** – a real conflict exists between the member’s private interests and the interests of the College.
 - **Potential conflict** – a member’s private interests do not currently conflict with those of the College, but could potentially conflict in the future.
 - **Perceived conflict** – a third party could reasonably believe a conflict exists.
- For the remainder of this policy document these three categories of conflict will all be considered equivalent. No special treatment will be accorded one type of conflict above another.
- Private interests can be divided into two categories:
 - **Pecuniary interests** exist where there is financial gain or loss involved, even if money does not specifically change hands. This would include an ongoing financial relationship such as being a paid employee of the College or leasing property to the College.
 - **Non-pecuniary interests** exist when no financial component exists but an interest exists due to relationships, social or cultural ties or involvement in an outside organisation.
- When a conflict is identified, there are a number of actions that can be taken to address the conflict depending on the severity of the conflict. These are:
 - **Register** – The Board member officially informs the wider Board of the existence of a conflict in a Board meeting.
 - **Restrict** – The Board member is restricted in their participation in the discussion or decision making process pertaining to a particular subject where a conflict exists.
 - **Recruit** – A disinterested third party is appointed to oversee part or all of a process where a conflict exists (this method is usually employed where multiple Board members are conflicted on a matter).
 - **Remove** – The Board member does not participate in any way in a matter where a conflict exists. This would include excusing themselves from a meeting where the matter is under discussion.
 - **Relinquish** – The private interest creating the conflict is relinquished by the Board member, thus eliminating the conflict.
 - **Resign** – The Board member resigns from the Board.

3. SPECIFIC GUIDELINES

- The overriding responsibility of Board members is to put the interests of the College above all other interests. Board members will exercise this responsibility by putting aside, in Board deliberations



and decisions, any other interest they may hold, whether it be as a member of another organisation or as an individual.

- Where Board members are members of a group served by the College they will not act in any way to advance their individual interest. As previously stated, the Board's responsibility is to act in a way which serves the general interests of those served by the College, including the parents and students who represent the 'moral ownership' or the community served by the College. If the interests of an individual are advanced only as part of a general group (for example the group of parents at the College), no personal conflict exists provided the Board member satisfies themselves before God that their decision was made to serve the interest of others.

[Example: A Board member is the parent of a child in year 3. In discussing the budget the Board must decide whether the College moves to triple streaming, and the Principal explains this will enable a streaming of classes, with children selected according to ability. The parent Board member must make a decision based on the general needs of the College and all children, rather than whether an individual child is likely to benefit from the decision or not. Note that proper policy governance helps resolve these potential conflicts as the Board is making only policy level decisions. The execution of the policies is entirely up to the Principal. This makes it easier for Board members to separate their Board-member-policy-governance role from their parent-educator-and-advocate-for-their-child role, which is exercised in relationship with that child's teacher or the Principal separately, and outside of any Board context.]

- Where Board members have a pecuniary interest in a matter they will declare their interest and remove themselves from the matter in question.

[Example: a Board member's building company is tendering for work at the College. The Board member would not take part in discussions or decisions about awarding the contract].

- This principle (above) does not apply when the member is affected as part of a general class of persons, as in parents affected by the setting of College fees.
- If a Board member identifies, or is alerted to, a conflict of interest for themselves, or another Board member, they are obligated to register the conflict with the wider Board at a Board meeting and have the conflict recorded in the minutes of the meeting.
- If a Board member registers a non-pecuniary interest the Board may then decide, by vote, whether the member should remove themselves from the matter, restrict themselves in some way or take no action at all, depending on the severity of the conflict.

[Example: a Board member is president of a cricket club which seeks to use the College oval. The Board discussion is, at a policy level, whether outside use of the oval is consistent with Board policy. The Board member would normally declare an interest but still take part in the general policy discussion the use of oval by groups in general. Note that implementing any such policy would, in any case, be delegated to the staff through the Principal, so the Board member concerned is making no direct decision about their own interest].

- If a Board member has a clear ongoing pecuniary interest (as opposed to a short term interest in a specific matter) they must seek to resolve the resulting conflict at the earliest appropriate opportunity. In this context resolving the conflict must involve relinquishing the interest or resigning their position on the Board.
- If any interest exists for a close family member of a Board member (such as a child or spouse) then that interest shall be considered to also apply to the Board member themselves. In this case the Board member should respond as if the conflict was their own.