

UMSU Incorporated (UMSU)

Conflict of interest policy

1. Purpose

The purpose of this policy is to help members of Students' Council, including Office Bearers, and members of departmental Committees (**Elected Members**) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the University of Melbourne Student Union (UMSU) and manage risk.

2. Objective

Elected Members are obligated to disclose any conflicts of interest in carrying out their roles as representatives of UMSU, and must comply with this policy to effectively manage any identified conflicts of interest. This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to UMSU provided they are openly and effectively managed.

3. Scope

This policy applies to all Elected Members of UMSU, as defined in the UMSU Constitution (the 'Constitution'.)

4. Definition of Conflict of Interests

A Conflict of Interest occurs when an individual's personal interests conflict with their responsibility to act in the best interests of the organisation. Personal interests include direct interests as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between an Elected Member's duty to UMSU and another duty that the Elected Member has (for example, to another organisation). A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

A Conflict of Interest situation presents a risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the organisation and therefore must be declared and avoided or managed accordingly.

5. Policy

It is the policy of UMSU as well as a responsibility of the Students' Council, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the Elected Members' obligations to UMSU.

UMSU will manage conflicts of interest by requiring Elected Members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

5.1 Responsibility of the Students' Council

The Students' Council is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across UMSU;
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

UMSU must ensure that its Elected Members are aware of the Australian Charities and Not-for-Profits Commission (**ACNC**) governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

Governance standard 5 is set out at Appendix 1.

5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into UMSU's register of interests, as well as being raised with the Students' Council. Where all of the other Students' Council members share a conflict, the Students' Council should refer to governance standard 5 to ensure that proper disclosure occurs. The register of interests must be maintained by the General Secretary of UMSU, and record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

Confidentiality of disclosures

The information disclosed on the register of interests may be accessed by any Student, pursuant to the Constitution. Where the Constitution prevents a Student from accessing the register of interests, the information disclosed on the register may still be accessed by members of the Students' Council, except where the Constitution would prevent that access. Appeals against the refusal of access to the information disclosed on the register of interest may be actioned pursuant to the Constitution.

6. Action required for management of conflicts of interest

6.1 Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the Students' Council (excluding the Elected Member disclosing and any other conflicted Elected Member) must decide whether or not those conflicted Elected Members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Students' Council member from regularly participating in discussions, it may be worth the Students' Council considering whether it is appropriate for the person conflicted to resign from the position as an Elected Member. The Students' Council shall not compel that person to resign from the position as an Elected Member, pass a motion in support of that resignation or activate disciplinary procedures in the course of this consideration.

6.2 What should be considered when deciding what action to take

- In deciding what approach to take, the Students' Council will consider whether the conflict needs to be avoided or simply documented;
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making;
- alternative options to avoid the conflict;
- UMSU's objects and resources; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, UMSU.

The approval of any action requires the agreement of at least a majority of the Students' Council (excluding any conflicted Elected Member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the Students' Council has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances, or ensure that an investigation is undertaken.

If it is found that this person has failed to disclose a conflict of interest, the Students' Council may take disciplinary action as set out in the Constitution.

If a person suspects that an Elected Member has failed to disclose a conflict of interest, they must discuss the matter with the person in question, and if matters are still outstanding, inform the General Secretary and the Students' Council. This process shall not update the register of interests automatically; the register of interests shall not be updated until the Elected Member in question requests.

Contacts

For questions about this policy, contact the CEO, UMSU or the General Secretary by emailing secretary@union.unimelb.edu.au.

Appendix 1

Governance Standard 5: Duties of Responsible Persons

This standard requires charities to take reasonable steps to make sure that the following duties apply to responsible persons and that they follow them. The duties can be summarised as follows:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the charity and for its charitable purposes
- not to misuse their position or information they gain as a responsible person
- to disclose conflicts of interest
- to ensure that the financial affairs of the charity are managed responsibly, and
- not to allow the charity to operate while it is insolvent.

Generally, the duties mean that responsible persons should act with standards of integrity and common sense.