

CONFLICT OF INTEREST POLICY AND PROCEDURE

Approving authority	School Council
Purpose	The purpose of this policy is to help the School Council members of Ozford College to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Ozford College and manage risk.
Responsible Officer	Principal and Academic Director
Associated documents	Governance Charter Human Resource Policies and Procedure

1. RATIONALE

This policy is designed to ensure that the decisions of the School Council are made in the best interests of the organization and are not influenced by personal, professional, or institutional conflicts of interest. The policy specifically addresses relationships with related for-profit entities with which the Ozford College has contractual arrangements such as Service Level Agreements (SLAs).

A conflict of interest is where a person has direct or indirect private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their duties. Conflicts may be actual, potential or perceived.

- An actual conflict of interest is where the decision is influenced by a conflicting interest and the decision cannot be made impartially.
- A potential conflict of interest is where the decision could be influenced by a conflict of interest
- A perceived conflict of interest is where it could appear that the decision is influenced by a conflicting interest.

A **conflict of interest** can arise when a person in a position of authority within the Ozford College has a competing interest, whether personal, financial, or professional, that could improperly influence their duties. This includes:

- Serving as a director, officer, or employee of a **for-profit entity** that provides goods or services to the Ozford College
- Having a financial interest (e.g., ownership, investment, compensation) in a vendor or contractor
- Participating in decisions that directly affect a related organization with which the individual is affiliated

A conflict of interest **is an issue** when a person's personal interests' conflict with their responsibility to act in the **best interests of Ozford College**. 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 includes a conflict between the duty to Ozford College and the duty to another Ozford entity.

2. SCOPE

This policy applies to the College's **School Council** members, **all Ozford staff**, and **any other individuals involved in procurement or contract management**.

3. POLICY

3.1 The College recognises that conflicts of interest are common, and they do not need to present a problem as long as they are openly and effectively managed.

3.2 The College will manage conflicts of interest by requiring **School Council and all staff** 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.

Special Considerations for Service Level Agreements

3.3 Where the Ozford College enters into a **contractual relationship (such as an Service Level Agreement)** with a **related for-profit entity**, the following additional considerations apply:

Arm's-Length Terms

3.4 All agreements must be on **commercially reasonable, arm's-length terms**, and in the best interest of the Ozford College.

Independent Oversight

3.5 Where any School Council member has dual roles with both the Ozford College and an Ozford for-profit entity.

3.6 They must **recuse themselves** from any discussion, negotiation, approval, or oversight related to the Service Level Agreement.

3.7 Oversight should be delegated to **independent board members**, a **School Council subcommittee**, or Management not involved in the conflict.

Transparency

3.8 Service Level Agreement terms and their business rationale must be **fully documented** and available for review by the full School Council and external auditors. Where possible, a competitive process should be used to ensure fairness.

4. PROCEDURE

- 4.1 The **School Council** has responsibility for:
- establishing a system for identifying, disclosing and managing conflicts of interest across the Ozford College
 - ensuring **School Council** members are made aware of their responsibilities
 - monitoring compliance with this policy, and
 - reviewing this policy on an annual basis to ensure that the policy is operating effectively.
- 4.2 The **School Council** members **and staff** are made aware of their responsibilities as follows:
- All **School Council** members **and staff** are provided an induction process prior to the commencement of role. The induction will include making the person aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest.
 - **All School Council members and senior staff will receive periodic training on this policy and their fiduciary obligations, especially around conflicts involving related-party transactions.**
 - All **School Council** members **and senior staff** are reminded of their responsibility to record any real, potential, or perceived conflicts of interest in a register of interests as a part of meetings.

Annual Disclosure

- 4.3 All **School Council** members must complete an annual declaration of interests on appointment and annually, disclosing:
- Any roles in for-profit or Ozford College entities
 - Any financial interests in vendors, contractors, or partners
 - Any family or close personal relationships with entities doing business with the Ozford College
- 4.4 The listing of interests in the **Conflict of Interest Register** must be **proactively** maintained by each **School Council** member. **If a new conflict arises or an existing one changes, the School Council member must promptly notify the Principal and Academic Director and the Secretariat.**
- 4.5 All interests will be recorded in the **Conflict of Interest Register** including the nature and extent of the conflict of interest and any steps taken to address it.

Identification and disclosure of conflicts of interest

- 4.6 Each **Meeting** agenda must include an item titled Declaration of Conflict of Interest.

- 4.7 Members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. If a member considers that they have, or might reasonably be perceived to have, an interest (direct or indirect) in a matter under consideration at a meeting, the member shall notify the Chair at the earliest opportunity that they may have an interest in such matter.
- 4.8 Once an actual, potential or perceived conflict of interest is identified, it must be entered into Ozford College's **Conflict of Interest Register**, as well as being raised with the **School Council at its next scheduled meeting**.
- 4.9 The **School Council** members will have access to the disclosures in the **Conflict of Interest Register**.

Action required to manage conflicts of interest

- 4.10 Once the conflict of interest has been appropriately disclosed, the **School Council** (excluding the **School Council** member who has made the disclosure, as well as any other conflicted **School Council** member) must decide whether or not those conflicted 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.
- 4.11 In deciding what approach to take, the **School 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
 - the Ozford College objects and resources, and
 - the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, Ozford College.
- 4.12 If a conflict is identified as impairing the disclosing person's capacity to impartially participate in decision-making, such as in respect to a relationship with another Ozford entity, the conflicted individual:
- **must not participate in discussions or decisions on the matter.**
 - **must leave the room** during relevant deliberations.
- The recusal must be **noted in the minutes** of the meeting.
- 4.13 The non-conflicted members of the Board will determine whether:
- **The transaction is fair and in the best interest of the Ozford College**
 - **The conflict can be managed or requires further mitigation**
 - **An independent third-party review is necessary**
- 4.14 The action and result of the voting will be recorded in the minutes of the meeting and in the **Conflict of Interest Register**.

Record Keeping

- 4.15 The Conflict of Interest Register will be maintained by the Secretariat and reviewed by the School Council annually.
- 4.16 All disclosures, recusals, and relevant decisions will be **clearly documented** in School Council and Management Meeting minutes or documentation.
- 4.17 Contracts or Service Level Agreements with related entities will be reported to the School Council annually.

Compliance with this Policy

- 4.18 If the **School Council or staff** have reason to believe that a person subject to the policy has failed to comply with the policy, the **School Council** will **request an investigation of** the circumstances.
- 4.19 If a person suspects that a **School Council member or staff member** has failed to disclose a conflict of interest, they must discuss the matter with the person in question, notify the **Principal and Academic Director**, or the **School Council Secretariat**.
- 4.20 Failure to disclose a conflict or to comply with this policy by a School Council member may result in:
- Referral to the School Council for further action
 - Removal from School Council
 - Notification to regulators or funders if appropriate
- 4.21 If **a staff** member fails to disclose a conflict of interest, action may be taken such as issuing a warning or, if the situation is serious or there are repeat instances, the **Human Resources Policy and Procedure** sets out the consequences for breaching these requirements.

Review

- 4.22 This policy shall be reviewed at least triennially by the School Council, after any material conflict of interest incident or to reflect any changes in law, regulations, or the College's operations.

5. FEEDBACK

Feedback or comments on this policy and procedure is welcomed by the listed responsible officer.

Appendix 1 Definitions

Commercially Reasonable Terms

Definition:

Terms that a reasonable person or organisation would agree to under normal market conditions, based on standard business practices, cost structures, and expectations of value.

In practice, this means:

- The pricing, deliverables, and service levels are not excessive, and reflect market benchmarks.
- The terms do not confer preferential treatment (e.g., overpayment, underperformance, unusually favourable cancellation clauses).
- The arrangement makes business sense for the nonprofit based on its objectives and available alternatives.

Example:

If a nonprofit contracts with a related ICT firm for helpdesk services, the service rate must be comparable to what other ICT vendors charge in the open market — not inflated or discounted due to personal ties.

Arm's-Length Terms

Definition:

A transaction is on arm's-length terms when the parties act independently and without undue influence, and the outcome reflects what unrelated third parties would have negotiated.

Key elements:

- No favouritism or informal “deals” due to personal or organizational ties.
- Negotiated as if the parties were strangers, each pursuing their own best interest.
- No pressure or obligation to accept terms because of shared board members or historical relationships.

Why it matters for nonprofits:

- Avoids the appearance (or reality) of self-dealing.
- Ensures regulatory compliance, especially as tax-exempt status is at stake.
- Builds trust with funders, and regulators.

Example:

If a nonprofit hires a for-profit consulting firm whose board members sit on both entities, the nonprofit must negotiate as it would with any other firm — getting proposals, comparing value, and setting clear expectations — not just accepting terms out of loyalty or habit.