



Mastery Schools Victoria Ltd

# BOARD CONFLICTS OF INTEREST POLICY

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## Introduction

Conflicts of Interest arise in circumstances where an individual's personal interests conflict with their responsibility to act in the best interest of their organisation.

Poorly managed Conflicts of Interest can undermine the integrity, good governance and reputation of Mastery Schools Victoria Ltd (**MSV**). Therefore, it is important that Conflicts of Interest are effectively managed.

The board is committed to high standards of ethical conduct, including in relation to managing Conflicts of Interest.

### 1 Purpose

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The purpose of this Policy is to create a framework for the directors and company secretary (or secretaries) of MSV to identify, disclose and manage any actual, potential or perceived Conflicts of Interest in order to protect the integrity of MSV and manage risks.

### 2 Scope

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This Policy applies to:

- a) the directors of MSV; and
- b) the company secretary (or secretaries) of MSV, as if they were a director of MSV (save that the company secretary may not be a director of MSV, in which case they are not a board member and are not entitled to vote).

### 3 Regulatory Context

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- (a) As a registered school in Victoria, MSV must comply with the Victorian Registration and Qualifications Authority Guidelines (**VRQA**) to the Minimum Standards and Requirements for School Registration. MSV must also comply with the requirements of the *Education and Training Reform Act 2006* (Vic) and the *Education and Training Reform Regulations 2017* (Vic) (collectively referred to as **the ETR Requirements**), including, without limitation, the not-for-profit requirements in Regulation 7.
- (b) MSV is a charity registered with the Australian Charities and Not-for-profits Commission (**ACNC**).
- (c) This Policy has been developed with regards to the ACNC Governance Standards, statutory and common law obligations that relate to the directors, the ETR Requirements and the requirements of the Constitution of MSV.

### 4 Responsibilities

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- (a) The board is responsible for:
  - (i) establishing a system for identifying, disclosing and managing Conflicts of Interest across MSV;
  - (ii) ensuring that MSV does not breach the ETR Requirements;
  - (iii) monitoring compliance with this Policy; and
  - (iv) reviewing this Policy on an annual basis to ensure that the Policy is operating effectively.
- (b) All directors:

- (i) must familiarise themselves with this Policy, the ACNC Governance Standards, particularly Governance Standard 5, and the ETR Requirements;
  - (ii) are responsible for making sure that they identify, disclose and manage any actual, potential or perceived Conflicts of Interest; and
  - (iii) must ensure that MSV complies with its reporting obligations.
- (c) The Secretary is responsible for maintaining a register of Conflicts of Interest.

## **5 Conflicts of Interest**

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### **5.1 Conflicts of Interest**

- (a) A Conflict of Interest occurs when an individual's personal interests conflict with their responsibility to act in the best interests of MSV.
- (b) Personal interests include direct interests, as well as those of family, friends, or other organisations an individual may be involved with or have an interest in (for example, as a director of a corporate sole member company).
- (c) It also includes a conflict between an individual's duty to MSV and another duty that the individual has (for example, to another charity, such as Mastery Schools Australia Ltd if the individual serves on both the MSV and Mastery Schools Australia Ltd boards).
- (d) A Conflict of Interest may be actual, potential or perceived and may be financial or non-financial.
- (e) These situations present the risk that an individual will make a decision based on, or affected by, these influences, rather than in the best interests of MSV. Therefore, these situations must be managed in accordance with this Policy.

### **5.2 Identification and disclosure of Conflicts of Interest**

- (a) Each director must regularly consider if a Conflict of Interest exists in relation to their role at MSV. When identifying if a conflict exists, the director must consider the purpose of MSV, the director's duty to act in the best interests of MSV, how their own interests and those of individuals closely connected to them may influence their decisions and whether school property and assets are likely to be distributed or used for the profit or gain of another person or entity. Once an actual, potential or perceived Conflict of Interest is identified, it must be entered into MSV's register of Conflicts of Interests, and raised with the board as soon as practicable.
- (b) At the start of each board meeting, the chair will ask:
  - (i) all directors present to state whether their interests recorded on the register of interests are complete and correct. If any changes are declared, these will be recorded in the minutes for entry onto the register of Conflicts of Interests; and

- (ii) if any directors have an interest in respect of any item on the agenda. It is best practice to disclose an interest in an agenda item even if it is already recorded on the register of Conflicts of Interests.

### **5.3 Confidentiality of disclosures**

Only the board of MSV and the secretary of MSV will have access to the information disclosed. The information may be disclosed if required by law.

### **5.4 Managing Conflicts of Interest**

- (a) Once the Conflict of Interest has been appropriately disclosed, the board (excluding the director who has made the disclosure, as well as any other conflicted director(s)) should assess and manage the Conflict of Interest in a manner consistent with the considerations set out in section 5.5.
- (b) If the board determines that a director has a Conflict of Interest, that director must not:
  - (i) take part in any board discussion on that topic (either in the meeting or with other directors before or after the board meetings);
  - (ii) vote on the matter; or
  - (iii) be present in the room during the discussion and the voting.
- (c) In exceptional circumstances, such as where a conflict is very significant or likely to prevent a director from regularly participating in discussions (due to the ongoing or recurring nature of the Conflict of Interest), the board will consider if it is appropriate for the person conflicted to resign from the board.
- (d) Directors may have business dealings with MSV, provided that the requirements in sections 5.4(a) to 5.4(c) are met and the dealing does not otherwise breach the ETR Requirements.
- (e) A director who believes that another director has an undeclared Conflict of Interest should specify the basis of the potential conflict in writing to the secretary (or in the case of the secretary, the chair) and raise the matter with the other directors.

### **5.5 Considerations when deciding whether resignation is appropriate**

- (a) When considering whether resignation is appropriate, the board will assess:
  - (i) the significance of the conflict;
  - (ii) the extent to which the conflict could impact board decisions;
  - (iii) whether the conflict is likely to recur or be ongoing;
  - (iv) the extent to which the conflict could realistically impair the disclosing person's capacity to impartially participate in decision-making;
  - (v) alternative options to avoid the conflict;
  - (vi) MSV's purpose and resources; and

- (vii) the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, MSV.
- (b) A request for a director to resign requires the agreement of a majority of the board (excluding any conflicted director(s)) present and voting at the meeting.

## **6 Recording Conflicts of Interest**

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- (a) A register of Conflicts of Interest must be maintained by the secretary. The register must 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).
- (b) The register should be updated as soon as possible after any conflict has been declared.
- (c) The action and result of any vote regarding how to manage a Conflict of Interest must be recorded in the minutes of the meeting and in the register of interests.

## **7 Compliance with this Policy**

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- (a) If an individual suspects that a director has failed to disclose a Conflict of Interest, they must discuss the suspicion with the director in question, notify the board or notify the secretary.
- (b) If the board has a reason to believe that a director has failed to comply with this Policy, it will investigate the circumstances.
- (c) If it is found that a director person has failed to disclose a Conflict of Interest, the board may take action against them, which may include seeking to terminate their relationship with MSV.

## **8 Contact**

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For questions about this Policy, contact the secretary.

## **9 Authorisation**

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Reviewed and approved by the board on October 2024

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