

# Conflict of Interest Toolkit

## Managing COI in Recruitment

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The Conflict of Interest (COI) Toolkit comprises Fact Sheets, Checklists, Case Studies and Quick Tips Sheets which are designed to provide practical assistance to Department employees in addressing day to day conflict of interest scenarios.

If you would like to print the [COI Toolkit](#) in full (which includes information on conflict of interest in recruitment, other (external) employment and procuring goods and services) you can download the single document on the [Conflict of Interest page on HRWeb](#).

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COIs are an inevitable fact of organisational life and require a systematic risk management approach to ensure that the public interest is always protected. The steps required to mitigate perceived, potential and actual COI risk will vary in different circumstances. The COI Toolkit is intended to assist in the application of the Department's COI Policy to typical risk situations. It is the employee's responsibility to ensure that the steps they take in any given circumstance are reasonably sufficient to avoid risks to the public interest. A failure to do so may lead to disciplinary action.

*New documents will be added to the COI Toolkit as needs are identified. Please send any suggestions and feedback to the Employee Conduct Branch.*

**For further information and advice, contact the Employee Conduct Branch on (03) 7022 0005 or [employee.conduct@edumail.vic.gov.au](mailto:employee.conduct@edumail.vic.gov.au)**

# Fact Sheet: Managing Conflicts of Interest in the Recruitment of Family Members in Schools

This document outlines the measures principals must take to manage conflicts of interest and mitigate the perception of bias in the recruitment of family members. These measures are in the public interest and serve to protect the reputation of the successful applicant, the Principal and the school.

Recruitment in the Victorian public education system is based on merit. A family member is not precluded working in a school; however, measures must be taken if a family member of a Principal is an applicant for a vacancy, and further measures are required if the family member is the successful applicant.

Even when appropriate measures are taken, Principals should be aware that a perception of bias can remain that can affect their reputation and that of the family member.

## Family definition

These measures must apply where the family member is a spouse, child, sibling or parent.

It may also be appropriate to apply these measures in relation to other family members to mitigate actual, potential and perceived conflicts.

## Selection measures:

- The Principal must notify the Regional Director or delegate of the family member's application once applications have been received and before the selection process is undertaken.
- The Principal is not permitted to sit on the selection panel.
- The panel is not to be comprised only of subordinates of the Principal.
- The panel must include a Principal or regional staff member nominated by the Regional Director or delegate. The Regional Director or delegate will advise the Principal of the panel nominee.
- If the family member is the preferred candidate, the panel must refer its recommendation to the Regional Director or delegate for the selection decision.

Employees are entitled to apply for the position of Principal in schools where their family members are on staff. All panel members should declare and manage any conflicts of interest.

## Measures once a family member is employed

Principals must ensure that decisions that affect the family member's rights or obligations as an employee are not made by the Principal or influenced by their family relationship.

Decisions that must not be made by the Principal include:

- decisions relating to progression or salary or those considered to provide a benefit or reward
- decisions about the management of complaints about the family member.

Measures must be taken in circumstances where a family member is the successful applicant for a position at the Principal's school and if the Principal is newly appointed to a school where their family member is on staff. The Principal must obtain approval from Regional Director or delegate for the measures the Principal will take.

The particular measures may vary depending on the circumstances and an assessment of the risk to the public interest.

## Declarations of Private Interest:

If a family member of the principal is appointed to a position at their school, the Principal must update their Declaration of Private Interest to indicate that they have reported the conflict of interest to the Regional Director and obtained their approval of the proposed measures for mitigating the risks.

## Further Information

Further advice on appropriate measures to manage conflicts of interest in recruitment—including advice about whether a particular family or personal relationship warrants taking any measures—may be sought from the Employee Conduct Branch (03 7022 0005, [employee.conduct@edumail.vic.gov.au](mailto:employee.conduct@edumail.vic.gov.au)) or the local Senior Education Improvement Leader.

## Case Study: Conflict of Interest in Recruitment

A primary school identifies the need for a part-time IT technician to manage the school's communications networks and to provide tech support. The principal's son is studying IT systems and he is looking for part-time work with which he can gain experience in the field.

The principal works with members of the school leadership to determine the nature of the role including its responsibilities, time-fraction, remuneration etc. She does not tell them that her son could be a potential applicant.

In their deliberations, there is a dispute over whether the role should be full-time or part-time. The principal is concerned that a full-time position would unreasonably stretch the financial capacity of the school given other spending priorities. The principal is aware that her son could not take on a full-time job at the school in addition to his studies. In the end, they settle on advertising for a 0.6 position.

When it is advertised and the principal's son applies, she **reports** the conflict of interest to her leadership team and **restricts** her involvement in the process by removing herself from the Selection Panel. She retains responsibility for confirming the Panel's recommendation.

### Are there any COI issues which have not been addressed?

Once her son applied, the principal took appropriate steps to address the COI by **reporting** it to her leadership team and **restricting** her involvement in the decision making. This meant she was not able to influence the Panel's deliberations over the candidates.

However, since all the members of the panel are her subordinates, the situation could still have created a **perception** of a COI. Even if the members of the Panel felt they could turn an impartial mind to assessing the quality of the applicants for the position, a reasonable person might suspect that they would all be influenced to recommend the principal's son for the position.

At the very outset, there was also a **potential** conflict of interest. The principal knew that her son was likely to apply for the position but she did not disclose this information until after she had finalised the role description. As a result, a reasonable person could later think that she was influenced in shaping the role description by her son's availabilities and qualifications rather than the needs of the school.

This perception creates a risk for the principal's reputation and for the reputation of the Department and could lead to discontent amongst staff. It also may have compromised the outcome for the school. As a result of the decision to create the role as a 0.6, the school may have missed out on better quality applicants—professionals who were looking for full-time work. Because of her focus on her son, the principal may not have given this issue due consideration when determining the time-fraction for the role.

### What should the principal have done?

All the circumstances need to be taken into account in determining what steps are reasonably necessary to avoid any damage to the public interest. In this case, the principal probably should have disclosed her son's interest with her leadership team when determining the role description. Consideration could then have been given to whether it was necessary to have her step aside from that part of the process.

To address the perceived conflict of interest in the selection process, she should have **reported** it to her superior and then **removed** herself from the process further by referring the approval of the Panel's decision to the Regional Director.

### Opportunities for further guidance

To ensure consistency in the application of these principles, Regions and business groups in the Department can establish explicit guidelines for their principals and managers on steps they should take in these circumstances. For example, where COI issues are identified, Regional Directors might require their principals to refer the approval of selection panel recommendations to other principals in the network or to their SARPP.

### Other COI issues after recruitment

If her son is appointed to the school, her personal relationship with him will create further actual and perceived COI risks whenever she makes a decision which could affect his role, status or rights—for example, when allocating him duties, granting him permission to work from home or to work overtime, etc.

The principal should act as early as possible to put in place processes to manage future COI issues in a way that avoids creating the impression that the principal is unreasonably favouring her son. For example, if staff members have concerns about her son's conduct or performance, there should be a process for these concerns to be reported

and addressed in a way that doesn't involve the principal. To help prepare for these situations, the principal could consider using the **COI Checklist - Selection** in the COI Toolkit.

**Remember these tips**

When you are responsible for recruiting for a position where you have a personal relationship with a potential applicant, you should:

- Assess the process for current or future risks of COI.
- Disclose/report any actual, potential or perceived COI as early as possible and take any necessary steps to avoid undue influence. Also, make sure the COI is reported to a superior – it is rarely sufficient to report conflicts to subordinates or peers.
- Think about *perception* of conflicts of interest as well as *actual* conflicts and take sufficient steps to address the risks of both.
- Record all decisions made—even decisions *not* to take any action.