

CONFLICT OF INTEREST POLICY

INTRODUCTION

It is important for the reputation of the Diocesan Bishop and for the mission of the Australian and New Zealand Diocese (“the Diocese”) of the Russian Orthodox Church outside Russia (“the ROCOR”) that actions taken and decisions made by the Diocesan Council are informed, objective and fair, and seen to be so by the clergy and the faithful of the Diocese. This can be put at risk by conflicts of interest.

A conflict of interest may affect

- the way a member of the Diocesan Council acts;
- decisions that a member of the Diocesan Council makes;
- the way a Diocesan Council members votes in group decisions.

In order to minimize the risk of actions or decisions that are not informed, objective and fair, or seen to be so, conflicts of interest need to be declared and managed.

It is recognized that a transparent and accountable process for addressing conflicts of interest and a consciously-fostered culture of integrity will increase confidence of the clergy and faithful of the Diocese in the work of the Diocesan Council.

PURPOSE

The purpose of this policy is to define conflicts of interest and to set out the steps that the Diocesan Council will take to declare and manage them. In this regard it builds on section 29 of the *Regulations of the Australian-New Zealand Diocese of the Russian Orthodox Church Abroad, 1957*, which excuses members of the Diocesan Council from hearing matters in which they are involved.

SCOPE

This policy applies to members of the Diocesan Council of the Australian and New Zealand Diocese of the ROCOR. It applies to all Diocesan Council members at all times in the performance of their duties, including their duties as members of the Board of the Russian Orthodox Church (NSW) Property Trust.

DEFINITIONS

A conflict of interest is a conflict between a Diocesan Council member’s

- public duty to act with regard to the Episcopal authority of the Diocesan Bishop and in the best interests of the mission of the Diocese; and
- private interests and/or duty to another organisation.

Real, potential or perceived

A conflict of interest exists whether it is:

- real – it currently exists;

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- potential – it may arise, given the circumstances; or
- perceived – one could reasonably form the view that a conflict exists or could arise that may improperly influence the Diocesan Council member’s performance of his/her duty to the Diocesan Bishop and the mission of the Diocese, now or in the future.

Direct or indirect

A private interest can be direct or indirect. A direct interest is held by the Diocesan Council member. An indirect interest is held by a relative or close associate, for example:

- a member of the Diocesan Council member’s immediate family (e.g. spouse, parent, sibling, child);
- a regular member of his/her household; or
- another close associate (e.g. friend, relative, business associate, rival/enemy).

Private interests

A private interest can be **pecuniary** (i.e. financial) or **non-pecuniary** (i.e. non-financial), or a mixture of both. It can arise from a wide range of personal or professional/business-related sources.

Pecuniary interests - include actual, potential, or perceived financial gain or loss. Money does not need to change hands. The interest exists if the Diocesan Council member (or a relative or close associate):

- owns property;
- holds shares, investments or other business interests;
- has a position in a company bidding for Diocesan work;
- receives benefits such as concessions, discounts, gifts or hospitality from a particular source; or
- has any other relevant financial interest, for example:
 - is entitled to receive income derived from a contract;
 - is a beneficiary or trustee of a trust (e.g. in which a family member is a beneficiary);
 - is entitled to receive income from an office held for payment/reward or from a trade, vocation, or profession;
 - holds office in a corporation (public, private or trustee), an incorporated association, or other entity.

Non-pecuniary interests - may arise from personal or family relationships, or from involvement in cultural, social, or sporting activities, etc. They include a tendency towards favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group. If personal values are likely to impact on the proper performance of one’s duty, this can also lead to a conflict of interest. Enmity as well as friendship can give rise to a conflict of interest.

Duty to another organisation

A ‘conflict of duty’ (also known as a ‘conflict of role’) is a conflict of interest that can occur even if the Diocesan Council member does not have any private interest at stake. It is a conflict between a Diocesan Council member’s:

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- public duty to act with regard to the episcopal authority of the Diocesan Bishop and in the best interests of the mission of the Diocese; and
- duty to another public or private organisation, including a cultural or social organisation. It exists due to the board member's role with the other organisation (e.g. as a committee member, employee, volunteer, or organisation member).

POLICY

The Diocesan Council is committed to ensuring that personal or individual interests that conflict with the duty to act with regard to the episcopal authority of the Diocesan Bishop and in the best interests of the mission of the Diocese are identified and managed so that they do not adversely affect the mission of the Diocese.

Specifically, the Diocesan Council will:

- Ask each Diocesan Council member to disclose any private interests or duty to another organisation prior to commencing his or her duties, or as soon as practicable thereafter, by completing the Declaration of Private Interests form;
- Maintain a Register of all such interests and duties;
- Call for a declaration of private interests or duty to another organization at the commencement of every meeting of the Diocesan Council and its committees; and
- Determine whether or not a declared interest is material, and act accordingly.

Authorisation

+ Metropolitan Hilarion



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PROCEDURES

Declaration of Private Interests form

Prior to commencing as a Diocesan Council member (or as soon as practicable thereafter), each member will lodge an up-to-date Declaration of Private Interests with the chair using the form at **Appendix 1**.

All Diocesan Council members will review their Declaration of Private Interests form annually. In addition, a Diocesan Council member will lodge an updated declaration if his or her circumstances change. Updated forms will be provided to the chair at the earliest opportunity.

Register of Interests

An up-to-date register of Diocesan Council members' interests will be maintained that includes details of both the direct and indirect interests of each member. A template for the Register is set out in **Appendix 2** of this policy.

Declaring conflicts at the start of a meeting

At the start of each Diocesan Council meeting or Committee meeting the chair will ask if any member present has an interest (that is, a private interest or a duty to another organisation) in relation to any matter on the agenda. If a member has an interest, he or she will declare it, including the nature of the interest and any conflict that results, or may result, from it.

A Diocesan Council member is required to declare a conflict of interest that relates to an item on the agenda even if he or she has already completed the Declaration of Private Interests form.

If, during the meeting, a Diocesan Council member becomes aware that he or she has an undeclared interest, he or she will declare it immediately.

Assisting other board members

If the chair or a Diocesan Council member is aware, or becomes aware, that another member may have an undeclared interest, he or she will raise the matter immediately, so that the other member can declare the interest, if it exists.

Records for reference

The chair will bring to the meeting, for reference if required:

- a copy of the current Declaration of Private Interests form for each Diocesan Council member; and
- the current Register of Interests.

Determining whether a conflict is material

If a conflict of interest is declared by a Diocesan Council member, the Diocesan Council will determine whether the conflict is material, taking into account all the relevant factors, including:

- the issue that is to be discussed and determined by the Diocesan Council;
- the nature and severity of the conflict, for example:
 - whether it is real, potential, or perceived;

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- for pecuniary interests, the quantum, scope, and likelihood of the expected benefit;
- the degree to which the interest could compromise, or reasonably be seen to compromise, the member’s ability to make an impartial decision in the interest of the Diocesan Bishop and of the mission of the Diocese; and
- the likelihood that any person will perceive that a conflict of interest exists, and the extent to which this may affect the confidence of the clergy and faithful in the integrity of the Diocesan Council and its decisions.

Determining how to manage a conflict

Standard procedure

Whether or not a conflict is material, it will usually be in the best interest of the Diocesan Bishop and of the mission of the Diocese for the Diocesan Council member to:

- leave the room at the start of the relevant agenda item and not return until the start of the next agenda item;
- not discuss the matter at all with any other Diocesan Council member, either in the meeting or elsewhere; and
- not participate in any Diocesan Council decision on the matter.

The standard procedure will be followed unless the Diocesan Council determines and documents clear reasons why it would not be in the interest of the Diocesan Bishop or of the mission of the Diocese.

Lesser options

If, taking into account all the relevant factors, it would not be in the interest of the Diocesan Bishop or of the mission of the Diocese to exclude the Diocesan Council member from all discussions and decision-making on the conflicted issue, the Diocesan Council will substitute one or both of the following options, if appropriate in all the circumstances:

- monitor the conflict to ensure that it does not escalate and require stronger action; and/or
- restrict the Diocesan Council member’s involvement in discussions and/or decision-making in relation to the issue, to the extent that matches the interest of the Diocesan Bishop or of the mission of the Diocese.

Any determination of whether a lesser option is in the public interest will take into account the guidelines set out in **Appendix 3**.

The decision to take a lesser option is within the competence of the Diocesan Council.

Stronger options

Where any amongst the clergy or faithful of the Diocese could reasonably form the view that a conflict of interest is of unacceptable frequency and/or duration then it may be necessary, in the interest of the Diocesan Bishop and of the mission of the Diocese, for the Diocesan Council member to:

- relinquish his or her private interest;
- resign from the other organisation to which he or she has a duty (or stand down on a temporary basis); or
- resign from the Diocesan Council.

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The decision to take a stronger option will be at the discretion of the Diocesan Bishop.

Recording in minutes

If a Diocesan Council member declares a conflict of interest, the following information will be recorded in the minutes:

- a description of the interest and the conflict (the dollar value of a financial interest does not need to be included);
- whether or not the conflict is material;
- the action that the Diocesan Bishop or the Diocesan Council, as the case may be, has determined will be taken to manage the conflict;
- if a lesser option or stronger option is to be adopted, the reasons for this; and
- where the Diocesan Council member leaves the room during discussion and/or decision-making on the conflicted issue, the time that he or she leaves and returns and the item (or part of the item) for which he or she was absent.

Related Documents

- Conflict of interest register
- Declaration of private interests

Authorisation

+ Metropolitan Hilarion



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APPENDIX 1: DECLARATION OF PRIVATE INTERESTS FORM

Conflict of Interest

A conflict of interest exists where there is a conflict between a committee member’s public duty to act with regard to the episcopal authority of the Diocesan Bishop and in the best interests of the mission of the Diocese and a committee member’s private interest, when this private interest could improperly influence their duties as a Diocesan Council member. (For a discussion of conflicts of interest please refer to the complete Diocesan Conflict of Interest Policy).

Having a conflict of interest does not exclude a person from being on the Diocesan Council.

Are there any circumstances that you are aware of that may give rise to a real, perceived or potential conflict of interest?

Yes No

If yes, please provide details in the table below. Please continue on a separate sheet if required.

These and other conflicts of interest may arise from time to time. When a committee member has a conflict of interest with an agenda item, this must be declared and the committee member must, as a general rule, disqualify themselves from discussions and voting on the issue.

Declaration

I
of

have been appointed to the Diocesan Council of the Australian and New Zealand Diocese of the Russian Orthodox Church outside Russia.

I have declared any private interests that may conflict with my responsibilities as a member of the Diocesan Council.

I understand the need to avoid conflicts of interests when exercising my responsibilities as a Diocesan Council member.

In the event that a conflict arises between my private interests and my responsibilities as a Diocesan Council member, I shall comply with the Diocesan Conflict of Interest Policy.

Signed Date

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APPENDIX 2: REGISTER OF INTERESTS

Note: The entries below are examples only.

Name of Diocesan Council member	Description of Interest	To whom does the interest relate?	Is the interest current?
Michael Medvedev	Partner, Medvedev and Associates, legal firm, provider of legal advice to the Diocese	Member	Yes
Tom Brown	Daughter's business is XYZ Catering, an occasional provider at past Diocesan functions	Member's daughter, Galina Brown	No. XYZ Catering no longer provides the kind of service once used
Deacon Joseph Bloggs	Involuntarily transferred from parish of Saint Andrew, Smithville, at request of the rector, Archpriest Ioann Ivanovsky	Parish of Saint Andrew, Smithville Archpriest Ioann Ivanovsky	Yes
Alexandra Karpova	Director, Orthodox Media Services Australia, Diocesan website designer	Member	Yes
Priest Alexander Alexandrovsky	Father Alexander's five sisters are married to Archpriest Ioann Ivanovksy, Priest Peter Petroff, Protodeacon Nikolai Nikolaeff, Deacon Joseph Bloggs, and Deacon Nikon Nikolsky respectively	Archpriest Ioann Ivanovksy, Priest Peter Petroff, Protodeacon Nikolai Nikolaeff, Deacon Joseph Bloggs, and Deacon Nikon Nikolsky and their respective parishes	Yes

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APPENDIX 3: GUIDELINES FOR DETERMINING IF A ‘LESSER OPTION’ IS IN THE INTEREST OF THE DIOCESAN BISHOP OR THE MISSION OF THE DIOCESE

Lesser options for managing a conflict of interest will not usually be in the interest of the Diocesan Bishop or of the mission of the Diocese. However, in certain circumstances, factors such as the expertise of the ‘conflicted’ Diocesan Council member and/or the composition of the Diocesan Council may be of sufficient weight for a lesser option to be considered.

Examples of where, taking into account all the relevant circumstances, the Diocesan Council may determine that a lesser option is in the public interest are:

Example A – Diocesan Council member expertise

If the ‘conflicted’ Diocesan Council member has particular knowledge of or expertise in the issue at hand, it may be in the interest of the Diocesan Bishop or the mission of the Diocese for them to be present for at least part of the Diocesan Council’s discussions, so as to enable the Diocesan Council to utilise this knowledge or expertise.

Note, however, that if an ‘unconflicted’ Diocesan Council member is absent from the meeting who can provide the required expertise in discussions, it will almost always be in the interest of the Diocesan Bishop or the mission of the Diocese for that part of the discussion to be held over to the next meeting.

Example B – composition of the Diocesan Council

The nature of our Diocese is such that there are longstanding and close connections amongst the clergy and faithful, even across state, territory and national boundaries. In view of this, even if all Diocesan Council members are present at the meeting it may be impossible to maintain a quorum if all ‘conflicted’ members abstain from certain decisions. In such circumstances, it may be in the interest of the Diocesan Bishop and the mission of the Diocese for certain Diocesan Council members (e.g. those whose conflict is not material) to take part in discussion and decision-making on the issue.

Note, however, that if no quorum exists for a decision because ‘unconflicted’ Diocesan Council members are absent, it will almost always be in the interest of the Ruling Bishop and of the mission of the Diocese for the decision to be held over to the next Diocesan Council meeting.

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DOCUMENT HISTORY AND VERSION CONTROL

Policy Number: POL001 & POL002		Current Version: 1.01	
Responsibility: Office		Approved by: Met Hilarion	
Next Review date: 2020			
Document History			
Issue	Date	Name	Action
Draft 0.00	2014	RJC	Draft
Draft 1.00	2014	RJC	Creation of original document
Version 1.00	12.11.2014	Met. Hilarion	Approval of original document
Version 1.01	2019	NL	Cosmetic changes

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