

**AUSTRALIAN COMMISSION
ON SAFETY AND QUALITY IN HEALTH CARE**



Approved Policy

**Avoiding and managing conflicts of interest
under the Australian Health Service Safety and
Quality Accreditation Scheme**

December 2019

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1. Overview

The Australian Commission on Safety and Quality in Health Care (the Commission) has strengthened its model scheme, the Australian Health Service Safety and Quality Accreditation (AHSSQA) Scheme, under which health service organisations are assessed against the National Safety and Quality Health Service (NSQHS) Standards. These improvements enhance public confidence and provide a greater level of assurance to both the regulators of health service organisations, which rely on the AHSSQA Scheme as part of their armament of regulatory tools, and to health service organisations, which aim to provide safe, quality services to health consumers. A core component of this more robust system of accreditation is the development of a new Policy for Approval under the AHSSQA Scheme to conduct accreditation of health service organisations using the AHSSQA Scheme and the Standard Conditions set out in that policy.

One of the ways to ensure an objective and transparent accreditation system, a system in which all can have confidence, is to ensure impartiality of accreditation processes and outcomes, and that any conflicts of interest on the part of Accrediting Agencies or their personnel are effectively disclosed and managed. In July 2018 the revised Policy and Standard Conditions introduced significant new safeguards in this area.

Building on those safeguards, further amendments of the Policy and Standard Conditions have now been made. These further strengthen requirements for Accrediting Agencies in managing potential conflicts of interest, as well as providing an improved capacity for the Commission to oversight the AHSSQA Scheme and ensure it is working as it is meant to.

This Policy complements these latest changes to the Standard Conditions. This Policy establishes certain core components that are to be included in an Approved Accrediting Agency's policy on avoiding and managing conflicts of interest on the part of its officeholders, assessors and other relevant staff involved in accreditation processes. In particular this Policy sets out how Approved Accrediting Agencies are expected to effectively manage any potential conflict between the role of an Accrediting Agency in undertaking assessments with a view to awarding accreditation to a health service organisation as part of the broader regulatory and quality assurance systems in place, and any other commercial activities of that Accrediting Agency as a provider of consultancy, advisory or other services.

Scope

This policy is to guide Accrediting Agencies and the Commission regarding avoiding and managing conflicts of interest under the AHSSQA Scheme.

Purpose

To outline the requirements for Accrediting Agencies in relation to managing and preventing conflicts of interest. This policy is supplementary to the Policy – Approval under the Australian Health Service Safety and Quality Accreditation Scheme.

Resources

This policy links with:

- [Review of the Australian Health Service Safety and Quality Accreditation Scheme: Improving the reliability of health service organisation accreditation processes](#)
- Policy – Approval under the Australian Health Service Safety and Quality Accreditation Scheme (D18-15709[v2]).

2. Identifying Bias and Conflicts of Interest in the Accreditation Setting

2.1 Types of conflicts of interest

Conflict of duty (or conflict of role)

Will arise when a person or an organisation is required to fulfil two or more roles that may actually, potentially, or be perceived to be, in conflict with each other. In the certification/accreditation/quality assurance setting a conflict of duty (also known as a conflict of role) is a conflict of interest between the person's or organisation's:

- public or professional duty to act impartially, transparently, and objectively in the conduct of certification/accreditation/assurance assessments against relevant regulatory, professional or industry standards; and
- their other commercial or professional roles or private interests.

Perceived conflict of interest

The public or a third party could form the view that a person's private or other commercial or professional interests could improperly influence their role in an accreditation process, now or in the future.

Potential conflict of interest

A person has private, or commercial or professional interests that could conflict with their role in an accreditation process. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.

Actual conflict of interest

There is a real conflict between a person's role in an accreditation process and their private, commercial or other professional interests.

2.2 Types of private interest - professional and commercial*

Direct or indirect

A private interest can be direct or indirect. A direct interest is held by the person with a material role in an accreditation process. An indirect interest is held by a relative or close associate of the person, for example:

- an immediate family member (e.g. spouse, partner, child, parent, sibling);
- a regular household member (i.e. someone who normally resides with the person involved in the accreditation process);† or
- another close associate (e.g. friend, relative, business associate, rival, enemy).

Consensual personal relationships

A consensual personal relationship between the person with a material role in an accreditation process and a close associate constitutes a potential conflict of interest and should be declared.

* Adapted from the Model Policy on Conflicts of Interest for Boards of Victorian Public Entities, Victorian Public Sector Commission

Pecuniary or non-pecuniary

A private interest can be pecuniary (financial) or non-pecuniary (non-financial), or a mixture of both. It can arise from a wide range of personal, professional, or 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 person who has a material role in an accreditation process (or a relative or close associate):

- owns property
- holds shares, investments or other business interests
- has a position in a company bidding for work from the organisation being accredited
- receives benefits such as concessions, discounts, gifts or hospitality from a source
- holds office in a corporation (public, private or trustee), incorporated association or other entity 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 or
 - is entitled to receive income from an office held for payment or reward, or a trade, vocation or profession.

Non-pecuniary interests – may arise from personal or family relationships, or from involvement in sporting, social, business, professional or cultural activities, etc. They may result in prejudice because of friendship, animosity, or other current or recent personal involvement with another person, organisation or group. If personal values are likely to affect the proper performance of an accreditation process, then this can lead to a conflict of interest. Enmity as well as friendship can give rise to a conflict of interest.

2.3 Recognising lack of impartiality in assessment processes

To ensure public confidence and reliability of the AHSSQA Scheme, the processes involved in assessment of health service organisations for the purposes of awarding accreditation, and the outcome decisions, must be fair, impartial and objective and be seen to have these characteristics. Any kind of improper influence, either on the part of an Accrediting Agency or its personnel, in conducting assessments can fundamentally undermine its very purpose – to provide assurance and confidence that specified standards are genuinely met.

Real bias

Actual bias on the part of an Accrediting Agency or any of its personnel would involve a demonstrable lack of impartiality and pre-determination of the outcome of an accreditation assessment, for example, by clearly showing that an assessor has already formed a view of what an assessment outcome should be and is closed to persuasive evidence of a contrary view. In assessment such actual bias would rarely be encountered not only because of the difficulty of proving it, but the fact that assessment decisions involve an assessment team rather than reliance on a single individual.

Apprehended bias

Assessment processes must also *be seen to be* impartial and objective both in the processes it uses and the decisions it produces. Apprehended bias arises where a fair-minded lay observer might reasonably apprehend from the surrounding circumstances or the particular characteristics, conduct or activities of an Accrediting Agency, or relevant personnel, that the Accrediting Agency or any of its personnel might not bring an impartial and unprejudiced approach to the conduct of, and decisions involved in, an accreditation assessment. It is not necessary to show that any of them are actually biased. The existence of an actual or perceived conflict of interests is one of the most common ways in which an apprehension of bias can arise.

3. Avoiding and managing conflicts of interest and bias in accreditation

3.1 Accrediting Agency Policy

An Accrediting Agency is to have in place a written policy setting out how the Accrediting Agency and its staff are to avoid, declare and manage conflicts of interest, including any conflict that may adversely impact the impartiality or integrity of an assessment process conducted under the AHSSQA Scheme. The policy is to be:

- subject to regular review
- actively implemented in the organisation
- consistent with the Commission's Standard Conditions of Approval for Accrediting Agencies, and any policy or directive (including this Policy) relating to avoiding and managing conflicts of interest, issued from time to time.

3.2 Personnel declarations and deployment

In addition to the requirements set out on the Standard Conditions of Approval for Accrediting Agencies:

- i. an Accrediting Agency must require its personnel, internal and external, (including but not limited to assessors) to reveal any situation known to them that can present them or the Accrediting Agency with a potential conflict of interest or bias in conducting an accreditation process. These disclosures are to be documented and assessed for any threat of bias (real or apprehended) or actual or perceived conflict of interest, and the Accrediting Agency will not use such personnel, internal or external, unless they can demonstrate that there is no such actual or perceived bias or conflict of interest.
- ii. an Accrediting Agency must not use personnel, internal or external, (including but not limited to assessors) in any material role in an accreditation assessment of a health service organisation under the AHSSQA Scheme if they also have, or have had, a material role in any consulting, advisory or other services related to certification or accreditation, or to review or improvement of, any of that health service organisation's individual systems or processes which are relevant to that accreditation assessment. This includes, but is not limited to, the health service organisation's management and governance system, quality assurance system, clinical governance system or risk management system.
- iii. the Accrediting Agency must conduct an annual review of potential conflicts of interest or other potential sources of bias impacting the conduct of accreditations and require all officeholders, staff and assessors to confirm in an annual independence declaration that they have acted independently and impartially throughout the year in conducting accreditations under the AHSSQA Scheme.

4. Impartiality of accreditation assessments

4.1 Requirements of an Accrediting Agency

In addition to the requirements set out on the Standard Conditions of Approval for Accrediting Agencies:

- i. an Accrediting Agency must take immediate action to respond to any threats to its impartiality in accordance with the Agency's policy on avoiding and managing conflicts of interest.
- ii. all assessors and other personnel, internal and external, of an Accrediting Agency, directly involved in the assessment or awarding accreditation to a health service organisation must sign independence declarations to confirm their impartiality (absence of any bias or conflict of interest) prior to undertaking any material role in that accreditation process.
- iii. an Accrediting Agency must not state or imply that assessment would be simpler, easier, faster, or less costly if specified consultancy services were used.
- iv. an Accrediting Agency must not market or link in any way its assessment services with any business or organisation that provides consultancy, advisory or similar services to health service organisations to achieve or maintain accreditation either under the AHSSQA Scheme or accreditation under any similar system of hospital or health service accreditation.
- v. an Accrediting Agency must take corrective action to prevent any organisation that provides consultancy, advisory or similar services, of a kind related to supporting or enabling health service organisations to achieve or maintain accreditation under the AHSSQA Scheme or any similar system of hospital or health service accreditation, as soon as the Accrediting Agency becomes aware that the other organisation is stating or implying that assessment under the AHSSQA Scheme would be simpler, easier, faster, or less costly if the Accrediting Agency was used.
- vi. an Accrediting Agency, together with its senior management staff, must be free from any commercial, financial or other pressures which might materially influence the results of the assessment process or awarding of accreditation, and must organise its affairs to minimise such pressures
- vii. An Accrediting Agency must administer the *Exemplar practice – Policy for recognising exemplar practice in health service organisations* with impartiality.

4.2 Accrediting Agencies providing Consultancy Services

Where an Accrediting Agency undertakes both assessment of health service organisations and provides advice, recommendations, consultancy or similar services of a kind related to supporting or enabling health service organisations to achieve or maintain accreditation:

- 4.2.1 the Accrediting Agency must take all reasonable steps to avoid any conflict of interest between its assessment role and any business or other activities providing such consultancy, advisory or similar services, and is to include in its policy on avoiding and managing conflicts of interest, specific provisions which are consistent with the ACSQHC's Policy to address this area of potential conflict of interest.
- 4.2.2 the assessment activities and consultancy/advisory related activities of a the Accrediting Agency must be demonstrably operationally and organisationally separate and distinct including but not limited to the following:
 - i. a well-established information barrier between each set of activities is to be maintained and reviewed, at regular intervals by the senior management of the Accrediting Agency, and at least annually by the governing body of the Accrediting Agency. The

information barrier is to cover documentation, conduct of personnel, disclosure of information, and conduct of internal meetings.

- ii. the personnel, internal and external, who undertake accreditation assessments are not to be involved simultaneously in any consultancy/advisory related activities for or on behalf of the Accrediting Agency.
 - iii. staffing, procurement and contracting for each set of activities are to be kept separate and distinct by the Accrediting Agency
 - iv. the personnel, internal and external, who undertake the accreditation assessment of a health service organisation must not have provided advice, recommendations, consultancy or similar services to that health service organisation to achieve or maintain accreditation within a 3-year period, or since the date of the last accreditation award, whichever is the longer.
 - v. there is to be no marketing or other linkage in any way of an Accrediting Agency's assessment services with any consultancy, advisory or similar services to health service organisations that the accrediting agency provides.
- 4.2.3 A designated compliance officer of suitable seniority is to certify the maintenance of the information barrier and other requirements, under all applicable policies and standards, is satisfactory to avoid any conflict of interest between an Accrediting Agency's assessment and consultancy/advisory activities. This certification is to be in writing and given both prior to, and at the conclusion of, any accreditation assessment where the Accreditation Agency has previously provided such consultancy, advisory or similar services to the same health service organisation, where the length of time involved between the provision of each set of services is less than 5 years.
- 4.2.4 All relevant staff members in business units/divisions affected by a potential conflict of roles are required to participate in a seminar explaining, and to certify each year that they have read and are aware of the content of, the Commission's and the Accrediting Agency's policies on managing conflicts between assessment and consultancy/advisory activities.
- 4.2.5 An Accrediting Agency's code of conduct is to require personnel, internal and external, to report possible breaches of the Agency's policy on managing conflicts between assessment and consultancy/advisory activities to an appropriate senior manager.