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## 2.6 Conflict of Interest Policy

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| **Authority to amend: Board** |
| **Related documents**  *Associations Incorporation Act 2015*  *ACNC Governance Standards* |

ABCD is committed to ensuring that actions and decisions taken at all levels in the organisation are objective, fair and free from undisclosed conflicts of interests. ABCD Board members, staff, volunteers and contractors must not engage in activities or decision making where there is a conflict between their personal interests and the interests of ABCD, without prior disclosure and approval.

A conflict of interest may arise when someone has private or personal interests outside of the Association that may affect (or be perceived to affect) their ability to act in the best interests of ABCD.

Conflicts of interest must be identified and action taken to ensure that personal interests do not impact on ABCD's services, activities or decisions.

### Definitions

*Conflict of interest*

A conflict of interest occurs when a person’s personal interests conflict with their responsibility to act in the best interests of the Association. 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. It also includes a conflict between a Board member’s duty to ABCDand a duty that the Board member has to another organisation. A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

*Material personal interests*

Board members have special obligations in relation to material personal interests. There is no statutory definition of 'material personal interest', however court rulings suggest that a material interest is one of substance that has the ability to influence the vote of a particular Board member.

A material personal interest that a Board member has in common with all, or a substantial proportion, of members of the Association does not require disclosure under this policy e.g. all members of an Association are volunteers. If a Board member is not sure if they have a material personal interest, he or she should discuss the matter with the rest of the Board to determine whether the interest is material.

### Disclosure of interest

Board members, staff and volunteers must declare:

* Actual or potential conflicts of interest that exist at the time of recruitment to a position with ABCD.
* Conflicts of interest that arise during their involvement with the organisation, immediately at the time they arise.

Notification must be in writing (e.g. email or declaration form), or recorded in a meeting’s minutes. With the exception of any public disclosures that ABCD is legally required to make, all information provided in relation to any declaration of a conflict will be treated in accordance with ABCD’s privacy policies.

Board members with a material personal interest in a matter being considered at a Board meeting must, as soon as the member becomes aware of the interest, disclose the nature and extent of the interest to the Board and at the next general meeting of the Association. The details of the interest must be recorded in the minutes of the meeting of the Board and general meeting at which the disclosure is made.

All contracts with external consultants being engaged by ABCD will include a declaration that no conflict of interest exists.

A *Register of Conflicts of Interest* will be maintained by the Manager and record information related to a conflict of interest, including the nature and extent of the conflict and any steps taken to address it.

### Management of conflicts of interest

*Board of Management*

A member of the Board who has a material personal interest in a matter being considered at a Board meeting must not be present while the matter is being considered at the meeting or vote on the matter.

If the personal interest disclosed is not considered material, the Board (excluding the Board member disclosing and any other conflicted Board member) must decide whether or not those conflicted members should:

* vote on the matter,
* participate in any debate, or
* be present in the room during the debate and the voting.

The approval of any action requires the agreement of a majority of the Board (excluding any conflicted Board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the *Register of Conflicts of Interest*.

Where a conflict is very significant or likely to prevent a Board member from regularly participating in discussions, the Board may consider whether it is appropriate for the person conflicted to resign from the Board.

*Staff and volunteers*

The Manager will assess the conflict of interest held by a staff member or volunteer and determine any action to take. In the case of conflicts of interest held by the Manager, this assessment will be undertaken by the Chairperson, who may refer the matter to the full Board.

Required actions to manage the conflict may include:

* contribute to the discussion but abstain from voting or decision making on the matter
* observe but not take part in the discussion or decision making
* leave the meeting during discussion and decision on the matter
* remedial action to remove the conflict e.g. changes of duties.

### Compliance

If the Board or Manager has a reason to believe that a person subject to this policy has failed to comply with it, the Board or Manager will investigate the circumstances. If it is found that the person has failed to disclose a conflict of interest, disciplinary action may be take action.

If a person suspects that a Board or staff member has failed to disclose a conflict of interest, they must notify the Manager or Chairperson (or Deputy Chairperson if the matter directly involves the Chairperson).

### Responsibilities

ABCD Board members, staff, volunteers and contractors are required to act in the interests of organisation at all times, and:

* avoid conflicts of interest where possible
* identify and declare any potential or actual conflict of interest
* comply with this policy.

The Manager is responsible for:

* ensuring the ABCD personnel and contractors are aware of and comply with this policy
* receiving, recording and reporting on disclosures of potential or actual conflicts interest
* ensuring that declared conflicts of interest are managed and controlled in line with this policy.

The Board and Manager are responsible for:

* establishing a system for identifying, disclosing and managing conflicts of interest
* monitoring compliance with this policy.

The Board is responsible for:

* receiving and managing declarations of material interests from Board members and reporting them to the next general meeting of the Association, in accordance with the *ABCD Rules of Association.*