

## **CONFLICT OF INTEREST POLICY**

Policy number	COM102	Version	1.0
Drafted by	Lockie	Approved by Committee on	13/10/2021
Responsible person	Secretary	Scheduled review date	Oct-2023

### **PURPOSE**

The purpose of this policy is to help Committee of Management (CoM) members of Goonawarra Neighbourhood House to effectively identify, disclose and manage any actual, potential, or perceived conflicts of interest to protect the integrity of Goonawarra Neighbourhood House and manage risk.

### **OBJECTIVE**

The policy aims to ensure the Committee of Management are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of Goonawarra Neighbourhood House.

### **SCOPE**

This policy applies to the Committee of Management and the House Manager of Goonawarra Neighbourhood House.

### **DEFINITION OF CONFLICTS OF INTERESTS**

A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of the charity.

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 (for example, as a shareholder).

It also includes a conflict between a Committee of Management member's duty to Goonawarra Neighbourhood House and another duty that the Committee of Management member has (for example, to another charity). A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

These situations present the risk that a person will decide based on, or affected by, these influences, rather than in the best interests of the charity.

Therefore, these situations must be managed accordingly.



## **POLICY**

This policy has been developed to address conflicts of interest affecting Goonawarra Neighbourhood House.

Conflicts of interest are common, and they do not need to present a problem to the charity if they are openly and effectively managed.

It is the policy of Goonawarra Neighbourhood House, as well as a responsibility of the committee, that ethical, legal, financial, or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Goonawarra Neighbourhood House Committee of Management.

Goonawarra Neighbourhood House will manage conflicts of interest by requiring CoMmembers to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

## **RESPONSIBILITY OF THE COMMITTEE OF MANAGEMENT**

The Committee of Management is responsible for:

- establishing a system for identifying, disclosing, and managing conflicts of interest across the charity
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

## **IDENTIFICATION AND DISCLOSURE OF CONFLICTS OF INTEREST**

Once an actual, potential, or perceived conflict of interest is identified, it must be entered into Goonawarra Neighbourhood House's register of interests, as well as being raised with the Committee of Management.

Where every other Committee member shares a conflict, the board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register of interests must be maintained by Secretary of the CoM. 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).

## **CONFIDENTIALITY OF DISCLOSURES**

Disclosures are available to the entire Committee, unless otherwise requested by the person making the disclosure. In such cases the disclosure shall be held by the Secretary only.

## **ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST**

### **CONFLICTS OF INTEREST OF COMMITTEE MEMBERS**

Once the conflict of interest has been appropriately disclosed, the Committee (excluding the Committee member who has made the disclosure, as well as any other conflicted Committee member) must decide whether those conflicted Committee members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is significant or likely to prevent a committee member from regularly participating in discussions, it may be worth the Committee considering if it is appropriate for the person conflicted to resign from the Committee.

### **WHAT SHOULD BE CONSIDERED WHEN DECIDING WHAT ACTION TO TAKE**

In deciding what approach to take, the Committee will consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- the charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

The approval of any action requires the agreement of at least a majority of the Committee (excluding any conflicted Committee 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 interests.

### **COMPLIANCE WITH THIS POLICY**

If the Committee has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the Committee of Management may act against them. This may include seeking to terminate their relationship with Goonawarra Neighbourhood House Inc. by convening a disciplinary subcommittee as per section 19 of the Goonawarra Neighbourhood House Inc. Constitution,



**A significant breach of this policy may result in sanctions under the Commonwealth Corporations Act 2020 and the Victorian Government Associations and Incorporations Reform Act 2012.**

If a person suspects that a committee member has failed to disclose a conflict of interest, they should first raise this with the Committee member in question. If the interest is not disclosed, it must be raised with the secretary (or the Chairperson if the secretary has the interest). If you believe that the CoM has not taken sufficient action, you may report this to the Australian Charities and Not-for-Profit Commission (ACNC) for investigation.

## **CONTACTS**

For questions about this policy, contact the Secretary via email

[secretary@goonawarranh.com.au](mailto:secretary@goonawarranh.com.au)

## **RELATED DOCUMENTS**

- Conflict of Interest Register
- Goonawarra Neighbourhood House Inc. Constitution
- ACNC Responsible Persons
- ACNC Compliance and Enforcement Powers

## **AUTHORISATION**

Lockie Flenley

Secretary

Goonawarra Neighbourhood House Inc.

Andrew Gould

Chairperson

Goonawarra Neighbourhood House Inc.



## CONFLICT OF INTEREST DECLARATION

I, \_\_\_\_\_ hereby confirm that I have read and understand this policy and understand that a breach of this policy may result in:

Committee Members: My dismissal from the Committee of Management

Goonawarra Neighbourhood House Employees: Disciplinary action including the termination of my employment at Goonawarra Neighbourhood House.

Signed:

Date:

Witnessed by the Secretary:

Date: