

## Conflict of Interest Policy

### 1. Introduction

- 1.1 Conflicts of interests are common and it is important that they are managed in an open and effective way. If they are not properly managed, they can undermine the good governance and reputation of One Mission Society Australia Inc. (OMS) and its Board.
- 1.2 The Board is committed to high standards of ethical conduct, including in relation to identifying and managing conflicts of interest.

### 2. Purpose

- 2.1 The purpose of this policy is to help people involved with OMS to effectively identify, disclose, manage and record any actual, potential or perceived conflicts of interest. This allows for transparency and integrity in [Short name]'s dealings.

### 3. Scope

- 3.1 This policy applies to all staff, volunteers and Board members of OMS.
- 3.2 This policy applies to the Australian and overseas operations of OMS.

### 4. Regulatory context

- 4.1 As a registered charity, OMS must take reasonable steps to make sure that its Board members comply with certain duties, which are set out in ACNC Governance Standard 5. The Board members also have certain obligations under the [*Corporations Act 2001* or relevant Associations legislation] and the common law with respect to managing conflicts of interest.
- 4.2 ACNC External Conduct Standards imposes additional obligations to take reasonable steps to identify and document any perceived or actual material conflicts of interest for [Short name]'s employees, volunteers, third parties and Board members outside Australia.

### 5. Definition of conflict of interest

- 5.1 A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of [Short name].
- 5.2 Personal interests include:
  - (a) an individual's direct interests; and
  - (b) interests of related parties or close families or friends connected to an individual.
- 5.3 It also includes a conflict between a person's duty to [Short name] and another duty that the person has. For example, a Board member has a duty to act in the best interests of [Short name]. They may also have a duty to act in the

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best interests of another charity. In some circumstances, these duties may conflict.

5.4 A conflict of interest may be actual, potential or perceived:

- (a) **Actual** – you are being influenced
- (b) **Potential** – you could be influenced
- (c) **Perceived** – you could appear to be influenced

5.5 A conflict of interest may be financial or non-financial. A financial interest is one where you or someone close to you stands to benefit financially. A non-financial interest is where your personal opinions, values or beliefs may be in conflict with a proposed action of [Short name] or decision of the Board (for example, a Board member may have a long running personal dispute with someone who [Short name] is considering working with to provide food hampers).

5.6 These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of [Short name] and must be managed accordingly.

## 6. Responsibility

6.1 All volunteers, staff and Board members are responsible for making sure that they identify and disclose conflicts of interest.

6.2 The Board must make sure that conflicts of interest of Board members are properly managed.

6.3 Supervisors are responsible for telling the [Managers/Coordinator/Supervisor] about a conflict of interest for staff or volunteers who they supervise and making sure that the conflict is properly managed.

6.4 The Secretary is responsible for keeping and updating the Board Conflict of Interest Register.

## 7. The Board

### *Step 1 – Identify the Conflict*

7.1 Each Board member must regularly consider whether any conflict of interest exists in relation to their role at OMS. In order to identify a conflict, the Board member must understand the purpose of OMS. and the Board member's duties to OMS. These are set out in the Board Charter.

7.2 The Board member must also think about what their own interests are, understand the interests of people closely connected to them and consider how these interests may influence them.

7.3 Examples of conflicts of interest include:

- (a) [include charity specific conflicts]

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*Step 2 - Disclose*

- 7.4 Where you identify a conflict of interest, you must tell the other Board members about the conflict as soon as it is practical for you to do so. This involves fully explaining what the conflict is.
- 7.5 If the next Board meeting is soon, you can do this at that meeting.
- 7.6 The standing agenda for all Board meetings includes provision for declaring any conflicts of interest before dealing with any other agenda items. Each Board member must consider whether they have any conflict at that time and disclose one if they do.

**ONLY REQUIRED FOR ASSOCIATIONS:**

- 7.7 A Committee member who has a conflict of interest must disclose the nature and extent of any material conflict of interest in a matter considered at a Committee meeting to the members of OMS at the next general meeting following the conflict arising, unless the conflict:
  - (a) exists only because the Committee member is an employee of the association; and
  - (b) is a conflict that the Committee member has in common with all members of [short name] or a substantial proportion of the members of [short name].

*Step 3 - Record*

- 7.8 The Board minutes must record any conflict that is disclosed at a Board meeting and record how the conflict was managed. For example, the Minutes could record:

John Smith left the room. The Board discussed whether to hire Jane Smith as an office assistant on the same terms as the other office assistant. The Board voted and decided to offer Jane Smith the position on a trial basis. John Smith returned.

- 7.9 The Secretary is responsible for keeping and updating a Board Conflicts of Interests Register to record any conflicts disclosed by a Board member. This should be updated as soon as possible after any conflict has been declared.

*Step 4 - Manage*

- 7.10 Where a Board member has a conflict of interest that Board member must not:
  - (a) take part in any Board discussion on that topic (either in the meeting or with other Board members before or after the Board meetings), unless expressly invited to do so by unanimous agreement by all other Board members present; and
  - (b) vote on that matter.

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- 7.11 A Board member who believes another Board member has an undeclared conflict of interest should specify in writing to the Secretary the basis of this potential conflict and raise the matter with the other Board members.

**ONLY REQUIRED FOR CORPORATIONS:**

**8. Engaging related parties to provide goods or services to OMS**

8.1 OMS can only engage a related party to provide goods or services if the following requirements are met:

- (a) the goods or services are provided on terms that are arm's length or more favourable to OMS and the requirements of the *Corporations Act* are otherwise met;
- (b) the Procurement and Acquisitions Policy is followed;
- (c) the Board has considered the suitability of the related party to provide the goods and services;
- (d) bona fide attempts have been made to identify others who can provide such goods and services; and
- (e) a comparison has been done between the rates and service levels of the related party and others who provide such goods and services.

8.2 Any engagement that [Short name] has with a related party should be approved by the Board, documented in the Board minutes and disclosed in OMS' next annual report.

8.3 These requirements apply regardless of whether the related party is remunerated.

**9. Employees and Volunteers**

9.1 The CEO is responsible to ensure that employees and volunteers understand how to identify and manage conflicts of interest, as well as their obligation to disclose conflicts of interest.

9.2 Employees and volunteers must tell their [Manager/Coordinator/Supervisor] if they have any conflict of interest.

9.3 [Managers/Coordinator/Supervisor] must tell the CEO about the conflict of interest and make sure that the conflict is properly managed.

**10. Third Parties involved in overseas operations and activities**

10.1 OMS is required to take reasonable steps to identify and document perceived or actual conflicts of interest in third parties involved in operations and activities outside of Australia.

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- 10.2 OMS will consider what reasonable steps could be taken to ensure that conflicts of interest in third parties are disclosed and managed, with reference to:
- (a) whether the third party, its employees or volunteers are likely to have an interest that could result in a conflict;
  - (b) likelihood of the third party identifying and documenting conflicts of interest in a way that would meet OMS's legal requirements; and
  - (c) the impact of an undisclosed or managed conflict of interest on decision making.
- 10.3 Reasonable steps to ensure a third party identifies and documents conflicts of interest may include:
- (a) imposing conflict of interest obligations on third parties through a Memorandum of Understanding or other agreement;
  - (b) training third parties on conflicts of interest and how to identify, disclose and manage them;
  - (c) providing a conflict of interest policy for the third party to adopt; and/or
  - (d) asking for regular reporting of identified conflicts within the third party.

## **11. Compliance with this policy**

- 11.1 If the Board has reason to believe that a person subject to this policy has not complied with it, it must investigate.
- 11.2 If it is found that this person has failed to disclose a conflict of interest, the Board may take action against them. This may include seeking to terminate their relationship with the charity, or (in the case of third parties) reiterating expectations.
- 11.3 If a person suspects that a Board member has not disclosed a conflict of interest, they must discuss this with the person in question and notify the Board or the Secretary.

## **12. Related policies**

- 12.1 Procurement and Acquisition Policy
- 12.2 Board Charter
- 12.3 Financial Management Policy

## **13. Authorisation**

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