**GP5 CONFLICT OF INTEREST**

1. **Purpose**
2. **Scope**
3. **Definitions**
4. **Procedures**
5. **Measurement**
6. **Acknowledgements**
7. **Related policies or documents**

**1. PURPOSE**

The (insert organisation name) has a culture of responsible disclosure for Board and staff as well as a framework for managing the risks associated with real or perceived conflicts.

The (insert organisation name) at all levels takes actions and makes decisions that are informed, objective and fair. The (insert organisation name) will identify and act upon conflicts of interest to ensure that personal or individual interests do not affect the organisation's services, activities or decisions.

This policy will apply to situations where the personal interests of an individual or group of individuals directly conflict with the best interests of the (insert organisation name), its members or clients, or where the decisions or actions of individuals may be influenced by their personal interests rather than those of the organisation.

**2. SCOPE**

All Board and staff of the (insert organisation name), members of Working Parties or member organisations who are doing work with or for the (insert organisation name).

**3. DEFINITIONS**

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| *Conflict of interest* | A conflict of interest occurs ‘when a Board member or staff person’s duty of loyalty to the (insert organisation name) comes into conflict with a competing financial or personal interest that he or she (or a relative) may have in a proposed transaction.’ (Panel on the Nonprofit Sector, 2007 [www.nonprofitpanel.org](http://www.nonprofitpanel.org) ) The NSW Associations Incorporation Act 2009 defines a conflict of interest as an ‘interest that appears to raise a conflict with the proper performance of the Board member’s duties in relation to the consideration of the matter.’  |

*Sub Committee* It represents the Board within its delegated responsibilities. The membership of a sub-committee is determined by the Board, is limited to members of the (insert organisation name) and includes at least one Board member.

*Reference Group* A reference group is an advisory and support group for the Board in particular issues. At least one Board member will be on the Reference Group.

*Working Party* A working party is formed around key issues, campaigns or projects, and reports back to the Board. It may or may not have Board members as members.

**4. PROCEDURES**

Conflict of Interest will include situations in which, for example:

* Close personal friends or family members are involved, such as decisions about employment, discipline or dismissal, service allocation or awarding of contracts.
* An individual or their close friends or family members may make a financial gain or gain some other form of advantage.
* An individual is involved with another organisation that is in a competitive relationship with the (insert organisation name) and therefore may have access to our plans or financial information.
* An individual is bound by prior agreements or allegiances to other individuals or agencies that require them to act in the interests of that person or agency or to take a particular position on an issue.
* An individual engages in work outside the (insert organisation name) which may be perceived to align with the (insert organisation name)’s work and raises an issue of use of Intellectual Property.

The (insert organisation name) will maintain a register of conflicts of interest to:

* Record known conflicts of interest when Board members, staff members or volunteers first join the organisation.
* Record conflicts of interest as they arise.
* A standard agenda item for Board meetings requests declaration of conflict of interest not yet recorded, for any agenda item at that meeting.

A declaration of conflicts of interest should also involve:

* Informing those present when a conflict becomes apparent (this should always be applied where the individual is about to take part in a decision-making process).
* Making a formal notification in writing either to the (insert organisation name) Board or the (insert organisation name) CEO.

The (insert organisation name) will then:

* Assess whether a conflict exists.
* Make a decision about the individual’s continued role in the issue, if any. The individual concerned should not take part in the decision and, in most instances, should not be present when the matter is discussed.
* Maintain appropriate confidentiality about disclosed interests.
* Document the discussion and decisions in the Board minutes.

**Potential Common Conflicts and Actions**

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| Financial | eg. A Board member has an interest in a business from which the organisation buys goods  ACTION: The Board member leaves the room while discussion and voting in relation to this issue takes place.e.g. A Board member accepts a contract, or is employed by the organisation. ACTION: The member resigns from the Board, at least for the duration of the contract or employment. |
| Staffing | eg. Staff member is present when staff conditions or working conditions are discussed at meeting. ACTION: Staff member leaves the room while discussion and voting takes place. |
| Employment position | eg. Employment panel member has a friend applying for a position. ACTION: Declare interest, Panel discuss personal judgement.  |
| Board | eg. Staff from separate organisations are on each other’s Boards or Management Committees ACTION: Declaration of Interest at each meeting. Each person to stand aside when dealing with business relating to the other organisation. |
| Service Delivery | eg. Volunteer is involved in delivering service to relative  ACTION: CEO to monitor appropriateness and ensure equity with other client organisations |

**5. MEASUREMENT**

* Agenda item at every Board meeting
* Staff Induction Policy

**6. ACKNOWLEDGEMENTS**

NCOSS MSU Information Sheet 14: Managing Conflicts of Interest.

Our Community <https://www.ourcommunity.com.au/>

**7. RELATED POLICIES AND DOCUMENTS**

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