

## **Conflict of Interest Procedure**

### **1. PURPOSE AND SCOPE**

- 1.1. UnitingSA is committed to high standards of ethical conduct and accordingly places importance on making clear any existing or potential conflict of interest.
- 1.2. This procedure has been developed to provide a framework for all Board members, employees and volunteers in declaring conflicts of interest. This procedure will apply to situations where the personal interests of an individual or group of individuals directly conflict with the best interests of the organisation, 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.
- 1.3. The objective of this procedure is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively.

### **2. BACKGROUND**

- 2.1. By successfully acknowledging and handling conflicts of interest, UnitingSA will continue its public reputation as an impartial, transparent, accountable and fair-dealing organisation.
- 2.2. Proper management of conflicts of interest is required to maintain the organisation's charitable fundraising licenses and to comply with Corporations law and funding body requirements.
- 2.3. Each employee comes to the organisation with a network of financial and personal interests that may interfere or be perceived to interfere with sound ethical decision-making if not identified and managed appropriately.

### **3. DEFINITIONS**

- 3.1. Conflict of interest occurs when a Board Director, employee or volunteer stands to gain financially from any business dealings, programs or services of the organisation, other than where all members benefit from the financial gain e.g. salary sacrifice arrangements. Examples may include:
  - 3.1.1. Where close personal friends or family members are involved, such as decisions about employment, discipline or dismissal, service allocation or awarding of contracts;
  - 3.1.2. Where an individual or their close friends or family members may make a financial gain or gain some other form of advantage;
  - 3.1.3. Where an individual is involved with another organisation that is in a competitive relationship with our organisation and therefore may have access to our plans or financial information;

## Conflict of Interest Procedure

- 3.1.4. Where an individual is bound by prior agreements or loyalties to other agencies that require them to act in the interests of that agency or to take a particular position on an issue;
- 3.1.5. Decisions regarding suppliers, customers and other persons in respect of the selection and/or ongoing dealings related to doing or seeking to do business with UnitingSA;

### 4. PROCEDURE

- 4.1. Reasonable steps must be taken to manage conflicts of interest when they arise.
- 4.2. While conflict of interest may occur in any part of any organisation, some activities involve a higher risk than others. Similarly, while all employees have external interests, some interests are more likely to create concerns about conflict of interest than others. Examples may include:
  - 4.2.1. Procurement of goods or services;
  - 4.2.2. Recruitment and making appointments to positions;
  - 4.2.3. Tendering for and managing contracts;
  - 4.2.4. Allocating subsidies, financial assistance, concessions, or other relief;
  - 4.2.5. Financial matters including financial and economic interests (such as significant liabilities or debts, assets including shareholdings, real estate holdings, investments or other financial interests);
  - 4.2.6. Interests such as trust or nominee companies, directorships or partnership holdings;
  - 4.2.7. Group affiliations, affiliations with not-for-profit organisations affiliations with (and obligations to) political, trade union, or professional organisations;
  - 4.2.8. Exercising powers over planning and land development.
- 4.3. The receiving of gifts, benefits or hospitality can create a perception of a conflict of interest where decisions are made involving the giver of such gifts or benefits. Employees must not accept gifts, benefits or hospitality from any company or business that they are likely to make business decisions about (see Probity Policy for further information)
- 4.4. The process for managing a conflict of interest should include the following six major options either combined or as single options:
  - 4.4.1. Register: Register potential or actual conflicts of interest that exist when a person joins the organisation (particularly as a Board Director or management committee member). All Board Directors, employees and volunteers if applicable, should be asked to declare any conflicts of interest when they first join the organisation. Record any incidents that arise where the interest comes

## Conflict of Interest Procedure

into conflict with the interests of the organisation, the date of the incident, and a summary of how it was managed.

4.4.2. The process for declaration of conflicts of interest should involve one or both of the following:

- 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);
- Formal notification in writing to the secretary (for Board Directors or management committee members and Executive Management) or the Executive Manager People and Culture.

4.4.3. Restrict: It may be sufficient to manage a conflict of interest by placing restrictions on the involvement of the employee in the matter in which they have an interest. E.g. refrain from participating in decision making related to the potential conflict of interest.

4.4.4. Recruit: Recruiting an independent third party to oversee part or all of the process is another way to manage conflicts where removing the person with an interest is not feasible.

4.4.5. Remove: Removing the person with a conflict from decision-making in the matter is one option to deal with the matter. This is the recommended procedure and the reasons for it may mean removing them from any involvement in a tender process, from a recruitment selection panel or from decision-making on a particular funding application.

4.4.6. Relinquish: When an interest is ongoing, unacceptable and likely to damage the reputation of UnitingSA. It is recommended that stronger options are taken and for the employee interest to be given up.

4.4.7. Resign: Some interests may not be able to be let go (such as family connections) and so it may be necessary for the person with the interest to resign. It will be a matter for individual circumstances as to whether they need to resign from their role or the organisation.

## 5. MANAGING A CONFLICT OF INTEREST

5.1. Executive Managers are to encourage Managers, Program Managers and Coordinators to bring potential conflicts of interest to their attention.

5.2. Employees can be asked to come to some agreement about how the interest will be managed and discuss strategies with their Supervisor, ensuring any confidentiality are not breached.

5.3. When an apparent conflict of interest arises:

5.3.1. Verbally disclose the interest.

## Conflict of Interest Procedure

- 5.3.2. Ensure the disclosure is recorded in the meeting minutes.
- 5.3.3. The employee is to remove themselves from the meeting while the matter is discussed, or even have the meeting stopped or postponed if necessary.
- 5.3.4. Register details of the conflict of interest in writing and lodge this disclosure with the appropriate Line Manager, to allow the conflict of interest to be formally recorded.
- 5.3.5. Board members, employees and volunteers must be impartial and be seen to be impartial in the performance of their duties and must not use information obtained in the course of their work for their own personal benefit or disclose such information to a third party except where consent has been obtained or there is a legal or professional duty to disclose.
- 5.3.6. A known or likely conflict of interest must be declared by the person to the relevant authority as soon as the person becomes aware that the conflict exists or may exist. All such conflicts of interest for Board Directors shall be declared by the member concerned and documented in the Board's 'Conflicts of Interest Register'.
- 5.3.7. Board Directors are required to assess whether a conflict of interest or the potential for a perceived conflict of interest exists in each individual circumstance. Where a conflict of interest or the potential for a perceived conflict of interest is established, the Board Director should follow the relevant detailed procedures outlined below:
  - The person with the conflict should state all the relevant facts.
  - A declaration of a conflict of interest will be recorded in the minutes of proceedings of the Board, sub-committees and other contexts as appropriate.
  - In meetings of the Board or sub-committees, the person may participate in discussions concerning the affected interest but may not vote on such matters and will if required absent themselves from a decision or vote.
  - In proceedings (including meetings) outside of Board meetings which relate to employment, tenancy, maintenance, development or letting of a contract, a Board Director, who becomes aware of a conflict or potential conflict of interest will declare the conflict. The person may participate in discussions concerning the affected interest but may not vote on such matters and will if required absent themselves from a decision or vote
- 5.3.8. Board Directors who are uncertain whether or not they are placed in a situation where a potential or actual conflict of interest exists should seek advice from the Chairperson of the Board.
- 5.3.9. The Chairperson of the Board, on consideration of all relevant information, may determine that:

## Conflict of Interest Procedure

- The potential for a conflict of interest of the Board Director is remote and requires no further action other than to record that the matter has been reviewed; or
- The Board Director's situation presents a conflict of interest and that conflict must be resolved.

5.3.10. Actions determined to resolve or eliminate any conflict of interest are to be implemented immediately. These may include:

- Require the Board Director to take action to eliminate the conflict;
- Exclude the Board Director from the process to which the conflict relates;
- Put in place additional processes to ensure the impartiality of the Board Director in the performance of his/her duties and notify the person of these processes by confidential minutes.

5.3.11. A situation where a Board Director fails to disclose potential or actual conflicts of interest may lead to an allegation of misconduct.

5.3.12. A Board Director who believes another Board Director has an undeclared conflict of interest should specify in writing the basis of this potential conflict.

5.3.13. The Board may supplement the definition of conflict of interest with additional requirements if it so wishes, in which case the same procedures shall apply.

### 6. RECORDKEEPING

- 6.1. UnitingSA will take all necessary steps to ensure the confidentiality of information relating to conflicts of interest or perceived conflicts of interest.
- 6.2. All records must be managed in accordance with the UnitingSA Records Management Procedure and other relevant information management procedures.

### 7. DOCUMENTATION

- 7.1. Board's Conflicts of Interest Register

### 8. REFERENCES

- 8.1. Corporate Governance Policy
- 8.2. Board of Directors Code of Conduct
- 8.3. Risk Management Policy
- 8.4. Privacy Policy
- 8.5. Records Management Procedure
- 8.6. Probity Policy

# Conflict of Interest Procedure

Appendix 1. Conflict of Interest Decision-Making Flowchart

