



## CONFLICTS OF INTEREST POLICY

**APPLICABILITY:** ACCI Missions & Relief Employees, Volunteers, Field Workers, Associates, Strategic Partners & Board Members

**VERSION:** Version 2.0 (2021 Draft)

**AUTHORISED BY:** General Manager

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## 1. INTRODUCTION

- 1.1 ACC International Missions Ltd and ACC International Relief Inc (collectively referred to as “ACCI”) recognise that conflicts of interests are common and that 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 ACCI 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 ACCI to effectively identify, disclose, manage and record any actual, potential or perceived conflicts of interest. This allows for transparency and integrity in ACCI’s dealings.

## 3. SCOPE

- 3.1 This policy applies to all employees, field workers, associates, volunteers and Board members of ACCI.
- 3.2 This policy applies to the Australian and overseas operations of ACCI.

## 4. REGULATORY CONTEXT

- 4.1 As a registered charity, ACCI 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 either the Corporations Act 2001 or Victorian 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 ACCI’s employees, field workers, associates, 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 ACCI.
- 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 ACCI and another duty that the person has. For example, a Board member has a duty to act in the best interests of ACCI, but they may also have a duty to act in the best interests of another charity and in some circumstances, these two 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 ACCI or decision of the Board.
- 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 ACCI and must be managed accordingly.

## 6. RESPONSIBILITY

- 6.1 All employees, field workers, associates, volunteers 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 Employees are responsible for telling the General Manager about a conflict of interest for other employees, field workers, associates or volunteers who they supervise and making sure that the conflict is properly managed.
- 6.4 The General Manager is otherwise responsible for the implementation of this policy.

## 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 ACCI. In order to identify a conflict, the Board member must understand the purpose of ACCI, and the Board member's duties to ACCI.
- 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.

### Step 2 - Disclose

- 7.3 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.
- 7.4 If the next Board meeting is soon, you can do this at that meeting.
- 7.5 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. At this time, they should also consider whether that conflict should also be disclosed to the members of the organisation.

### **Step 3 - Record**

- 7.6 The Board minutes must record any conflict that is disclosed at a Board meeting and record how the conflict was managed.
- 7.7 The Secretary is responsible for ensuring that the Board Conflicts of Interests Register is maintained and updated as soon as possible after any conflict has been declared.

### **Step 4 - Manage**

- 7.8 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.
- 7.9 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.

## **8. RELATED PARTY PROCUREMENT**

- 8.1 ACCI will consider the following requirements when engaging a related party to provide goods or services:
  - (a) the goods or services are provided on terms that are arm's length or more favourable to ACCI;
  - (b) the appropriate procurement procedures are followed and the suitability of the related party to provide the goods and services has been considered; and
  - (c) an appropriate comparison has been done between the rates and service levels of the related party and others who provide such goods and services.

## **9. EMPLOYEES AND VOLUNTEERS**

- 9.1 The General Manager is responsible to ensure that employees, field workers, associates and volunteers understand how to identify and manage conflicts of interest, as well as their obligation to disclose conflicts of interest.
- 9.2 Employees, field workers, associates and volunteers must tell their manager if they have any conflict of interest.
- 9.3 Managers must tell the General Manager about the conflict of interest and make sure that the conflict is properly managed.

## **10. AUSTRALIAN AND OVERSEAS THIRD PARTIES**

- 10.1 ACCI 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 as well as those involved in Australian activities, such as domestic disaster response.

- 10.2 ACCI 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 ACCI'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

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