

## Conflict of Interest Policy

### 1. Purpose

The purpose of this policy is to help board and staff members of **Every Home Global Concern (EHGC)** to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Every Home Global Concern and manage risk.

### 2. Objective

The **EHGC Board of Directors** (called the ‘board’ in this policy) aims to ensure that board and staff members are aware of their obligations 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 **Every Home Global Concern**.

### 3. Scope

This policy applies to the board and staff members of **Every Home Global Concern**.

### 4. 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 **Every Home Global Concern**. 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. It also includes a conflict between a board member’s duty to **Every Home Global Concern** and another duty that the person 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 make a decision based on, or affected by, these influences, rather than in the best interests of the charity and must be managed accordingly.

### 5. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to **Every Home Global Concern** if they are openly and effectively managed. It is the policy of the **Every Home Global Concern** as well as a responsibility of the board, 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 **Every Home Global Concern**.

**Every Home Global Concern** will manage conflicts of interest by requiring staff and board members to:

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

#### - **5.1 Responsibility of the board**

The board is responsible for:

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

**Every Home Global Concern** must ensure that its board members are aware of the ACNC governance standards and that they disclose any actual or perceived material conflicts of interests as required by these standards. (See **Appendix**)

#### - **5.2 Identification and disclosure of conflicts of interest**

Once an actual, potential or perceived conflict of interest is identified, it must be entered into Every Home Global Concern's register of interests, as well as being raised with the board. Where all of the other board members share a conflict, the board should refer to governance standard 5 to ensure that proper disclosure occurs. The register of interests must be maintained by the Executive Director or someone he appoints, who will 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**

## **6. Action required for management of conflicts of interest**

#### - **6.1 Conflicts of interest of board members**

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member disclosing and any other conflicted board member) must decide whether or not those conflicted board 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 very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering whether it is appropriate for the person conflicted to resign from the board or as a staff member.

- **6.2 What should be considered when deciding what action to take**

- In deciding what approach to take, the board will consider whether the conflict to be addressed, 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
- **Every Home Global Concern's** objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, **Every Home Global Concern.**

- **6.3 Conflicts involving members of the Board, Office Holders, employees or volunteers.**

Where a conflict of interest occurs involving a member of the governing body or an office-holder or employee of the organization or volunteer staff the following procedures should be adopted.

1. Where goods or services are provided by a member of the governing body of the organization, an officer-bearer or employee, or volunteer staff a proper tendering process should be established which includes obtaining at least three competitive quotations.
2. Members of the governing body should absent themselves from proceedings at meetings where decisions are taken which benefits themselves or any member of the member's family (including family companies).
3. A permanent register of pecuniary interests must be maintained.
4. Where it is intended that a member of the governing body of an authority holder receive a salary, fee or some other benefit (other than reimbursement for reasonable out-of-pocket expenses) application must be lodged in writing to the Office of Charities.
5. A person should not accept the office of auditor, solicitor etc. where he or she serves on the governing body of the organization or is directly related to a member of the governing body or an office-bearer of Every Home Global Concern.
6. Where an auditor acts on behalf of two clients (one of which is Every Home Global Concern) involved in a common transaction of a significant nature (eg. sale of land or buildings from one client to the other), the auditor should:

- Provide frank and full disclosure of that conflict to both clients.
- Disclose that conflict in the audit report of Every Home Global Concern.
- Should there be a conflict of interest a full and frank disclosure of the conflict is required to be reported and appropriate measures adopted to overcome the conflict (including not voting on matters concerning appointment and fees).

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

## **7. Compliance with this policy**

If the board 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 board may take action against them. This may include seeking to terminate their relationship with **Every Home Global Concern**.

If a person suspects that a staff or board member has failed to disclose a conflict of interest, they must discuss this with the person in question and if it cannot be resolved they should notify the board, or the Executive Director who is responsible to maintain the register of interests.

## **Contacts**

For questions about this policy, contact the board or Executive Director by **phoning** 02-9570 8211 or by **email** at [ehc@everyhome.org.au](mailto:ehc@everyhome.org.au)

**Drafted by – Lorraine Leach**

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*APPENDIX TO CONFLICTS OF INTEREST POLICY:*

## **The five Governance Standards**

### **Standard 1: Purposes and not-for-profit nature of a registered entity**

Registered charities must be not-for-profit and work towards their charitable purpose. A charity must be able to demonstrate this to the ACNC and provide information about its purpose to the public (for example, by having a copy of its rules on the ACNC Charity Register).

### **Standard 2: Accountability to members**

Charities must take reasonable steps to be accountable to their members and provide their members adequate opportunity to raise concerns about how the charity is governed. This standard only applies to charities that have members.

### **Standard 3: Compliance with Australian laws**

A charity must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a civil penalty of at least 60 penalty units.

### **Standard 4: Suitability of board members ('Responsible Persons')**

Charities must take reasonable steps to ensure that their board members are not disqualified from managing a corporation (under the Corporations Act) or currently disqualified from being a board member for a registered charity by the ACNC Commissioner. Charities must take reasonable steps to remove board members who do not meet these requirements.

### **Standard 5: Duties of board members ('Responsible Persons')**

Charities must take reasonable steps to make sure that their board understands and carries out the duties set out in this standard. See page 14 for more information.