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| **CONFLICT OF INTEREST POLICY** |
| **Introduction**  The Committee of Management (CoM) of Upper Murray Regional Neighbourhood House Network (UMRNHN) is committed to high standards of ethical conduct and accordingly places great importance on making clear any existing or potential conflict of interest.  **Purpose**  This policy has been developed to provide a framework for:   * All CoM members and Network Coordinator in declaring conflicts of interest; and * The CoM, when determining how to deal with situations of conflict.   **Policy**  A conflict of interest may occur if an interest or activity influences or appears to influence the ability of a CoM member to exercise objectivity in decisions relating to the UMRNHN. The CoM places great importance on making clear any existing or potential conflicts of interest. All such conflicts of interest shall be declared by the person concerned and documented in the CoM’s Conflicts of Interest Register.  A CoM member who believes another CoM member or the Network Coordinator has an undeclared conflict of interest should raise this at the relevant time at the beginning of CoM meetings.  Where a CoM member or Network Coordinator has a conflict of interest, that person shall not initiate or take part in any CoM discussion on that topic (either in the meeting or with other CoM members before or after the CoM meetings), unless expressly invited to do so by unanimous agreement by all other members present.  Where a CoM member or Network Coordinator has a conflict of interest, that person shall not vote on that matter.  CoM members or the Network Coordinator are not barred from engaging in business dealings with the UMRNHN, provided that these are negotiated at arm’s length without the participation of the CoM member concerned.  **Associated documents**  Conflict of Interest Register  **Authorisation**  UMRNHN Committee of Management Chair  Name:  Date of approval: |
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| **CONFLICT OF INTEREST PROCEDURES** |
| **Responsibilities**  The Chair is responsible for bringing this policy to the attention of prospective COM members.  All COM members are responsible for respecting this policy.  **Procedure**  Before a CoM begins his or her service with the organisation, he or she shall file with the Chair a list of his or her principal business activities, as well as involvement with other charitable and business organisations, vendors or business interests, or with any other associations that might produce a conflict of interest. This information should be documented in the Conflict of Interest Register.  Further, Members shall declare any conflicts of interest of which they become aware either at the start of the Board meeting concerned or when a relevant issue arises. The nature of this conflict of interest should be entered into the meeting minutes. The interest should also be documented in the Conflict of Interest Checklist.  Where a conflict of interest or potential conflict of interest, as defined below, is identified and/or registered, the CoM member concerned shall leave the room as soon as that item comes up for discussion. The concerned CoM member shall not vote on that issue, nor initiate or take part in any CoM discussion on that topic (either in the meeting or with other CoM members before or after the CoM meetings), unless expressly invited to do so by unanimous agreement by all other members present. The CoM Member’s abstinence should be recorded in the meeting minutes.  If a person declares himself or herself to have an existing or potential conflict of interest, confidentiality will be respected. If a person alleges that another person has a conflict of interest, whether existing or potential, and that person does not agree, and if the CoM cannot resolve this allegation to the satisfaction of both parties, the matter shall be referred to the Dispute Policy.  ‘Conflict of interest’ is defined as applying   1. Where a CoM member stands to gain financially from any business dealings, programs or services of UMRNHN, other than where the CoM member is employed by an organisation that is a member of UMRNHN and the financial gain is of a nature common to other beneficiaries 2. Where the immediate family or business connections of a CoM member stands to gain financially from any business dealings, programs or services of the organisation 3. Where a CoM member or the ex-officio member of the CoM has a role on the governing body of another organisation, where the activities of that other body may be in direct conflict or competition with the activities of UMRNHN.   Related Documents   * [Code of Ethics](http://www.ourcommunity.com.au/files/policybank/CodeofEthics2015.doc) * Conflict of Interest Register   **Authorisation**  UMRNHN Committee of Management Chair  Name:  Date of approval: |

*Policy and Procedure adapted from Institute of Company Directors Social Media Policy and Procedures*

*Attachment 1* CONFLICTS OF INTEREST (Resource material supplied by NHV)

Awareness of conflict of interest.

All Committees of Management should develop a policy regarding “Conflicts of Interest” and ensure that all members and staff receive a copy. Also, the availability of a statement of roles and responsibilities for committee members and position descriptions for employed staff and volunteers will help to prevent conflict. Additionally, all Houses need a policy on resolving disagreements and grievances.

**What is a conflict of interest?**

The committee and staff of any organisation are always required to act in the best interest of the organisation they are currently serving. Sometimes personal interests (or other professional involvement) may conflict with the organisation’s interests, or others may believe it does. A person playing an active role in managing a community organisation should be able to clearly separate personal interests from interests of the organisation, and be seen to do this.

**When are conflicts of interests bad?**

Conflicts of interest occur regularly. They are not necessarily bad in themselves, but can be a problem if:

* the conflict of interest is not recognised;
* the conflict of interest is not declared;
* the best interest of the organisation is not considered.

Others outside the organisation may think there is a conflict of interest even when there is not. Therefore individuals need to be able to show that potential conflict is recognised and make sure they do not interfere organisational process.

**What can cause a conflict of interest?**

There are several examples of potential conflicts of interest including:

* You are on the selection panel which chooses a relative or friend for a job;
* You are on a Committee and are also employed by a funding body which provides grants to the organisation;
* You are on a Committee and also part of another body eg. Council, whose decisions affect the organisation;
* You are on the Committee for an organisation which buys materials, products, or services from your private company or family business;
* You are on Committees for two organisations which compete for funds or consumers;
* You are on the Committee of an organisation which employs a relative or close friend;
* Other members of your family are part of the same Committee;
* Members of your family or close friends are part of the Committee which makes decisions which could benefit you;
* You are on a Committee that makes decisions that might benefit you personally eg. providing a course you particularly want to do.

In each of the above examples you may not have gained personal benefit from your involvement, however others may see that you could have, or believe that you did. You must act to prevent any potential conflicts of interest to protect both yourself and your organisation.

**What can be done about conflict of interest?**

There are several ways to limit or eliminate the impact of conflict of interest, including the following:

* At the first Committee of Management meeting after the Annual General Meeting, each Management Committee should ask about potential conflicts of interest for members of the new committee. These conflicts should be recorded along with what you have decided to do about them. This record should be included with your record of committee minutes and available to all members.
* Declare any new potential conflicts of interest as soon as you become aware of them;
* Ask that your declaration of a potential conflict of interest to be recorded in the minutes;
* State all your other professional/community involvement(s) and why you see that there might/might not be a conflict of interest.
* Ask for the Committee to discuss what action should be taken in each instance of potential conflict.

These options include:

* Declare the potential conflict and draw everyone’s attention to it;
* Contribute to the discussion, or decisions, only after everyone else has put their views
* Leave the room while all discussion on the matter which affects you is under way
* Abstain from voting or deciding on any questions where your interests conflict
* Seek leave of absence from the Committee for the months during which the decisions where you have made a conflict of interest will be made;
* Resign from the Committee if the conflict is important and likely to continue
* Always respond to any complaints that your Committee ignored conflicts of interest and inform the complainant about your decision and the reasons for it.

**Conflict of interest and paid staff**

A Committee of Management is legally the employer of all staff who work in the organization. Conflict of interest[s] over employment and other issues can arise when paid staff are part of the management. Where some financial or personal benefit is potentially involved members should do one of the following:

* State their conflict of interest as soon as possible and ask that they not take part in the discussion or decisions about the issue.
* If a vote is necessary the staff member should abstain from voting. If it is necessary for the paid staff member to vote, it should be noted in the minutes to show how they voted.
* The staff member should ask that the committee to determine whether they should stay involved, or how they can participate without compromise. They might then be given the opportunity to take part in the discussion, or to put their views and then to leave the room to abstain from voting.
* Select a representative on the committee who can put forward views or information on behalf of the staff member.

If staff are part of management committees their role should be clearly defined in policy.

Although there is no legal reason to prevent paid staff being on Committees of Management NHV strongly advises that if unavoidable they only participate in an advisory capacity and not as full members.