

# Compliance: Conflict of Interest

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<b>Related policies and documents</b>	Probity Policy		

## Scope

This policy applies to all directors, office holders' staff, volunteers, tenants, applicants, partner organisations and stakeholders involved with Amélie Housing.

## Policy Statement

Amélie Housing is committed to managing conflicts of interest effectively. All directors are responsible for ensuring that their personal interests do not come into conflict with their role as director. Conflicts of interest will always arise in organisations: they are an inevitable part of any business. Our aim is not to eliminate conflicts of interest but to develop a culture of recognition, disclosure and effective management.

This policy is designed to assist directors to meet their continuing responsibility to disclose potential conflicts of interest, and to assist the board to manage conflicts of interest effectively. Conflict of interest has two dimensions - legal and ethical conflicts. Legal conflicts of interest are those concerned with financial or personal benefit to individual's due to lack of disclosure. Ethical conflicts arise when there is no direct benefit to the individual but their involvement in a decision is not made with the interest of the organisation being the primary consideration.

### The policy explains:

- Instructions to a director about what to do if they believe there is potential for a conflict of interest that is not covered by a previous disclosure statement
- Instructions for the chair about how to manage potential conflicts of interest
- A Disclosure of Interests Statement for each director to complete.

## Compliance

This policy assists Amélie Housing to comply with:

Compliance Document	Section/Number	Area
Evidence Guidelines National Regulatory Framework for Community Housing	5b	Probity
	4c	Governance
National Community Housing Standards	5.2	Good Governance
	5.3	Effective management

## Conflict of Interest Policy

### How to manage a potential conflict of interest

This section applies to directors and provides guidance in responding to a potential conflict of interest that has not been previously been declared.

If you have reason to believe that you, or person affiliated to you, may have a conflict of interest relating to a proposed decision of the board you should prepare a brief letter to the chair outlining:

- the issue or proposed decision
- the interest that you have that might bring you into conflict
- your views about why the proposed decision is, or is not, in the interests of the organisation.

If a conflict of interest or the potential for a conflict of interest arises during a board meeting you should immediately raise it with the chair who will determine whether you should step aside from the decision, or from the discussion and the decision. Your disclosure and the chair's decision will be formally recorded in the minutes of the meeting.

Any decision in which a director has an interest will be reviewed carefully to ensure that it is in the best interests of the organisation. The chair will recommend to the board how the matter will be dealt with to avoid the conflict of interest and the appearance of a conflict of interest.

## Examples of potential conflicts of interest for directors

Some examples of conflict of interest board directors may face are set out below:

Potential conflict	Action required
A decision or process that could result in potential or actual financial gain for the director, for example a tender awarded to an associated contractor such as a construction firm	Declare all interests at any meeting prior to engagement as per the policy
Appointing a senior executive to an advisory or senior operations role who is a friend of the director	Declare known relationships if involved in executive decisions
Romantic relationships between directors and staff or directors and associated companies	Disclosure of relationships that are or could be perceived as conflict of interest, especially when confidential or financial information is involved.

### Appearance of conflict

The appearance of conflict involves circumstances where circumstances could be interpreted as a conflict of interest and affect the reputation of the organisation.

Directors are requested to consider declaration of conflict of interest from a risk averse approach, that is to declare any issue they could reasonably consider may be perceived as conflict of interest. This forms part of the Code of Ethical Conduct and is critically important as the organisation continues to grow.

### Management of potential conflicts of interest

The chair is responsible for the process of managing potential conflicts of interest on the board. All directors are responsible for identifying and disclosing potential conflicts of interest.

Before the start of each board meeting the chair will cross check the agenda against the Disclosure Statements, to ensure that any potential conflicts of interest are identified. The chair will also invite directors to identify any other potential conflicts of interest which are not covered by the Disclosure Statement, based on the agenda.

Where a potential conflict of interest is identified, the chair will determine how the conflict should be managed.

This will depend on the nature of the conflict. For minor one-off conflicts of interest, the director may take part in discussion of the relevant issue but cannot take part in any decision. For more serious one-off conflicts, the chair may decide that the director should not even take part in discussion and should leave the meeting room while the discussion and decision-making takes place.

Where a director has an ongoing conflict of interest, the chair may ask them to stand down from the board for the period of the conflict, or to resign from the board, or to take other action to manage the conflict.

As part of managing conflicts of interest, the chair may check board decisions by reference to external standards, to ensure that the decision is in the best interests of the organisation. External standards may include decisions of peer organisations, good practice standards, etc.

To manage a perception of conflict of interest, the chair will ensure that the minutes of board meetings record any conflicts of interest identified, and the action taken to manage them. The chair may also take other appropriate action to manage a perception of conflict of interest.

If a director believes that another member has a potential conflict of interest which has not been disclosed, they should raise this matter with the chair.

If the chair identifies that s/he has a potential conflict of interest with a matter, s/he must stand aside from the chair so that another director can determine whether there is a conflict. If there is a conflict, the stand-in chair will manage the conflict according to the range of strategies outlined in this policy.

If a director believes that the chair has a potential conflict of interest which has not been disclosed, they should raise this matter with the board. In any case of potential conflict of interest, the chair and/or the board can seek external advice about the best way to manage the situation.

If a director fails to identify a minor conflict of interest, the chair will seek to resolve the issue. This may include an internal investigation of the matter and formal agreement from the director about how to avoid the conflict in future. If a director fails to identify a major conflict of interest, or is involved in corrupt behaviour, the chair will seek the member's resignation from the board. Where relevant, the chair will report the matter to the Police, ICAC or other appropriate bodies. If the member fails to resign from the board, the chair will convene a special general meeting of the organisation's members to expel the member from the board.

### **Disclosure of Interests Statement**

The disclosure statement should be completed, signed and returned to the chair of the board at the beginning of each Board Meeting. The disclosure statement is part of the organisation's Code of Ethical Conduct