

## **Conflict of interest policy**

### **1. Purpose**

The purpose of this policy is to help the committee of PANZA to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of PANZA and manage risk.

### **2. Objective**

The PANZA committee aims to ensure that members are aware of their obligation 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 PANZA.

### **3. Scope**

This policy applies to the committee members of PANZA.

### **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 the charity.

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 (for example, as a shareholder).

It also includes a conflict between a committee member's duty to PANZA and another duty that the committee member has (for example, to another charity, society, trust, or where there are "dual roles"). 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.

Therefore these situations must be managed accordingly.

### **5. Policy**

This policy has been developed to address conflicts of interest affecting PANZA.

Conflicts of interest are common, and they do not need to present a problem to the charity as long as they are openly and effectively managed.

It is the policy of PANZA, as well as a responsibility of the committee, that ethical, legal, financial or other conflicts of interest be managed and that any such conflicts (where they do arise) do not interfere with the obligations to PANZA.

PANZA will address conflicts of interest by requiring committee members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest

- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

### 5.1. Responsibility of the committee

The committee is responsible for:

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

The charity must ensure that its committee members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

### 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 PANZA's register of interests, as well as being raised with the committee.

Where every other committee member shares a conflict, the committee should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register of interests must be maintained by the secretary. The register must 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).

### 5.3 Confidentiality of disclosures

There shall be a discussion of confidentiality based on each situation and what is required.

## **6. Action required to manage conflicts of interest**

### 6.1. Conflicts of interest of committee members

Once the conflict of interest has been appropriately disclosed, the committee (excluding the committee member who has made the disclosure, as well as any other conflicted committee member) must decide whether or not those conflicted committee 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 committee member from regularly participating in discussions, it may be worth the committee considering if it is appropriate for the person conflicted to resign from the committee.

### 6.2. What should be considered when deciding what action to take

In deciding what approach to take, the committee will consider:

- whether the conflict 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
- the charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

The approval of any action requires the agreement of at least a majority of the committee (excluding any conflicted committee 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 committee 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 committee may take action against them. This may include seeking to terminate their relationship with the charity.

If a person suspects that a committee member has failed to disclose a conflict of interest, they must raise it at the next committee meeting.

Contacts

For questions about this policy, contact the committee