



Policy Name:	Conflict of Interest	Policy No.:	1.8
Effective Date:	2 October 2020	Revision No.	2

CONFLICT OF INTEREST POLICY

1. PURPOSE OF THE POLICY

The purpose of this policy is to assist board members and staff members of Business for Development (B4D) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of B4D and manage risk.

2. SCOPE OF THE POLICY

This policy applies to all persons working for B4D or on our behalf in any capacity including staff members, board members, third-party representatives, project partners, clients and suppliers.

3. DEFINITION OF CONFLICT 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 organisation.

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 board member's duty to B4D and another duty that the board member has (for example, to another organisation). 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 organisation.

Therefore, these situations must be managed accordingly.

4. POLICY

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

It is the policy of B4D, as well as a responsibility of all members of staff and 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 B4D.

B4D will manage conflicts of interest by requiring all members of staff and the board 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.

Responsibilities

The CEO is responsible for:

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

B4D must ensure that its board 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.

Board members are responsible for:

- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.
- understanding of all ACNC governance standards in relation to conflict of interest.
- the disclosure of any actual or perceived material conflicts of interests as required by ACNC governance standards.

All staff members are responsible for:

- the disclosure of any actual or perceived material conflicts of interests as required in this policy.

Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be reported using the Conflict of Interest Declaration Form. The declaration will be assessed and entered into B4D's register of interests, as well as being raised with the board.

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

Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member who has made the disclosure, as well as 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 if it is appropriate for the person conflicted to resign from the board.

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



What should be considered when deciding what action to take

In deciding what approach to take, the board 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
- B4D's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of B4D.

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.

On-going review

Once a Conflict of Interest has been declared and mitigations have been put in place, the circumstances surrounding the Conflict of Interest and the mitigations should be reviewed by the board at least once every six months to ensure that the mitigations are working correctly and remain appropriate.

5. 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 B4D and/or any other relevant sanctions that are proportionate to the seriousness of the breach. Other actions related to conflict of interest disclosures may include, one on one meetings, escalation to the relevant board committee, formal warning notices, etc.