

GOV-008 Conflicts of Interest Policy

Authorised by: Board
Applies to: All PWDA Board members, staff, volunteers and contractors
Effective from: 13 January 2022
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Policy Owner: Chief Executive Officer

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Purpose

- To help PWDA protect its integrity and manage risk by preventing conflicts of interest from influencing decisions or actions.
- To promote a culture at PWDA of honesty, integrity and ethics.
- To help PWDA Board Members and employees (including volunteers and contractors) to:
 - understand their obligation to comply with legislation, regulations and policy about conflicts of interest, and
 - know how to identify, disclose and manage any conflicts of interest when carrying out their duties.

Conflicts of interest are when a Board member or employee's interests (personal or professional) conflict with their duties and obligations to PWDA.

This policy should be read together with the PWDA Constitution and the Staff and Board Codes of Conduct and Ethics.

Scope

This policy applies to all PWDA Board Members and employees (including volunteers and contractors).

Policy statement

People with Disability Australia LTD (PWDA) is committed to a culture of honesty, integrity and ethics

PWDA is committed to managing conflicts of interest so that they do not affect PWDA's services, activities, decisions, integrity or reputation.

We will also manage conflicts of interest to minimise the impact on the duties and responsibilities of PWDA Board members or employees.

PWDA will manage conflicts of interest openly and effectively so they do not become a problem to PWDA.

PWDA Board Members and employees must do their best to avoid any ethical, legal, financial or other conflicts of interest.

If any conflicts do arise, people must make sure they do not conflict with their obligations to PWDA.

Board members and employees must identify and disclose any conflicts of interest. They must also work with PWDA to manage any conflicts that arise.

Board members and employees must use their authority and responsibility in a professional and ethical way.

Board members, former Board members, employees or former employees must not use information they obtained in their role dishonestly. This includes directly or indirectly intending to (a) gain an advantage for themselves or another person, or (b) cause detriment to PWDA.

PWDA will make sure all Board members and employees understand their obligations and what they must do about any conflicts of interest.

PWDA Board Members and employees must follow this policy and respond to any breaches of the policy.

Guiding principles

PWDA Guiding principles: as set out in our Strategic Directions.

Transparency, Fairness and Respect: PWDA handles conflict of interest processes transparently, fairly and respectfully.

Good governance: PWDA complies with the Consent to Act and Conflicts of Interest requirements of the Corporations Act. PWDA follows the ACNC guidelines for managing conflicts of interest. PWDA follows the Australian Council for International Development (ACFID)'s Code of Conduct.

Quality management: PWDA is guided by the National Disability Services Standards regarding service management.

Risk Management: The Conflicts of Interest Policy helps PWDA to protect its integrity and manage risk by preventing conflicts of interest from influencing decisions or actions that could affect PWDA's services, operations, integrity or reputation.

Continuous improvement: We use conflict disclosures, how they are managed and any feedback from people involved to improve how we manage conflicts of interest.

Roles and responsibilities

Everyone at PWDA is responsible for identifying, disclosing and resolving conflicts of interest.

PWDA Board

Is responsible for receiving Conflict of Interest Disclosure Statements from the Chief Executive Officer, and dealing with the conflict of interests.

Chief Executive Officer

Is responsible for:

- providing leadership to make sure this policy supports a culture at PWDA of honesty, integrity and ethics.
- establishing and supporting systems and processes to manage conflicts of interest.
- reviewing the Staff Conflicts of Interest Register to identify trends or issues, developing strategies to address them and reporting to the Board.

Governance and Compliance Coordinator

Is responsible for:

- making sure new Board member induction includes information on conflicts of interest.
- making sure board members conflicts are disclosed, recorded, managed and resolved in line with this policy.
- monitoring organisational compliance with this policy.

Direct Managers

Are responsible for:

- receiving Conflict of Interest Disclosure Statements from employees.
- working with the employee to develop a risk management strategy to deal with the conflict of interest.

Senior Management Team

Is responsible for:

- consideration and approval of conflict of interest risk management strategies.

Director People, Quality and Systems (or delegate)

Is responsible for:

- ensuring employees understand their responsibilities regarding conflicts of interest.
- ensuring employee conflicts of interest are disclosed, recorded, monitored, managed and resolved in line with this policy.

Procedures

These procedures provide information to help PWDA Board members and employees to:

- understand their obligations regarding conflicts of interest
- identify conflicts of interest
- avoid conflicts of interest
- disclose conflicts of interest, and
- manage conflicts of interest.

What are conflicts of interest?

PWDA Board members and employees need to be able to identify when there is, or could be, a conflict of interest. This information explains what a conflict of interest is and how to recognise a conflict of interest.

Conflicts of interest are when a Board member or employee's interests (personal or professional) conflict (directly or indirectly) with their duties and obligations to PWDA.

A conflict of interest may be:

- **Real:** Where a Board member or employee is being influenced by a conflicting interest while carrying out their duties;
- **Perceived:** Where a Board Member or employee could appear to be influenced by their conflicting interest while carrying out their duties;
- **Potential:** Where a Board member or staff member could be influenced by their conflicting interest while carrying out their duties.

A conflict of interest can be:

- Pecuniary: A personal interest that involves actual or potential financial gain or loss by a Board member, employee, relative or associate.
- Non-pecuniary: A personal interest that doesn't involve money, but could involve actual or potential preferential treatment or prejudice to a Board member, employee, relative or associate.

Why is it important for PWDA to minimise and manage conflicts of interest?

PWDA is a company limited by guarantee under the Corporations Act. Under this law, PWDA Board members have a duty to provide their Consent to Act as a Director before they are appointed. PWDA Directors must also disclose any conflicts of interest (before they are appointed and any other time they become aware they have or may have a conflict of interest). The Act contains details of what individual Board members and the PWDA Board must do to comply with the law. This policy follows the requirements in the Act.

PWDA is also a charity registered with the Australian Charities and Not-for-profits Commission (ACNC). The ACNC sets out obligations about conflicts of interest for members of the governing body of registered charities (known as 'responsible persons') under the ACNC Governance Standard 5.

The reason for the legislation and regulations is that conflicts of interest can cause significant financial, operational or reputational damage to an organisation if they are not managed properly.

The legislation and regulations apply to Board members. However, PWDA can also be put at risk when employees (including volunteers and contractors) have conflicts of interest that are not disclosed or not managed properly. So this policy covers both PWDA Board members and employees.

How do I recognise a conflict of interest?

You need to consider three essential things to decide if you have a conflict of interest:

- Your organisation's purpose.
- Your personal interests.
- Your duties.

Knowing how these three things relate to each other will help you to decide if you have a conflict of interest. The ACNC Guide to Managing Conflicts of Interest provides useful steps to help you consider each of these so you can work out if you have any conflicts of interest. The ACNC Guide focuses on Board members, but the information is useful for anyone in an organisation.

<https://www.acnc.gov.au/tools/guides/managing-conflicts-interest-guide>

Some examples of conflicts of interest can be:

Where a Board member or employee:

- makes a decision motivated by considerations other than the best interests of PWDA,
- has a partner, friend, or close family member (a related party) who is doing business with PWDA,
- on behalf of PWDA, is involved in, or has an influence on, the hiring of a person who is a related party,
- is involved in, or has an influence on, awarding a contract to a related party or to a business associated with a Board member or employee,
- has other directorships and/or relationships that are in direct competition and/or opposition to the interests of PWDA,
- learns of an opportunity that may benefit them personally or another organisation in which they have an interest,
- assists a third party in their dealings with PWDA, which could result in PWDA giving favourable or preferential treatment to that party, or
- receives gifts or loans from PWDA, or as a result of their role with PWDA.

Avoiding conflicts of interest

Board members and employees have a duty to avoid conflicts of interest whenever possible.

However, conflicts of interest are common. Board members and employees have various roles and interests in their lives that can sometimes clash. For example,

- When a Board member or employee (or a family member) is a member of another specific organisation.
- When a Board member or employee (or a family member) works for another specific organisation or person.
- When a PWDA employee is also a member of PWDA.

Board members and employees must make sure they comply with this policy and follow these procedures so that any conflicts of interest do not become a problem or risk.

When do Board members or employees need to declare a conflict of interest?

You must declare a conflict of interest that could affect how you perform your duties as soon as you become aware of it.

Board members

Board members must report any ongoing conflicts of interest as well as conflicts that relate to any matters for discussion at Board meetings.

New Board members must complete the Consent to Act as a Director and Declaration of Interests Form before the AGM. This is a combined form - Attachment 1 of this Policy. PWDA keeps these forms and records all Board conflicts of interest in the PWDA Board Conflict of Interests Register (the "Register"). Board members must update their declaration every year, or when they become aware of any new conflict of interest, or if there is a change to an existing declaration.

The Governance and Compliance Coordinator maintains the Board Conflict of Interests Register, which is kept at the same address as the PWDA Register of Board members. Any member of PWDA can inspect these registers.

Board members must also declare any conflict of interest that relates to items on the agenda for Board meetings or annual general meetings. The President will ask if members have any conflicts of interest and make sure they are recorded in the minutes of the meeting.

Employees

Existing Conflicts of Interest

Employees must report any existing conflicts of interest when they start working at PWDA. They must complete the Declaration of Interests Form, contained in

Attachment 2 of this Policy and upload it to PWDA's Human Resources Information System - Employment Hero within your Personal Profile under Certifications> Conflicts of Interest Policy: Attachment 2- Declaration of Interests Form & Attachment 3 Conflict of Interest Disclosure Statement Form. PWDA records all staff conflicts of interest in the PWDA Staff Conflict of Interests Register. The Governance and Compliance Coordinator maintains the Staff Conflict of Interests Register.

Employees must update their declaration when they become aware of a new conflict of interest, or if there is a change to their previous declaration.

New Conflicts of Interest

If you become aware that you have a conflict of interest, you must report it as soon as possible. You should use the Conflict of Interest Disclosure Statement (PWDA Staff) form in Attachment 3 of this policy and upload it to PWDA's Human Resources Information System - Employment Hero within your Personal Profile under Certifications> Conflicts of Interest Policy: Attachment 2- Declaration of Interests Form & Attachment 3 Conflict of Interest Disclosure Statement Form. You should refer to the PWDA Staff Code of Conduct (section 6.11 Avoid conflict of interest) when you are completing the Disclosure Statement).

The Staff Code of Conduct defines conflict of interest and says that staff members and affiliates must declare existing or potential conflicts with the organisation's interests. Affiliates include contractors, volunteers and any other person appointed or engaged by PWDA to perform work, duties or functions for PWDA.

Staff members should disclose to their direct manager. Affiliates should disclose to the contact person designated in their contract or instrument of appointment or engagement.

How does PWDA manage declared conflicts of interest?

When a conflict of interest has been identified and documented, we need to manage it appropriately so that it does not pose any significant risks to PWDA.

When a Board member or employee has declared a conflict of interest, they must not:

- receive any information about the matter that relates to their conflict of interest
- be present during any discussions about the matter;
- take part in making any decision about the matter.

Note 1: Specifically, for Board members, when a Board member has declared a conflict of interest, they must not (a) be present during any Board discussions on that matter, or (b) take part in making any decision of the Board about that matter.

Note 2: The Corporations Act says that a Board decision is still valid even when these restrictions were not followed.

Employees

The manager who receives a Conflict of Interest Disclosure Statement will discuss it with the employee or affiliate as soon as possible. They will decide and agree on the most appropriate risk management strategy to deal with the conflict. This includes whether to manage the conflict or end it.

They then refer the agreed strategy to the senior management team (SMT) for approval. Where the conflict has been raised by a member of the SMT, it is referred to the Chief Executive Officer. Where the Conflict of Interest has been raised by the Chief Executive Officer it must be raised to the Board for consideration and approval.

All employee conflicts of interest are entered into the Staff Conflict of Interest Register and noted in their personnel file.

What kinds of conflict of interest risk management strategies are there?

Depending on the matter, examples of risk management strategies for employees could include:

For an occasional conflict of interest -

- That you don't have access to sensitive or confidential information on the matter,
- That you don't take part in any important decision-making on the matter,
- That you withdraw from the situation that causes the conflict,
- Bringing in another person to manage or make decisions about the matter.

For ongoing serious or actual conflicts of interest –

- Removing you from any involvement in the matter,
- Re-arranging your work duties and responsibilities,
- Transferring you to another area of work.

There could be some situations where PWDA believes the conflict of interest is not compatible with being a Board member or employee. In this case, the person would need to relinquish their personal interest or their role at PWDA. The Board is responsible for this kind of decision regarding a Board member. If the Director People Quality and Systems believes an employee has a conflict of interest that is incompatible with working for PWDA, they will notify the CEO who will decide whether the employee should resign.

Working in an ethical way

PWDA is committed to a culture of honesty, integrity and ethics. We expect everyone at PWDA to work towards maintaining that culture.

Board members and employees must carry out their duties with the proper use of their authority, responsibility and in a professional and ethical way.

Ethical problems can happen in situations where people have not met expected standards. (This includes when those standards have been clearly talked about by PWDA or not). As a general guide, PWDA's expected performance standards include:

- being loyal to PWDA and its interests;
- dealing with the public, staff, clients, and Board members in an ethical, fair, and straight-forward manner;
- speaking positively of PWDA in public;
- fostering friendly and positive working relationships between volunteers and staff; and
- maintaining confidentiality of business matters.

Dishonest use of information

Board members, former Board members, employees or former employees must not use information they obtained in their role dishonestly. This includes directly or indirectly to:

- gain an advantage for themselves or another person, or
- harm or damage PWDA.

Breach of policy

If a Board member or employee fails to disclose, or comply with management of, a conflict of interest, this breaches their Code of Conduct and Ethics and could result in disciplinary action.

If a Board member or employee believes another person has breached this policy, they should report it as soon as possible. They will be covered by PWDA's Whistleblower Policy, so their identity and any identifying information will be kept confidential.

Attachment 1: Consent to Act as a Director, and Declaration of Interests Form

(All Board members must sign this consent and declaration.)

People With Disability Australia Ltd
ACN 621 720 143
(Company)

New Directors - Please fill in and sign both sections of this form :

- Consent to Act as Director, and
- Declaration of Interests

Consent to Act as Director

1. Consent

I consent to my appointment as a director of the Company, and in compliance with the requirements of the *Corporations Act 2001* (Cth), I set out hereunder the following information:

Full name: _____

Former name
(if applicable): _____

Residential address: _____

Date of birth: _____

Place of birth: _____

2. Declaration of Interests

I confirm that I have read the Conflicts of Interest Policy and agree to disclose any real, perceived, or potential conflict of interest that may arise during the course of my role with PWDA. I will do this as soon as possible after I become aware of facts that could give rise to conflict of interest.

This Declaration of Interests Form provides the disclosure of my interests, relationships and/or holdings that may lead to, or be perceived as giving rise to a conflict of interest between myself and the interests of PWDA.

I understand that this form will be filed in a Conflicts of Interest Register.

I understand that if there is a change to the interests after giving this declaration, I am responsible for providing a revised statement to PWDA as soon as possible.

I also understand that in disclosing any interests, I agree to PWDA's decisions regarding the management of these interests.

I understand that the Board reserves the right to seek further information. I agree to provide that information upon request.

Interests in contracts with the Company

You need not disclose an interest consisting only of being a member or creditor of a corporation that is interested in a contract or proposed contract with the Company if your interest may properly be regarded as an immaterial interest.

You need not disclose:

- (a) a guarantee given or to be given by you alone or jointly to secure the repayment of a loan to the Company; or
- (b) a directorship of a related body corporate where the contract has been or will be made for the benefit or on behalf of that related body corporate.

The following is a list of my interests relevant to the Company required to be disclosed by me to the Company under the *Corporations Act 2001* (Cth):

Contract	Director's interest

General notice of interest in contracts

I am an officer or member of each body corporate, or a member of each firm, specified in the table below. I should be regarded as interested in any contract that may, after the date of this form, be made by the Company with those bodies corporate or firms. The matters disclosed by this paragraph should be brought up and read at the next meeting of directors of the Company.

Disclose below interests or offices held by you in other bodies corporate or firms, where you are to be regarded as generally interested in any contracts which may be between the Company and that other body or firm.

Name of body corporate or firm	Office held or membership	Nature and extent of interest

Conflicts of interests

Included below are details of offices which I hold, or property which I possess, as a result of which, whether directly or indirectly, duties or interests might be created in conflict with my duties or interests as a director of the Company.

Sign below to agree to the Consent to Act and Declaration of Interests:

Signed

Dated

Attachment 2 - Declaration of Interests Form (All employees must sign this declaration)

I confirm that I have read the Conflicts of Interest Policy and agree to disclose any real, perceived, or potential conflict of interest that may arise during the course of my role with PWDA. I will do this as soon as possible after I become aware of facts that could give rise to conflict of interest.

This declaration of interests form provides the disclosure of my interests, relationships and/or holdings that may lead to, or be perceived as giving rise to a conflict of interest between myself and the interests of PWDA.

I understand that this form will be filed in a Conflicts of Interest Register.

I understand that if there is a change to the interests after giving this declaration, I am responsible for providing a revised statement to PWDA as soon as possible.

I also understand that in disclosing any interests, I agree to PWDA's decisions regarding the management of these interests.

I understand that the CEO reserves the right to seek further information. I agree to provide that information upon request.

I, _____

have no interests to declare at this time.

wish to disclose the following interests:

Signature of Declarant: _____

Date: _____

Attachment 3: Conflict of Interest Disclosure Statement (this is to be completed by employees should a Conflict of Interest Arise).

Note: This disclosure statement form does not need to be completed by Board Members as all Board member Conflicts of Interest will be minuted and actioned as appropriate as they arise.

Refer to the PWDA Staff Code of Conduct (section 6.11 Avoid conflict of interest when you are completing this Disclosure Statement).

The Staff Code of Conduct defines conflict of interest and says that staff members and affiliates must declare existing or potential conflicts with the organisation's interests. Affiliates include contractors, volunteers and any other person appointed or engaged by PWDA to perform work, duties or functions for PWDA.

Staff members should disclose to their direct manager. Affiliates should disclose to the contact person designated in their contract or instrument of appointment or engagement.

The manager who receives the Disclosure Statement will discuss it with the staff member or affiliate in a timely way to decide and agree on the most appropriate risk management strategy to deal with the conflict. This includes whether, and how, to manage the conflict or to end it.

The agreed strategy is then referred to a representative of the senior management team (SMT) for approval. Where the conflict has been raised by a member of the SMT, it is referred to the Chief Executive Officer. Where the Conflict of Interest has been raised by the Chief Executive Officer it must be raised to the Board for consideration and approval.

Section 1: To be completed by employee

Details	Response(s)
Employee Name:	
Role/ Title:	
Type of conflict: (e.g., commercial relationship, connection with other organisation, family or personal relationship, financial investment, relationship to a position of influence or other).	
Nature of conflict: (e.g., actual, perceived or potential).	
Conflict description: Please provide sufficient information to enable a procedure for management of the conflict of interest to be established. If third parties are relevant to the disclosure, the third parties should be informed.	
How will this conflict be managed? Describe how it might affect or be seen to potentially affect you or PWDA, and explain how you propose to manage this conflict of interest.	

Staff Member Declaration:

I declare that the above information is true and to the best of my knowledge and I confirm that:

- I have discussed the situation with my manager;
- I will take appropriate steps to adequately manage the actual, perceived, or potential conflict of interest in accordance with PWDA's Staff Code of Conduct;
- Even if a conflict of interest has been approved, I will refrain from acting in a manner which gives rise to an actual, perceived, or potential conflict of interest;
- I will keep my manager informed of any material changes to the above circumstances and reconfirm my position.

Additional comments:

Please provide any additional information here that you consider relevant:

Staff member signature: _____

Date: _____

Section 2: To be completed by manager or approved delegate

By selecting *approve* you acknowledge that:

- You have discussed the declaration with a member of the SMT (or where the conflict has been raised by a member of the SMT, with the CEO or Board where applicable);
- Where required, a plan has been put into place to manage and review the conflict of interest.

Manager or Delegate Name:	
Role/ Title:	
Outcome: (e.g., approve or reject)	
Date:	
Additional comments: (if applicable)	

Manager/ Delegate signature: _____

Date: _____

Related documents

Relevant legislation, regulations and standards

- Corporations Act
- ACNC Standards
- ACFID Code of Conduct
- National Disability Services Standard 2 – Service Management

Relevant PWDA policies, procedures

- Privacy Policy
- Access to Information Policy
- Staff Code of Conduct and Ethics
- Board Member Code of Conduct and Ethics
- PWDA Constitution
- Whistleblower Policy

Relevant supporting documents

- Consent to Act as a Director and Declaration of Interests Form
- Declaration of Interests Form – Employees
- Conflict of Interest Disclosure Statement (Employees)
- About our GOV-008 Conflicts of Interest Policy – Board Members Easy Read
- About our GOV-008 Conflicts of Interest Policy – Employees Easy Read
- Gift Register