**CONFLICT OF INTEREST POLICY- V1 – 01.09.2021**

1. **BACKGROUND:**

This policy is based upon the template provided by the Australian Charities and Not-For-Profit Commission [ACNC].

1. **INSTRUCTIONS:**
2. *Insert your church logo in the header in place of the grey rectangle.*
3. *The word [church] appears numerous times in this document. To brand it as your own, go to the feature in Word ‘Replace’ type the word ‘[church]’ in the field ‘find what’ and the name of your church in the field ‘Replace with’ then select ‘Replace All’.*
4. **PURPOSE:**

This policy is to assist members of the board of **[church]** to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of **[church]** and manage risk.

1. **OBJECTIVE:**

The **[church]** expects that board members be 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 governors of **[church].**

1. **DEFINITIONS:**

**Employee’s** means either paid employees or volunteers of the **[church].**

**Members** means either the founding Members of the **[church]** or those subsequently approved by the board as Members.

1. **SCOPE:**

This policy applies to the members of the board, employees and Members of **[church]**.

1. **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 **[church]**

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 **[church]** and another duty that the board member has (for example, to another entity). 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 **[church].**

Therefore these situations must be managed accordingly.

1. **POLICY:**

This policy has been developed to address conflicts of interest affecting **[church]**.

Conflict of interest are common, and they do not need to present a problem to **[church]** as long as they are openly and effectively managed.

It is the policy of **[church]**, as well as a responsibility of 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 **[church].**

**[Church]** will manage conflicts of interest by requiring members of the board to:

1. avoid conflicts of interest where possible;
2. identify and disclose any conflicts of interest;
3. carefully manage any conflicts of interest; and
4. follow this policy and respond to any breaches.

**8.1. Responsibility of the board:**

The board is responsible for:

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

The church must ensure that its board members are aware of the ACNC’s governance standards, particularly [ACNC Governance Standard 5](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards/5-duties-responsible-persons), and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

**8.2. Identification and disclosure of conflicts of interest:**

Once an actual, potential or perceived conflict of interest is identified, it must be entered into **[church]**’s register of interests, as well as being raised with the board.

Where every other member of the board shares a conflict, the board 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).

**8.3 Confidentiality of disclosures**

1. Only members of the board may have access to the register of interests, regulatory authorities as required and those deemed appropriate by the board.
2. Those with access or receipt of such information must keep it safe at all times and not share the information with any third party.
3. **ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST:**

**9.1. Conflicts of interest of members of the board:**

Once the conflict of interest has been appropriately disclosed, the board (excluding the member of the board who has made the disclosure, as well as any other conflicted members of the board) must decide whether or not those conflicted members of the board should:

1. vote on the matter (this is a minimum);
2. participate in any debate; or
3. be present in the room during the debate and voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a member of the board 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.

**9.2. 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;
* the church’s objects and resources; and
* the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the church.

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.

1. **COMPLIANCE WITH THIS POLICY:**
2. If the board has a reason to believe that a Member or employee subject to the policy has failed to comply with it, it will investigate the circumstances.
   1. 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 suspend or terminate their membership of **[church].**
   2. Any such suspension or termination shall be in accordance with the constitution of **[church]**
3. If a members of the board, a Member or employee suspects that a member of the board member has failed to disclose a conflict of interest:
   1. A member of the board that becomes aware of a conflict of interest must discuss the matter with the relevant member of the board, notify the board and have the matter recorded in the register of interests.
   2. A Member that becomes aware of a conflict of interest must discuss the matter with the relevant member of the board, notify the board and have the matter recorded in the register of interests.
   3. An employee that becomes aware of a conflict of interest must process the issue in accordance with **[church]** ‘Whistle Blowers Policy, the board is to be notified and the matter recorded in the register of interests.
4. **CONTACTS:**

For questions about this policy, contact the secretary.