Conflict of Interest Policy

1. Purpose

Inala Community House (ICH) is dedicated to providing high quality services within the community. As part of this commitment, ICH has processes which aim to ensure the ethical and proper running of the organisation through the identification and management of any potential or actual conflicts of interest.

The management of conflicts, whether actual, potential or perceived, protects the integrity of Inala Community House in its daily operations and is a vital accountability process for program and service funders, ICH and community members.

The purpose of this policy is to help workers to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Inala Community House and manage associated risks.

2. Scope

This policy applies to all Board Members and staff. This policy may also apply to contractors and volunteers who are engaged to deliver services on behalf of ICH. For the purposes of this policy, these persons shall be referred to as workers.

3. Definitions

Conflicts of Interest: Occur in circumstances where a person's personal interests (whether perceived, potential or actual) conflict with their responsibility to act in the best interests of Inala Community House. Conflicts can also occur where the concerns or aims of two different parties are incompatible or where a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

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. Personal interests may be financial or non-financial in nature.

4. Policy

Conflicts of interest are common and typically do not present a problem where they are disclosed and effectively managed.

At times, a conflict may arise between a worker's personal interests and their duties at ICH or their ability to act in the best interests of ICH. These can occur for a variety of reasons and can include situations where:

- There is some benefit (whether financial or non-financial in nature) for the worker, their friends, family or other organisations that they may be involved with (e.g. gifts)

- A worker's ability to maintain a professional relationship or where their judgement may be compromised

- There is a direct or perceived conflict with the worker's duties within ICH

Conflicts can present the risk that a worker will make a decision based on, or affected by, these influences, rather than in the best interests of ICH. All workers are therefore required to recognise and properly manage situations which could, or could be seen to, result in a conflict of interest. If a conflict exists, it must be disclosed and properly managed in accordance with this policy.

4.1   Types of Conflicts

There are different types of conflicts of interest, these include:

- Actual conflicts where there is real conflict between a worker's position and their personal interests.
- Potential conflicts where a worker has personal interests which could conflict with the worker's position. This includes circumstances where it is reasonably foreseeable that a conflict may arise in future and steps should be taken to mitigate any future risk.
- Perceived conflicts arise where a third party could view that a worker's personal interests could improperly influence their decision or actions (whether current or in the future).

Personal interests describe anything which may influence or impact upon a worker. Personal interests may be direct or indirect, financial or non-financial in nature:

- Direct interests include the worker and their family, professional or business interests.
- Indirect interests include personal, professional or business interests of individuals or groups with whom the worker is, or was recently, closely associated with.
- Financial interests involve actual, potential or perceived financial gain or loss. This can include interests relating to:
  - property,
  - shares or other financial investment,
  - holding positions within other organisations or groups
  - receiving other benefits such as concessions, discounts or gifts
  - otherwise receiving some form of benefit
- Non-financial interests arise from relationships or involvement in other groups, organisations or activities which may result in favouritism or prejudice resulting from that relationship or involvement. If personal values are likely to impact upon the proper performance of duties, these may also constitute a conflict of interest.

Conflicts of interest can also occur where a worker is in a position to derive personal benefit from actions or decisions made in their position. It is therefore inappropriate for a worker to use their position, authority, status or information arising from the operations of ICH to gain

an advantage (e.g. personal gifts or favours) or to cause detriment to ICH or any other person.

4.2   Management of Conflicts

Conflict of interest management strategies can be implemented to manage and mitigate identified conflicts of interest. The creation of management strategies is done in collaboration with the involved parties and their supervisor.

In some situations, the act of declaring a conflict of interest is sufficient to manage the conflict. In other situations, it may be appropriate to take further steps which may include:

- Removal from a situation or conflict
- Restricted involvement in a situation or conflict
- Recruitment of an independent third party to oversee the matter
- Relinquishing an interest which is unable to be managed effectively, is unacceptable or is likely to damage the reputation of ICH
- Resigning/termination from the role only as a last resort.

To determine appropriate management strategies consideration should be given to the following factors:

- Whether the conflict needs to be avoided or if documentation and supervision is appropriate;
- Whether the conflict will affect a person's ability to act impartially;
- Options available to avoid or manage the conflict;
- The person's decision-making capacity
- The organisation's reputation and whether the conflict would call into question the integrity or confidence in its governance.

Once a conflict of interest has been disclosed, it must be added to the Conflict of Interest Register. The register should also include any conflict management strategies which aim to negate or mitigate the conflict.

4.3   Annual Declarations

As part of Inala Community House's plan to identify and manage all possible or potential conflicts of interest, an annual conflict of interest declaration is required to be completed by all Board Members and staff. This may also be required of contractors and volunteers engaged in service delivery.

A new declaration must be completed by workers where changed circumstances require adding or removal of an identified conflict of interest.

4.4   Responsibilities

It is the responsibility of workers to:

- Avoid conflicts of interest where possible;
- Identify and disclose any conflicts of interest whether actual, potential or perceived;
- Carefully manage any conflicts of interest and act in accordance with conflict management strategies which mitigate any impact or interference with their duties and responsibilities; and
- Comply with this policy.

Where a conflict of interest is identified (whether potential, perceived or actual) appropriate strategies will be implemented to mitigate or negate these risks. These measures will be implemented by the worker, Chief Executive Officer and the relevant Managers and supervisors. The Board is responsible for ensuring that these systems are effective.

4.5   Breaches of this Policy

Failure to either declare a conflict of interest or act in accordance with appropriate management strategies can result in disciplinary action up to and including termination of employment.

5.   Review

This policy shall be reviewed every 2 years.

This policy remains in effect unless otherwise determined by resolution of the Board of Directors.

6.   Related Documents

Policies

ICH Code of Conduct Policy
ICH Performance Counselling and Disciplinary Policy
ICH Ending Employment Policy

Forms

ICH Conflict of Interest Form