



# CONFLICT OF INTEREST POLICY

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*Elements of this policy have been modelled on the Caritas Australia's Privacy Conflict of Interest Policy. The REACH for Nepal foundation expresses its thanks to Caritas Australia for making this resource available.*

## Purpose of this Policy

This Policy gives guidance to and outlines expectations of all associated with the REACH for Nepal (RFN) Foundation in managing potential and actual conflicts of interest. Board members, staff and other volunteers, as well as in-country third party suppliers, are required to adhere to this Policy and to proactively identify conflicts of interest.

## What is a Conflict of Interest?

A conflict of interest occurs when an individual's personal interests are in conflict with their responsibility to act in the best interests of RFN. A conflict may be actual, potential or perceived. A conflict of interest may be financial (financial gain or loss or other material benefits) or non-financial (favours, personal relationships and associations).

## Guiding Principles

### Impartiality and integrity

Our personal interests or private views have the potential to influence our capacity to perform our duties. In turn, this can compromise our integrity as individuals as well as the integrity of RFN. It is important to be impartial, and be seen to be doing so. RFN is committed to upholding impartiality and integrity in its operations, projects and communications at all times. RFN is committed to always acting legally and ethically.



### Best interests of RFN

It is expected that all individuals and companies affiliated with RFN act in the Foundation's best interests, and take all reasonable and necessary steps to avoid any situation of personal gain or influence.

### Openness

Conflicts of interest do not necessarily present a problem as long as they are declared and dealt with transparently.

### Prevention is better than cure

All potential conflicts of interest should be declared and managed before it presents a risk (whether real or perceived).

### Objectivity

When assessing whether a conflict of interest exists, RFN will consider what a reasonably-minded person would think.

## **Policy Commitments**

### Creating a conducive culture

We identify, declare and manage conflicts of interest, regardless of what type or level of conflict of interest it is.

We build a culture where people are encouraged to identify and report conflicts of interest.

### Identifying conflicts of interest

We ensure that personnel and stakeholders can accurately identify a conflict of interest (whether actual, potential or perceived) and know how to declare it. We avoid conflicts of interest wherever possible.

Some examples of conflict of interest include:

- using your position at, or relationship to, RFN for personal advantage
- engaging in activities that will bring direct or indirect profit to you or another party
- using the connections you made through RFN for a private purpose
- using RFN equipment or means to support an external business, and
- acting in ways that may compromise RFN's legal obligations (such as taking bribes or bribing others)

Accepting gifts or benefits may be considered bribery, which is a crime. If the gift's value could be perceived as creating a reciprocal obligation for goods or services, then you should either let the giver know that RFN cannot accept gifts, or declare it in the Workplace Gift Register.

All RFN personnel commit to this policy by signing the Code of Conduct declaration which explicitly states that you comply with this policy and must 'report any perceived or actual conflicts of interest' at the commencement of their affiliation with the Foundation. You must also declare a conflict (whether actual, potential or perceived) if one arises during the course of your association with the Foundation.

### Declaring a conflict of interest

If you identify a conflict of interest (whether actual, potential or perceived), it is your responsibility to discuss and declare it to the Manager HR and Planning or the CEO. Even if you believe you can act objectively, the perceived bias could cast doubt on the impartiality of the work of the Foundation, and therefore the conflict should be reported.

In the case of a conflict of interest identified by a Director of the Board, this is to be discussed and declared to the Chair of the Board and will be recorded on the Conflict of Interest Register for the Board, maintained by the Company Secretary.

For volunteer staff, if a conflict of interest (whether actual, potential or perceived) is identified, you must declare it via the Conflict of Interest Declaration Form. This needs to occur as soon as possible after the conflict of interest has been identified.

For volunteer staff, the Manager HR and Planning will then enter it into the Conflict of Interest Register for Staff. A conflict of interest is considered declared once the Conflict of Interest Declaration Form has been submitted.

The Conflict of Interest Register for staff is maintained by the Manager HR and Planning. The register records information related to a conflict of interest (including the type, extent and any steps taken to address it).

In determining whether a conflict of interests exists, the following considerations apply:

- What would a reasonable or fair-minded observer conclude?
- Could it affect the person's capacity to perform their duties?
- Could it compromise their integrity?
- Could it compromise the integrity of RFN?

## Managing a Conflict of Interest

RFN takes reasonable steps to address the risks associated with a conflict of interest (whether actual, potential or perceived). These steps may include the following considerations:

- Does the conflict of interest need to be avoided or simply documented?
- Will the conflict of interest realistically affect the person's capacity to participate in decision making?
- Are there alternative options to avoid the conflict of interest?
- Does it affect RFN's resources or purpose?
- How might this conflict of interest be perceived? Will it affect the reputation of RFN?

Following from these considerations:

- Do we need to limit the person's involvement in some way?
- Do we need to remove the person from all responsibilities associated with the conflict?
- Do we need to recruit an objective party to oversee the area of conflict?
- Is it necessary for the person to relinquish their private interest?

In situations where there is a low risk of conflict of interest, it may be possible for the person to continue to be involved.

The Manager HR and Planning or the CEO is the appropriate person to make a decision.

If someone else is involved in a situation that may be a conflict of interest (whether actual, potential or perceived) that may influence your decision making, you must also declare this.

For policy commitments specific to managing conflicts of interest for Directors of the Board, refer to the section below 'Directors of the Board'.

## Directors of the Board

A Director must declare a conflict of interest (or information that would suggest a conflict):

- As soon as practical after they become aware of the matter, and
- In appropriate detail, including the nature and extent of their interests and its relation to the affairs of RFN



A conflict of interest declaration by a Director must be recorded in the formal minutes of the Board meeting.

A Director may also, in line with s192 of the *Corporations Act 2001*, give a standing notice of any interest they have in a matter. Any standing conflict of interest will be entered into the Board's Conflict of Interest Register by the Company Secretary.

In Board meetings, conflicts of interest are a standing item at the beginning of each agenda.

Once a conflict of interest has been declared, the Board, excluding the Director who has made the declaration, will decide whether or not the conflicted Director should:

- Be present or vote on the matter
- Participate in any debate, or
- Be present in the room during the debate and voting

The approval of any action requires the agreement of at least a majority of the Board (excluding any conflicted Directors) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting.

## **Failure to Declare a Conflict of Interest**

We each have an obligation to declare and manage conflicts of interest.

Situations where a conflict of interest has arisen but not been reported to RFN may be considered misconduct and the person involved may be requested to leave.

## **Assessing and Communicating the Policy**

This Policy will be available on our website and shared with our personnel.

All personnel affiliated with, and working for, the Foundation will be notified of and made aware that they are required to follow the terms outlined in this Manager Policy.

## **Reviewing this Policy**



We are committed to the continuous improvement of our policies, procedures and practices. This policy will be reviewed at a minimum of three years to ensure it is working in practice and reflects current legislative principles.

Feedback on this and other policies is openly encouraged. Feedback, as well as emerging good practice and collaborative lessons learnt across the development sector, will be used to strengthen this and related policies and procedures.

This policy is administered by the Manager HR and Planning.