

# CONFLICT OF INTEREST POLICY

Last updated 10 Dec 2020

## Key Points

We all have an obligation to act in the best interests of Caritas Australia.

When there is a conflict of interest (perceived, potential or actual) it must be declared.

If you have a conflict of interest, you must take action to ensure that your decision-making is not influenced by the conflict.

For Directors of the Board, this includes not voting on any related matters.

## 1. Why this policy exists

When conflicts of interest are identified and managed appropriately, it helps protect the integrity of Caritas Australia (CA).

Catholic Social Teaching is clear that individuals and groups must not pursue their own interests at the expense of the common good.

This policy helps each of us to be aware of conflicts of interest and our obligations. While conflicts of interest are relatively common, they do not need to present a problem as long as they are openly and effectively managed.

## 2. This policy applies to

This policy applies to anyone listed as personnel and stakeholders in the table below, as well as anyone acting on behalf of CA.

## 3. Definitions used in this policy

When we use ...	we mean ...
personnel	Any person doing paid or unpaid work for, or on behalf, of CA including Australian-based employees, in-country employees, Board of Directors, Diocesan Directors, volunteers, contractors, sub-contractors, consultants.
stakeholders	External individuals, groups or organisations with whom CA works or engages, who have an interest or shared stake in the success of Caritas Australia's work.
person	Any personnel, stakeholders or other persons acting on behalf of CA. If there are multiple people involved in the conflict of interest, the term person should be read as person(s).
you	The person reading this policy.

conflict of interest	<p>A conflict of interest occurs when an individual's personal interests are in conflict with their responsibility to act in the best interests of Caritas Australia.</p> <p>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).</p>
personal interests	<p>Personal interests include direct interests (where you directly benefit), as well as indirect interests (where other people or organisations benefit) such as:</p> <ul style="list-style-type: none"> <li>• the interests of members of immediate family or relatives (where these interests are known)</li> <li>• the interests of friends</li> <li>• the interests of business partners or associates, or those of your workplace</li> <li>• the interests of your friends or colleagues (former or current)</li> <li>• the interest of other organisations you may be involved with or have an interest in (for example, as a shareholder)</li> </ul> <p>Animosity as well as friendship can also give rise to conflicts of interests.</p>

## 4. Guiding Principles

### 4.1 Trust

There is an understanding of reciprocal trust between CA and each of us.

### 4.2 Impartiality and integrity

Our personal interests or private views can 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 CA. It is important to be impartial, and be seen to be doing so.

### 4.3 Best interests of CA

As CA is committed to always acting legally and ethically, it expects us all to act in CA's best interests, and to avoid any situation of personal gain or influence.

### 4.4 Openness

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

### 4.5 Prevention is better than cure

It is better to declare and manage a conflict of interest before it presents a risk (whether real or perceived).

### 4.6 Objectivity

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

## 5. Policy Commitments

## 5.1 Creating a conducive culture

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

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

### 5.2 Identifying conflicts of interest

5.2.1 We ensure that personnel and stakeholders can accurately identify a conflict of interest and know how to declare it. We avoid conflicts of interest wherever possible.

5.2.2 We ensure that personnel and stakeholders are aware of high-risk areas including, but not limited to, procurements, tenders and contracts, employment matters, personal relationships, delegations (including financial and other) and funding.

### 5.3 Declaring a conflict of interest

5.3.1 If you identify a conflict of interest (whether actual, potential or perceived), it is your responsibility to discuss and declare it to your supervisor/manager. Even if you believe you can act objectively, the perceived bias could cast doubt on the impartiality of the decision, and therefore the conflict should be reported.

5.3.2 In the case of a conflict of interest identified by a Director of the Board or the Chief Executive Officer, this is to be discussed and declared to the Chair of the Board.

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

5.3.4 The Chief Operations and Finance Officer will then enter it into the Conflict of Interest Register. A conflict of interest is considered declared once the Conflict of Interest Declaration Form is submitted.

5.3.5 The Conflict of Interest Register is maintained by the Chief Operations and Finance Officer. The register records information related to a conflict of interest (including the type, extent and any steps taken to address it).

5.3.6 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 CA?

## 5.4 Managing a conflict of interest

5.4.1 We take reasonable steps to address the risks associated with a conflict of interest. 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 CA's resources or purpose?
- How might this conflict of interest be perceived? Will it affect the reputation of CA?

5.4.2 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?

5.4.3 In situations where there is a low risk of conflict of interest, it may be possible for the person to continue to be involved. However, the situation needs to be reviewed regularly using the questions above.

5.4.4 The manager/supervisor is the appropriate person to make a decision. If needed, they can consult with their Leadership Team member, or the Chief Operations and Finance Officer. See Appendix A for more information.

5.4.5 If someone else (such as a superior or colleague) 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.

5.4.6 For policy commitments specific to managing conflicts of interest for Directors of the Board, see 5.6.

## 5.5 Failure to declare a conflict of interest

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

5.5.2 There are potentially serious consequences if you fail to follow this policy (such as if you do not declare a conflict of interest or if you refuse to take any reasonable action to manage a conflict of interest). Consequences may involve disciplinary action, including termination of your contract (employment contract, partner agreement, contractor agreement).

5.5.3 If you suspect someone has not followed this policy, you must report it. You can make a report to the Complaints Focal Point [confidential@caritas.org.au](mailto:confidential@caritas.org.au), to [Stopline whistleblower service](#) or to anyone else in the Speaking Up Policy.

5.5.4 If you suspect that a Director of the Board has failed to declare a conflict of interest, you must notify the CEO, the Chair of the Board or the Stopline whistleblower service.

## 5.6 Directors of the Board

5.6.1 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
- In appropriate detail, including the nature and extent of their interests and its relation to the affairs of CA

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

5.6.3 A Director may also, in line with s192 of the Corporations Act, 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.

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

5.6.5 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

5.6.6 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.

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

### **5.7 Accessing and communicating the policy**

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

5.7.2 We will ensure that all personnel are notified of and made aware that they are required to comply with the policy.

### **5.8 Reviewing this policy**

5.8.1 We are committed to continuous improvement to our policy, procedures and practices. This policy will be reviewed at a minimum every three years to ensure it is working in practice and updated to accommodate changes in legislation or circumstance.

5.8.2 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.

## **6. Roles and Responsibilities**

**6.1 The Board of Directors** is responsible for:

- Ultimate accountability for our organisational policies
- Guiding governance and culture of CA through strategic leadership
- Approving this policy and holding the Leadership Team accountable to how effectively this policy is implemented
- Establishing a system for identifying, declaring and managing conflicts of interest across CA
- Monitoring compliance with this policy
- Reviewing this policy on an annual basis to ensure that the policy is operating effectively
- Complying with section 192 of the Corporations Act, and ACNC governance standards, particularly Governance Standard 5
- Declaring and managing any conflict of interest (whether actual, perceived or potential) in line with this policy and as required by Governance Standard 5

**6.2 Leadership Team members** are responsible for:

- Leading by example
- Ensuring our procedures, practices, plans and operations align with this policy
- Reporting to the Board via the CEO on conflict of interest matters that impact organisation risk
- Ensuring their team is aware of this policy and understand their responsibilities
- Being aware of areas of conflict of interest within their area of responsibility, assessing risks and advising the Chief Operations and Finance Officer
- Declaring and managing any actual, perceived or potential conflict of interest in this policy

**6.3 The Chief Executive Officer** is responsible for:

- Ensuring this policy is upheld

- Informing the Board of any concerns relating to conflicts of interest and giving progress reports
- Ensuring all senior employees are accountable to this policy

**6.4 Managers**, in addition to managing their own conflicts of interests, are required to support their employees to identify and address conflicts of interest by:

- Being aware of the risks of conflicts of interest which are inherent in the work of the area
- Ensuring employees are aware of their obligations under conflicts of interest
- Identifying training needs of employees in relation to conflicts of interest
- Advising employees of appropriate ways to address conflicts of interest
- Assisting employees to identify and implement conflicts of interest management strategies
- Monitoring the work of employees and the risks to which they might be exposed
- Taking appropriate action in relation to any employee member who fails to meet their obligations under this policy

**6.5 The Chief Operations and Finance Officer** is responsible for:

- Managing the overall conflict of interest processes including maintaining the Conflict of Interest Register

**6.6 All CA personnel and stakeholders (including you)** are responsible for:

- Understanding and following this policy
- Assessing whether your own personal interests and private represent a conflict of interest (whether real, actual or perceived)
- Acting in an objective and impartial manner, and be seen to do so
- Informing CA through their supervisor of any conflict of interest (whether actual, potential or perceived) that arises at work
- Declaring any conflict of interest via the Conflict of Interest Declaration Form (see Appendix A)
- Following any action plans to manage the conflict of interest
- Reporting any breach to your manager. However, if it is a sensitive complaint, you must report it to [confidential@caritas.org.au](mailto:confidential@caritas.org.au) (the Complaints Focal Point) or [Stopleveline whistleblower](#) service

We have a shared responsibility to ensure diversity, equity and inclusion are at the forefront of all decisions and interactions of our work.

## 7. Related Documents

This policy supports Caritas Australia's compliance with the following:

### 7.1 Legislation:

- Corporations Act 2001 (Cth)

### 7.2 Standards:

- ACNC

- Caritas Internationalis Management Standards
- ACFID
- DFAT standards

### 7.3 External policies, procedures and documents:

- n/a

### 7.4 Caritas Internationalis governance documents:

- n/a

### 7.5 Caritas Australia governance documents:

- Speaking Up Policy
- Code of Conduct

## 8. Appendix List

- Appendix 1: Conflict of Interest Declaration Form
- Appendix 2: Conflict of Interest Guidelines

## 9. Information about this policy

Can be accessed by	Anyone via website
Can be shared with	Internally and externally (including with other organisations)
Distributed to	Any person doing paid or unpaid work for, or on behalf, of CA including Australian-based employees, in-country employees, Board of Directors, Diocesan Directors, volunteers and anyone doing relevant work
Document Owner	Head of People & Culture
Approved by	Board of Directors
Commencement Date	01 Oct 2020
Next Review Date	01 Oct 2023
Document number	RM-CI-POL-v1.2

### How this policy has changed over time

Version	Approval Date	Summary of changes
v1.0	22 Sep 2020	New standalone policy (previously conflict of interest was covered by a paragraph in the previous Code of Conduct)
v1.1	18 Nov 2020	Put in new format
v1.2	10 Dec 2020	Changed the role responsible for maintaining the Conflict of Interest Register from Head of People & Culture to Chief Operations and Finance Officer. Changed the role responsible for updating the Board's Conflict of Interest Register to Company Secretary.

## Appendix 1: Conflict of Interest Declaration Form

### Section 1

Use this form to declare conflicts of interest (whether actual, potential or perceived) in relation to your work.

#### 1. Nature of conflict

(Tick all appropriate)

- Actual Conflict of Interest
- Perceived Conflict of Interest
- Potential Conflict of Interest
- Conflict of Role
- Financial (pecuniary) interest
- Non-Financial (non-pecuniary) interest

#### 2. Background information

Outline the general background of your proposed involvement and responsibilities.

How do you propose to manage or avoid the perception (real or otherwise) of the conflict/s of interest?

#### 3. Declaration

I declare the above details are correct to the best of my knowledge. I make this declaration about the conflict of interest in good faith:

- I have discussed the situation with my manager
- I will take appropriate steps to manage conflict of interest in line with the Conflict of Interest Policy:

Policy:

- Even if a situation has been approved using the Conflict of Interest Policy, I will refrain from acting in a manner which gives rise to another conflict of interest (whether actual, potential or perceived)
- I will keep my manager informed of any substantial changes to the above circumstances

Name: \_\_\_\_\_

Role: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_\_\_

Manager name: \_\_\_\_\_

Additional Comments:



**Section 2**

For your manager (or approved delegate) to fill out

I approve

By selecting approve, I acknowledge that:

- I have discussed the declaration with the employee
- Where required, I have put an action plan in place to manage and review the conflict of interest
- Where required, I have sought confidential advice from the Chief Operations and Finance Officer

I don't approve

- I understand that if I am not satisfied that enough detail has been provided, I may reject the application and request further information.

**Approved by:**

Name: \_\_\_\_\_

Role: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_\_\_

Additional comments:

**Next steps:**

Please send this form to the Chief Operations and Finance Officer (who will upload it to the Conflict of Interest Register, and forward it People & Culture to upload it to the employee file).

## Appendix 2: Conflict of Interest Guidelines

When doing work for, or acting on behalf of, Caritas Australia, it is important to be objective and impartial, and be seen to be so.

When faced with a potential conflict of interest, you should:

- consider how your professional duties may be affected ("What are my responsibilities to Caritas Australia?" and "What is my personal interest?")
- identify whether any conflict of interests exist ("Could my personal interest influence my performance of my professional duties?")
- determine the type of conflict of interests ("Is it actual, potential or perceived?" "Is it a financial or non-financial conflict of interest?")

Some examples of conflict of interest include:

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

### Types of conflicts of interest

Issue	Implications
Secondary employment or business	<p>If you have another job, run a business or have a substantial volunteer role elsewhere, it's important that it won't affect your ability to do your role with Caritas Australia.</p> <p><i>Why this is important</i></p> <p>Even if you feel your other commitments won't affect your role at Caritas Australia, you need to make sure that your other role won't be perceived as a conflict of interest. Some issues include:</p> <ul style="list-style-type: none"> <li>• working for an organisation in the same sector that has a similar donor base</li> <li>• sharing information or contacts</li> <li>• working long hours working elsewhere that impact your health and your ability to do your job at Caritas Australia</li> </ul> <p>If unsure, discuss it with your manager.</p>
Personal relationships	<p>If you are in an intimate relationship or similar with someone who you manage, supervise or provide a reference for, it's important to declare this.</p> <p><i>Why this is important</i></p> <p>There may be perceptions of favouritism and bias.</p> <p>If unsure, discuss it with your manager.</p>

<p>Employment of friends, family members or former colleagues</p>	<p>Personal connections are neither an advantage nor a disadvantage when it comes to selecting or promoting people at Caritas Australia.</p> <p>However, to ensure impartiality, you cannot be involved in the decision-making process involving someone you know personally.</p> <p><i>Why this is important</i> In line with our recruitment practices, we recruit and promote based on a candidate's qualifications, experience and past performance. We advertise positions based on our business needs.</p> <p>You need to declare if you have:</p> <ul style="list-style-type: none"> <li>• a personal connection (friend, family member, former colleague) with someone</li> <li>• prior knowledge of a candidate (note: prior knowledge does not necessarily mean it's a conflict of interest)</li> </ul>
<p>Procurement of goods or services</p>	<p>Personal connections are neither an advantage nor a disadvantage when it comes to procurement at Caritas Australia.</p> <p>However, to ensure impartiality, you cannot be involved in the decision-making process involving someone you know personally.</p> <p><i>Why this is important</i> There may be perceptions of favouritism and bias. If you are involved in assessing or approving a tender or contract, you must declare any conflict of interest as soon as possible, whether the conflict of interest is:</p> <ul style="list-style-type: none"> <li>• actual, potential or perceived</li> <li>• direct or indirect</li> <li>• financial or non-financial</li> </ul> <p>In these circumstances you must declare it to your manager and remove yourself from the process.</p>
<p>Money, gifts or benefits</p>	<p>Accepting significant gifts or benefits may be considered bribery, which is a crime. Refer to the Prevention of Financial Wrongdoing Policy.</p> <p><i>Why this is important</i> Accepting gifts and other benefits has the potential to compromise Caritas Australia's position by creating a sense of reciprocal obligation. It can also undermine impartiality and affect the reputation of the organisation and our staff.</p> <p>When offered a gift, you need to be discerning about the motive, and how the gift may be perceived by others.</p> <p>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 Caritas Australia cannot accept gifts, or declare it in the Workplace Gifts Register.</p> <p>This clause does not cover in-kind supporter donations such as time or goods.</p>