



Central Highlands Association of Neighbourhood Houses

Conflict of Interest Policy

Document Control

Policy Title:	Conflict of Interest		
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Relevant standards, legislation and other documents:

- Incorporations Act

Definitions: (define key terms)	
CHANH	Central Highlands Association of Neighbourhood Houses
DFFH	Department of Families, Fairness and Housing
Members	Neighbourhood Houses (represented by managers and committees of management) funded by DFFH within the Central Highlands area
Board	Board of Governance, elected individuals responsible for the governance of the organisation
Staff	Any person employed by CHANH or volunteering at CHANH
Executive Team	CHANH President, Treasurer and Secretary

Central Highlands Association of Neighbourhood Houses

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Policy Declaration

The CHANH Board aims to ensure that board members are aware of their obligations to disclose any conflicts of interest they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of CHANH.

Purpose:

The purpose of this policy is to help board members of CHANH to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of CHANH and manage risk.

Owner:

This policy is the responsibility of the Board.

Application:

This policy applies to any Board member.

Policy Rationale

Conflict of interest definition

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the charity.

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 CHANH and another duty that the board member has (for example, to another charity). 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 the charity.

Therefore, these situations must be managed accordingly.

Policy

This policy has been developed to address conflicts of interest affecting CHANH board members.

Conflicts of interest are common, and they do not need to present a problem to the charity as long as they are openly and effectively managed.

It is the policy of CHANH, 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 CHANH.

CHANH will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

Standing Conflicts of Interest

It is recognised that all Board members, as representatives of Neighbourhood Houses, have a standing conflict relating to CHANH activities which could potentially favour board members' organisations. The Board will be vigilante to ensure decisions are equitable for all members, and where decisions have the potential to impact board member organisation's, they will implement the above management responses as appropriate.

Responsibility of the Board

The board is responsible for:

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

CHANH must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

Procedures

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

Where every other board member 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).

Confidentiality of disclosures

Where confidential information is disclosed to the Board, the disclosing party will negotiate the process for disclosure, including who should have access to the information, how/if the information should be documented and stored, and whether the information is restricted for access.

The confidentially agreement will be recorded in the minutes and any supporting documentation, and the process documented as agreed.

Action required to manage conflicts of interest

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

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

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

Considerations 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 charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

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.

Related Organisational Policies and Procedures:

- Operations Handbook (Compliance Calendar)
- Privacy Policy
- Policy Development and Maintenance Policy
- Continuous Improvement Policy

Responsibilities

Executive Team:

- To implement and monitor policy

Members:

- To be informed of the Executive Requirement and reimbursements
- To participate in policy reviews as required

Staff:

- Implementation of policy, as outlined in position descriptions
- Participation in policy review as required

Breach of Policy

If the Board has reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

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 terminate their relationship with the charity.

If a person suspects that a board member has failed to disclose a conflict of interest, they must

- Discuss with the person in question and allow for them to raise the conflict of interest
- Failing this, notify the Board