

## CONFLICT OF INTEREST

Procedure number	P011	Version	V1
Drafted by	T.Bestwick	Committee approved	<<insert date>>
Responsible per	Chairperson	Scheduled review date	2025 AGM

### **1. PURPOSE**

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

### **2. Objective**

The CNB Executive (called the ‘board’ in this policy) aims to ensure that members are aware of their obligation to disclose any related party transactions or conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage conflicts of interest as representatives of CNB Inc.

### **3. Scope**

This policy applies to the board members of CNB Inc.

### **4. 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 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 [charity] 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.

Related party transactions can lead to perceived, potential, or actual conflicts of interest. Conflicts of interest may arise when a related party (for example, close family of a board member) has an interest that can conflict with the best interests of the charity.

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.

### **5. Policy**

This policy has been developed to address conflicts of interest affecting CNB Inc.

Conflict 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.

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It is the policy of CNB Inc., 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 CNB Inc

CNB Inc 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.

### 5.1. Responsibility of the board

The board is responsible for establishing a system for identifying, disclosing and managing related party transactions and conflicts of interest across the NFP monitoring compliance with this policy, and reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The NFP 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.

### 5.2. Identification and disclosure of conflicts of interest

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

If all board members have the same conflict of interest, CNB Inc must consider whether it is still able to comply with the ACNC Governance Standards, especially Governance Standard 5, while taking reasonable steps to ensure that its board members are subject to, and comply with, the relevant duties.

CNB Inc. may:

- obtain professional advice,
- consider whether there are any relevant exceptions in its governing document or legislation,
- consider whether it is appropriate for members to pass a resolution in a general meeting,
- consider appointing new board members; and
- note that its board members may consider whether they can continue in the role.

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The register of interests must be maintained by The club 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).

CNB Inc. will also maintain a register of related party transactions. When a related party transaction may give rise to a perceived, potential or actual conflict of interest, it will be recorded in CNB's register of interests.

### 5.3. Confidentiality of disclosures

Only the CNB Board will have access to the information disclosed.

## 6. Action required for management of conflicts of interest

### 6.1. Conflicts of interest of board members

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.

### 6.2. 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 NFPs objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the NFP.

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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.

### 7. Compliance with this policy

If the board has a 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 related party transaction or conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the NFP.

If a person suspects that a board member has failed to disclose a related party transaction or conflict of interest, they must discuss with the person in question, notify the board, or the person responsible for maintaining the register of interests.

### RELATED DOCUMENTS

- P002 - Equal Employment Opportunity Policy
- P003 - Sexual Harassment Policy
- P004 – Bullying Policy
- P005 - Legislative Compliance Policy
- P006 – Staff Grievances & Dispute Resolution Policy
- P009 - Work Health & Safety Policy
- P010 - Privacy Policy

### AUTHORISATION

Signature of Policy Officer

Chairperson

Date

Clarence Native Bees Inc