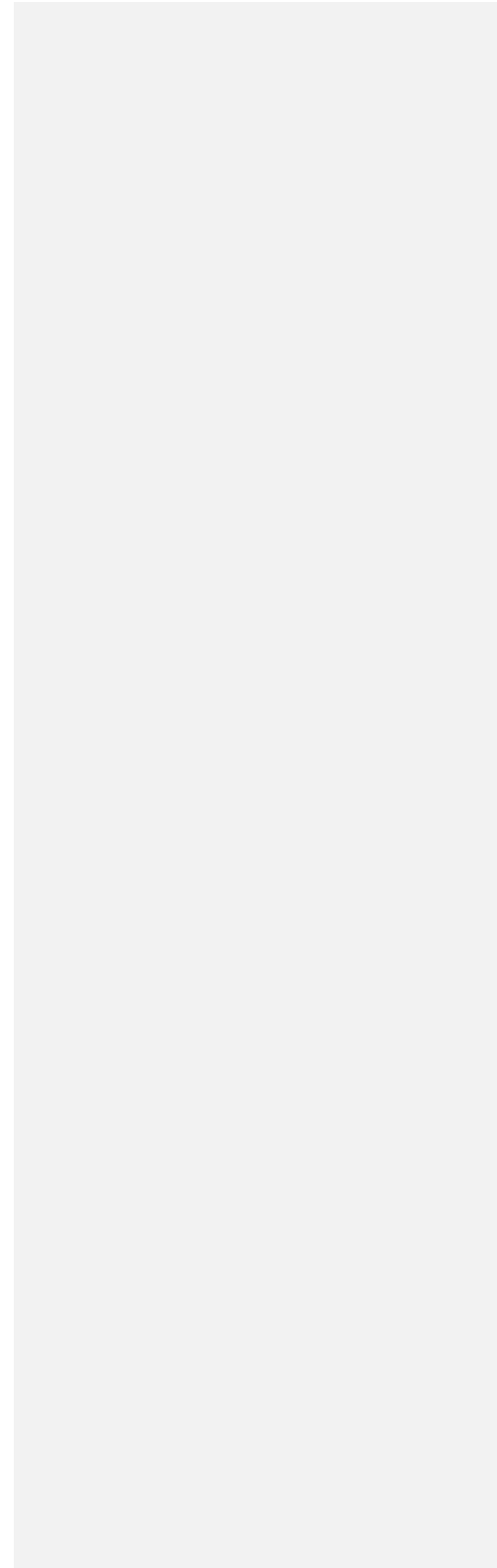


Conflict of Interest Policy

NOVEMBER 2023, VERSION 4



1. Introduction

Union Aid Abroad – APHEDA considers it important that all those serving the organisation, be they Board members, employees either in Australia or based overseas, and volunteers, avoid any conflict of interest between their own private or personal interests and the interests of Union Aid Abroad – APHEDA. The organisation also consider important that its implementing partners avoid such conflict and ensure that it does not exist for the projects Union Aid Abroad – APHEDA support.

This policy is intended to supplement, but not replace the applicable laws and guidelines governing conflict of interest applicable to non-profit organisations, including the *Corporations Act 2001* and the ACFID Code of Conduct as well as Union Aid Abroad-APHEDA's own Constitution which sets out parameters for Board members with respect to areas of conflict of interest.

2. Definition

The following is taken from *A practical Introduction to Managing Conflict of Interest Situations*¹:

“A conflict of interest may be present when someone has two differing interests that may compete, and it is not clear which interest will direct her behaviour.

“Conflict of interest has also been defined as “a situation in which a person such as a public official, an employee or a professional has a private and personal interest sufficient to appear to influence the objective exercise of his or her official duties.”

Note, in this definition, the two areas of “interest” that come into conflict:

- “Private or personal interest” – This could mean an individual's self-interest (e.g. to achieve financial profit or avoid loss, or to gain another special advantage or avoid a disadvantage), the interests of the individual's immediate family or business partners, or the interests of an organization in which the individual holds a position.
- “Objective exercise of duties” – This refers to an individual's ability to carry out his responsibilities in the best interest of the organization.

In a real or actual conflict of interest, the private or personal interest is in place during the exercise of the official duties (whether or not these duties have been carried out improperly). The conflict may be current, or it may be found later to have existed at some point in the past. A potential or foreseeable conflict of interest involves a situation that may develop into an actual conflict of interest if the individual were to have particular official responsibilities in the future. The reference in the definition to “appear to influence” is also important. Even the appearance of a conflict of interest can damage an organization's reputation – and damage to its reputation could interfere with its ability to fulfill its mission, particularly in the case of civil society organizations that rely on public funds and trust. The test for an apparent or perceived conflict of interest is not whether the

¹ Canadian Council for International Co-operation (CCIC), 2008

individual would act on the temptation, but whether a reasonable person would think that the individual's judgment is likely to be compromised.

Identifying types of conflict of interest

Real or Actual	Apparent or Perceived	Potential or Foreseeable
An individual is in a situation where her official duties can be influenced by her "private or personal" interests.	An individual is in a situation where his official duties appear to be influenced by his "private or personal" interests.	An individual is in a situation where her official duties may be influenced in the future by her "private or personal" interests

3. Purpose of the policy

The purpose of this Conflict of Interest Policy is to protect Union Aid Abroad - APHEDA interests when it is contemplating entering into a transaction or arrangement that might benefit the private or personal interest of Board member, employees, volunteer of the organisation or of its partners.

4. Scope

The policy applies to Union Aid Abroad – APHEDA Board members, employees and volunteers and their immediate family, as well as its partner organisation's Board members, employees and volunteers.

5. Principles

No member of the Board, or any of its delegated committees, employees, volunteers and partners shall derive any private or personal profit or gain, directly or indirectly, by reason of his or her participation with Union Aid Abroad - APHEDA.

Board members, employees and volunteers and their immediate family shall make known to the Board any affiliation they might have with an actual or potential supplier of goods and services, recipient of grant funds, or organisation with competing or conflicting objectives. They must disclose to the Board any financial interest which he or she may have in any transaction or arrangement anticipated by Union Aid Abroad - APHEDA and shall refrain from participation in any decision on such matter.

Board members receive no payment, fees, salaries or allowances for serving on the Board, nor do they receive any monetary compensation for attending Board meetings, other than out-of-pocket expenses.

Union Aid Abroad – APHEDA considers it important that the auditor who undertakes the annual audit of the association be fully independent of the association. Appointment of the auditor to the association is subject

to conditions set out in paragraph 50 (5) (b) of the organisation's Rules (or Constitution), which states that an auditor shall not be a member or closely related to a member of the Committee.

Members of the Board will absent themselves from proceedings and meetings where decisions are taken which benefit the member or any of their associates, (including family companies, family trusts or partnerships in which the member is a partner).

Were any member of the Board to consider a conflict of interest could exist among members of the Board or the Board's appointed auditors, the Chairperson of the Board shall be duty bound to request and receive a full and frank disclosure of the perceived conflict of interest, and take appropriate measures to overcome the conflict of interest.

6. Guidelines

The mechanism for dealing with conflicts of interest within Union Aid Abroad-APHEDA is as expressed in the organisation's Constitution, and amended from time to time and as outlined in the Constitution.

Members of the Board are subject to conditions set out in clause 44 Payments to Directors and clause 45 Conflicts of Interest of the Constitution.

Commented [KL1]: A new constitution as adopted in 2019 and the clauses have changed.

6.1 Roles and Responsibilities

6.1.1 Board and Executive Officer

Where the perceived, actual or potential conflict of interest concerns a member of the Board, the Executive Officer or a member of a sub-committee of the Board, it is the Board's responsibility to review all relevant information and determine whether a conflict of interest exists, and measures to be taken to remove the conflict.

The Executive Officer manages perceived, actual or potential conflict of interest issues with respect to staff or partner organisations.

6.1.2 Senior managers (including Country Managers)

In the first instance, employees or other personnel may raise perceived, actual or potential conflict of interest issues with respect to staff or partner organisations with a senior manager. The senior manager discusses the issue with the Executive Officer to determine action to resolve the conflict.

6.1.3 Employees

All International Program employees in Australia and overseas are responsible for ensuring partners understand and are compliant with Union Aid Abroad – APHEDA's Conflict of Interest Policy.

Union Aid Abroad – APHEDA employees, who are coordinating programs and activities in Australia are responsible for ensuring that those programs and activities are compliant with Union Aid Abroad – APHEDA Conflict of Interest Policy.

6.2 Conflict of Interest Handling

6.2.1 Duty of Disclosure

a) Board

Each Board member must disclose, in connection with any actual, perceived or potential conflict of interest, the existence of the financial interest to the Board as soon as they become aware of the actual, perceived or potential conflict.

b) For employees and volunteers

Employees will be educated on the content of the policy and obligated to disclose any actual, perceived or potential conflict of interest.

c) For partners

Prior to selecting a project with a partner, a project appraisal is conducted and, as part of this process, the International Program Team member will discuss together with the partner Union Aid Abroad – APHEDA Conflict of Interest Policy and ensure the project is in line with its content. The relevant senior manager is consulted as part of this process to ensure any conflict as addressed.

6.2.2. Processes for determining conflict of interest

Where any perceived, actual or potential conflict of interest is required considered by the Board, the Board will ensure:

1. All material facts are disclosed to the Board for informed decision-making;
2. Any person(s) with a perceived, actual or potential conflict of interest are absented from discussion and decision-making on the matter;
3. If appropriate, a disinterested person or Board will be appointed to investigate alternatives to the proposed transaction or arrangement or investigate the matter and make recommendations;
4. Properly minuted records of the decision will be kept.

6.2.3. Violations of the Conflicts of Interest Policy

If the Board (or Executive Officer as defined by S. 6.1 Roles and Responsibilities) has reasonable cause to believe a Board member, employee, or partner organisation has failed to disclose actual, perceived or potential conflicts of interest, it shall:

- inform the interested person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- further investigation as warranted by the circumstances,
- take appropriate disciplinary and corrective action if warranted.

Further procedures are documented in the Governance and Human Resources Manual.

7. External: Legislative and Regulatory Framework

Corporations Act 2001
ACFID Code of Conduct

8. Document Control

Version	Revision Description	Approved by Board (date)
1	Original	March 2006
2	Re-endorsement	N/A
3	Revision in new template, several changes including content to include definition and guidelines	November 2018
4	Updated for terms	November 2023