

## Conflict of Interest Policy

### 1. Introduction

Action on Poverty (AOP) is an independent, secular, not for profit, non-governmental organisation (NGO). Founded in Australia in 1968, AOP was incorporated in the state of New South Wales in 1983. AOP works with partners and communities in Africa, Asia and the Pacific.

AOP is committed to development sector good-practice, and holds full accreditation with the Australian Government through the Department of Foreign Affairs and Trade (DFAT). AOP is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, which requires high standards of corporate governance, public accountability and financial management to be in place.

**AOP Vision:** For all people to transcend the injustice, indignity, and inequality of entrenched poverty.

**AOP Mission:** To empower local changemakers to break the cycle of poverty in their communities.

### 2. Purpose

AOP considers it important that AOP's Board members, staff in Australia or based overseas and volunteers avoid any conflict of interest between their own personal financial interests and the interests of AOP.

AOP's Conflicts of Interest policy has been developed to:

- Protect AOP's reputation and integrity;
- Ensure that employees understand what consists of a conflict of interest and how to avoid it; and
- Ensure that employees understand the process to disclose a conflict or potential conflict of interest.

### 3. Scope

This policy is for all employees including volunteers and board members, contractors and consultants engaged or employed by AOP from time to time (together referred to as employees).

### 4. Policy statement

All AOP employees will avoid any actual, perceived or potential conflict of interest with the primary responsibility being the disclosure of the conflict **in advance**.

## 5. Definitions

A conflict of interest exists when a personal interest (financial or otherwise) interferes, or could be perceived to interfere, or potentially interferes with, an employee's ability to carry out work impartially.

A restricted transaction is a transaction that involves a conflict of interest.

Conflicts of interest and the resulting restricted transactions are particularly likely to arise where an employee has a family or personal relationship with another party. As such, employees are required to disclose these relationships immediately where it may affect or be seen to affect AOP's efficiency or reputation.

The following is not exhaustive, but are situations where conflicts of interest or restricted transactions may arise:

- Employing or terminating employees;
- Making employee development or promotion decisions;
- Selecting consultants, contractors or suppliers;
- Making decisions about grants;
- Procurement decisions;
- Where employees have affiliations with organisations with competing or conflicting objectives to AOP.

### Personal relationships

Conflicts of interest are particularly likely to arise where employees have a close family or personal relationship with each other or with third parties (e.g. supervising a family member, friendships or personal relationships with suppliers or grant recipients, or the nomination of family members to fill an employment position within the organisation).

### A related party

Conflicts of interest can also occur outside of the immediate family but where there is someone with whom an employee has a:

- Business relationship other than a casual business relationship;
- Fiduciary relationship (that is, a person who is entrusted to hold, control or manage property for another); or
- Relationship in which one person is accustomed, or obliged, to act in accordance with the directions, instructions or wishes of the other.

Where an AOP employee becomes aware that they have a relationship with a party that could be perceived as a Conflict of Interest or result in a restricted transaction, it is their responsibility to declare the situation to the AOP Board, the CEO or the Finance Director. Such transactions are absolutely prohibited.

Engaging in or not informing AOP of a restricted transaction will be treated as a breach of discipline and may constitute a criminal offence.

## 6. Managing conflicts of interest

The primary obligation is to disclose the potential conflict of interest **in advance**. Failing to disclose a potential conflict of interest appropriately could be regarded as misconduct.

If an AOP employee believes or suspects that a conflict of interest exists or potentially exists, the following steps must be taken:

- The employee must immediately disclose any conflict of interest to the CEO, the Finance Director or the AOP Chair of the Board using the Disclosure of Conflict of Interest Form, which is available in the AOP Operations Manual, which is on the shared drive known as the NAS NAS/Administration/AOP Operations Manual/AOP forms.
- If the employee is in doubt as to whether a conflict exists, he or she should seek advice from the CEO or the Finance Director
- If the CEO or the Finance Director believes a conflict of interest exists then they must direct the employee to complete a Disclosure of Conflict of Interest Form
- If the CEO or the Finance Director is in doubt as to whether a conflict of interest exists, he or she should seek advice from the Chair of the Board. They will then determine whether the employee is required to submit a Disclosure of Conflict of Interest Form
- If the CEO or the Finance Director has a conflict of interest he or she must seek advice from Chair of the Board and disclose the conflict in the usual way if one exists.
- If a Director has a declared conflict of interest the Board will decide by a majority vote whether he or she should be permitted to cast a vote on the issue (clause 17.5 of AOP's constitution).

The Conflict of Interest Form (to be filed in the Conflicts of Interest Register) will confirm an ongoing strategy for managing the conflict. This could include:

- No action, as the risk of an actual conflict is remote, and any effect would be minor
- Removing the employee from certain duties related to the conflicting interest and/or involving other employees in certain parts of the duties
- Restricting access to certain information relinquishing the conflicting interest (e.g. withdrawing from an interview process that involves a family member or, if supervising a family member, having a more senior official manager to manage that employee).

## 7. Responsibilities

The Board and Senior Management of AOP are responsible for:

- Ensuring all employees are aware of the risks of conflicts of interest amongst AOP employees;
- Ensuring they are flexible and supportive of employees in complex situations;
- Providing advice to employees on how to manage conflicts when they emerge; and
- Recording conflicts of interest on AOP's Conflict of Interests Register (using the Conflicts of Interest Form).

All AOP employees are responsible for declaring any real or perceived conflicts of interest to AOP management immediately.

AOP will provide training to all staff and senior managers on conflicts of interest to assist them in identifying and managing perceived or real conflicts of interest

Related policies:

- Corporate Conduct policy
- Board Manual
- Staff Manual

Conflict of Interest Policy approved: April 2009 and July 2015

Last revision: January 2018

Next revision: January 2021

**ANNEX A: Conflict of Interest Form**

**Declaration of Interest**

<b>Person or organisation</b>	<b>Nature of relationship and/or nature of conflict of interest</b>

Name.....

Position .....

Signed .....

Date .....

NBL: Complete one form for each employee who wishes to declare a conflict of interest.