

## CONFLICT OF INTEREST POLICY

Policy number	CONFLICT	Version	001
Drafted by	Kara Grant (based on SCA Ltd Policy)	Approved by Board on	19/02/2019
Responsible person	Kara Grant	Scheduled review date	Prompted by SCA Ltd Review

### INTRODUCTION

The Strata Community Association WA Inc (SCA WA) board aims to ensure that that board and committee members are aware of their obligations to disclose any conflict of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of SCA WA.

### PURPOSE

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

### DEFINITION OF CONFLICT OF INTEREST

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of SCA WA. 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 and committee member's duty to SCA WA and another duty that the board and committee member has (for example, to another not-for-profit). 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 SCA WA and must be managed accordingly.

### POLICY

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to SCA WA if they are openly and effectively managed. It is the policy of the SCA WA 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 SCA WA.

SCA WA will manage conflicts of interest by requiring board and committee 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.

#### Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across SCA WA;
- monitoring compliance with this policy; and

- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

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

### **Identification and disclosure of conflicts of interest**

Once an actual, potential or perceived conflict of interest is identified, it must be entered into SCA WA's register of interests, as well as being raised with the board. Where all of the other board and committee members share a conflict, the board should refer to governance standard 5 to ensure that proper disclosure occurs. The register of interests must be maintained by the SCA WA office, and 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).

Disclosures will only be provided to the SCA Ltd board, the public officer (being the General Manager), and secretary during the meeting. Please advise the public officer should it be necessary to provide for an alternative disclosure mechanism if additional restrictions on disclosure are required.

## **ACTION REQUIRED FOR MANAGEMENT OF CONFLICTS OF INTEREST**

### **Conflicts of interest of board and committee members**

Once the conflict of interest has been appropriately disclosed, the board (excluding the board and committee member disclosing and any other conflicted board and committee member) must decide whether or not those conflicted board and committee 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 and committee member from regularly participating in discussions, it may be worth the board considering whether it is appropriate for the person conflicted to resign from the board.

### **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
- SCA WA's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, SCA WA.

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board and committee 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.

## **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 conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with SCA WA.

If a person suspects that a board and committee member has failed to disclose a conflict of interest, they must notify the person responsible for maintaining the register of interests to inform the board.

## **CONTACT**

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