

## Conflict of interest policy

### 1. Purpose

The purpose of this policy is to help board members of the **Kytherian Association of Australia (KAA)** to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the **KAA** and manage risk.

This policy and procedure supports clause 48 – Conflicts of Interest of the KAA Constitution (current at 26 June 2019).

### 2. Objective

The **KAA board of directors** (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of the **KAA**.

### 3. Scope

This policy applies to the board members of **KAA**.

This policy also applies to any person or persons, employees, members and sub-committees members, and related parties accepting the delegated powers from a Director.

### 4. 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 the KAA.

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 the KAA 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.

## 5. Policy

This policy has been developed to address conflicts of interest affecting the **KAA**.

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

It is the policy of the **KAA**, 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 the **KAA**.

**The KAA** 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 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.

The charity 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 **KAA'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 KAA 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).

### 5.3 Confidentiality of disclosures

Financial conflicts of interests will be disclosed to members in the Annual Financial Report.

The Board may decide to share how the KAA manages or has managed specific Conflicts of Interests with members through the various platforms available to the KAA (for example, the Newsletter, Facebook page, website, email, etc).

The Conflicts of Interests register shall be made available for inspection by directors, former directors and members at the KAA's offices during normal business hours subject to a written request stating the purpose and providing sufficient notice, subject to Board approval.

## **6. Action required to manage 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 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.

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

In the event a director fails to notify the KAA of an actual, perceived or potential material conflict of interest, the remaining directors may sanction the director or convene a general meeting requesting members to remove the director from office as per provisions outlined in the constitution.

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
- notify the board via notifying the Secretary of the KAA or the officer who responsible for maintaining the register of interests.

## Contacts

For questions about this policy, contact the board or the Secretary by emailing at [secretary@kytherianassociation.com.au](mailto:secretary@kytherianassociation.com.au)

## Document revision record

Version	Date	Revision history
01	August 2020	Approved by Board at August Meeting

## Appendix Conflict of Interest Register Examples

### Register of interests

Name of conflicted person and position (director, or sub-committee member staff, or volunteer)	Description of interest	Has the board been notified?	Date of disclosure	Steps taken by board for dealing with the conflict	Board member actions to address the conflict
Ioanna Elafina, Board Director	Ioanna's son provides internet web page management services and is bidding for KAA's business	Yes	1/8/2020	Ioanna will not be present in any discussions, deliberations or decisions relating to selection of the vendor to provide these services.  Minutes or other documents related to the decision will not be made available to Ioanna	Ioanna proactively advised the Board that her son was intending to bid for the KAA's business and confirmed she would not be present or participate in any deliberations.
Giannis Zimis, Chairman of Board	Giannis works for the institutional division at ABC Bank. The KAA regularly places term deposits with ABC Bank's retail division.	Yes	1/8/2020	Giannis will be allowed to participate in investment deliberations, however will not be permitted to vote for any investment decision that involve ABC Bank.	Giannis advised board that he has no involvement or relationship with his ABC colleagues who manage KAA's deposits.  Giannis will not advocate for ABC Bank in any deliberations and only share relevant professional knowledge on he banking/investment sector generally.
Thalia Aristerou, office manager	Thalia is a partner in a separate business venture. KAA members share the	Yes	1/8/2020	Thalia has been formally advised in writing to properly manage her conflict. In particular, to not use KAA resources to solicit business	Thalia has committed to explicitly advise her venture's clients that the venture is not a KAA entity.

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	characteristics of her venture's target clients.			for her venture nor work. while performing her role for the KAA. The KAA has advised members of the conflict in the newsletter and confirmed that the venture is not related to the KAA	Thalia has committed to resign from her KAA role if the Conflict cannot be practically managed or causes reputational issues for the KAA.
Apollo Monahos, sub committee member	<p>Apollo has a disabled son that utilises the services of SPITI, a charity not related to the KAA.</p> <p>The KAA however regularly donates funds and works with SPITI on various initiatives.</p> <p>A concerned member advised the Board that it was not appropriate that this connection between Apollo and SPITI was not disclosed to subcommittee.</p>	No	1/8/2020	<p>The conflict has advised the subcommittee chair who in turn will advise the subcommittee.</p> <p>Apollo has been asked to not participate in any subcommittee deliberations relating to the SPITI (eg. Donations, joint activities). Apollo can provide information on SPITI if asked by the Subcommittee to assist in their deliberations.</p> <p>If the subcommittee decides to donate or collaborate with SPITI, they can ask Apollo to facilitate given their strong connection with the other Charity. This will only occur after the decision has been made without Apollo's involvement.</p>	<p>Apollo will advise his subcommittee colleagues of his conflict.</p> <p>Apollo will refrain from promoting SPITI at the subcommittee when deliberating donation/initiative ideas.</p> <p>Apollo will ensure that if SPITI is selected for a donation or for a joint initiative, he will ensure that his actions and language do not cause reputational issues for the KAA.</p>

