



## **Conflict of Interest Policy**

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## 1.0 Purpose

This policy outlines the principles applying to the declaration and management of **actual**, **perceived**, and **potential** conflicts of interest.

The objectives of this policy are to:

1. Protect ABSANZ's interest in impartial and objective decision making.
2. Protect the reputation of ABSANZ by maintaining ethical standards of good judgement, fairness and integrity in all its dealings.
3. Ensure that Directors, Committee Members, contractors and consultants performing ABSANZ duties always observe the highest standard of ethics and integrity.
4. Avoid any activity or interest that might reflect unfavourably upon Directors, Committee Members, contractors and consultants own integrity and good name, or upon the integrity and good name of ABSANZ.
5. Provide guidance on how to manage any actual, perceived or potential conflicts of interest.

## 2.0 Scope

The policy applies to all Directors and Committee Members of ABSANZ and includes any contractors and consultants engaged by ABSANZ. It also applies to engagements undertaken by ABSANZ with its stakeholders.

## 3.0 Policy Statement

All Directors, Committee Members, contractors and consultants performing ABSANZ duties are required to act in good faith towards ABSANZ. Similarly, ABSANZ must act in a similar manner towards its stakeholders.

Directors, Committee Members, contractors and consultants must ensure there is no conflict or perceived conflict of interest between their personal interests and their duties, obligations and responsibilities to ABSANZ, including those of ABSANZ stakeholders. This typically occurs when an individual has two competing interests. Where such a conflict occurs, the interests of ABSANZ will be balanced against the interests of the individual. Unless exceptional circumstances exist, the balance of interests will be resolved in favour of ABSANZ and or its stakeholder.

Conflicts of interest can be financial or personal and involve the interests of an individual or that individual's spouse, family member, associate, or close friend.

It is the responsibility of each Director, Committee Member, contractor and consultant to disclose actual, perceived, or potential conflicts of interest to ABSANZ and stand down in any decision-making process where they may be compromised. Similarly, ABSANZ will disclose any conflicts of interest to its stakeholders.

Failure of an individual to disclose an actual, perceived, or potential conflict of interest constitutes a breach of ABSANZ policy and may result in disciplinary action. Depending on the nature and impact of the conflict of interest situation, other actions may be instigated, including legal action.

It is not appropriate for a spouse, family member, associate, or close friend of a compromised individual to be involved in the management of the conflict of interest.

Confidentiality is to be maintained at all times by all persons involved and ABSANZ will seek to ensure that confidential disclosures are protected from misuse. Nothing precludes either the individual who has disclosed the conflict of interest or the ABSANZ President or Committee Chair to whom the disclosure was made from seeking advice from the ABSANZ Board on any matters relating to this policy.

## **4.0 Responsibilities**

### **4.1 Compliance, Monitoring and Review**

ABSANZ recognises that from time-to-time conflict of interest situations can arise. These situations can sometimes involve commercial conflicts, legal conflicts or issues relating to independence.

All Directors, Committee Members, contractors and consultants performing ABSANZ duties are required to act in good faith towards ABSANZ. Similarly, ABSANZ must act in a similar manner towards its stakeholders.

ABSANZ Member and stakeholder engagement is conducted in a manner that does not place individuals in a position where objectivity, integrity or independence could be compromised. ABSANZ maintains strict policies and procedures requiring the identification, assessment and management of potential conflicts.

Often potential conflict situations can be managed by discussing the issues with clients and putting in place appropriate controls and safeguards. However, where ABSANZ believes that a potential conflict or independence issue is not capable of being managed in an appropriate manner, ABSANZ will decline to accept the engagement.

### **4.2 Reporting and Managing Conflicts of Interest**

All actual, perceived and potential conflicts are to be reported using the Conflict of Interest Declaration Form (GOV-FORM-01-1.0) and submitted to the Governance Finance and Risk Committee.

All ABSANZ Board and Committee meetings are required to maintain a standing agenda item specifically considering any actual, perceived, or potential conflicts of interest. Where a conflict is identified and declared, it is to be recorded in the minutes including how the conflict was managed. All minuted conflicts should be formally reported using the Conflict of Interest Declaration Form (GOV-FORM-01-1.0) and submitted to the Governance Finance and Risk Committee.

### 4.3 Managing Conflicts of Interest

All Directors, Committee Members, contractors and consultants performing ABSANZ duties must complete and sign the ABSANZ Conflict of Interest Declaration Form (GOV-FORM-01-1.0). The fully completed, signed form is then provided to the Governance, Finance and Risk Committee for addition to the Conflict of Interest Register. All declared conflict of interest declarations will be kept private and confidential in accordance with the ABSANZ Privacy Policy (GOV-POL-02-1.0)

Declaring the actual, perceived, or potential conflict of interest may be sufficient to adequately mitigate or manage that conflict in some circumstances.

Other strategies for managing a conflict of interest include:

- Removal from the situation
- Restricting involvement
- Engaging a third party
- Relinquishing an interest.

Where a conflict is identified and declared, the following options should be considered as part of the conflict management plan:

- No further action required – the potential for conflict is minimal or can be eliminated by disclosure and effective supervision by the Chair. Such conflicts are to be recorded in the meeting minutes.
- Disclosing the actual, perceived, or potential conflict to those involved in making decisions relevant to the matter – the agreed mitigation strategies are identified and the declaration recorded on the ABSANZ Conflict of Interest Register.
- Referring decisions on financial transactions to another appropriate ABSANZ Director for oversight and approval.
- Appointing additional members to a Committee to minimise the influence of an individual about whom the perception of conflict is held.
- Restricting access to sensitive or confidential information relevant to the matter to those individuals with no declared actual, perceived, or potential conflicts.
- Requesting the person to either relinquish or divest the personal interest creating the conflict; or to make other arrangements.
- Removing the person from the responsibilities or duties to which the conflict relates.
- Arranging for members of the Board or Committees to remove themselves from discussion or decision on specific matters where they may be conflicted.

Where the ABSANZ President declares a conflict of interest that prevents involvement in any decision-making, execution of agreements or reimbursement of expenses etc., in accordance with the ABSANZ Constitution the Vice President will act on behalf of ABSANZ. Where deemed

necessary, the ABSANZ Board may appoint an independent reviewer(s)/auditor to oversee the integrity of a process or decision-making as, and when, required.

Where the Association Management provider declares a conflict of interest the ABSANZ Board shall determine the most appropriate conflict management plan.

#### 4.4 Records Management

All records relevant to this document are to be maintained in accordance with the ABSANZ Document Control System.

### 5.0 Definitions

Conflicts of interest arise when an individual's personal interests or obligations could compromise their judgement, decisions, or actions made in relation to ABSANZ. As a result, the persons objectivity or impartiality could be challenged.

**Actual conflicts of interest** occur when there already is a **direct** conflict between an ABSANZ Director's, Committee Member's, contractor's or consultant's duties and responsibilities and their personal interests which influence the performance of those duties.

**Perceived conflicts of interest** arise when it **appears** a person's private and/or business interests could influence how they carry out their ABSANZ duties, whether this be the case or not.

**Potential conflicts of interest** happen when a member has private and/or business interests that could conflict with their ABSANZ duties in the **future**.

**Good faith** is acting honestly and without fraud or deception (acting ethically).

### 6.0 Legislative Context

This policy aligns with:

- *Corporations Act 2001* (Aust)
- *Privacy Act 1988* (Aust)
- *Companies Act 1993* (NZ)
- *Privacy Act 1993* (NZ).



## **7.0 Related Legislation AND Documents**

### **7.1 Related Policy Document Suite**

- ABSANZ Charter
- ABSANZ Constitution
- ABSANZ Privacy Policy (GOV-POL-02-1.0)
- Conflict of Interest Declaration Form (GOV-FORM-01-1.0)