



Conflict of Interest Policy

Details

Policy & Procedure Owner	CEO Office/ERFA Board	
Approved by	ERFA Board of Directors	
Date Approved	Date of Last Revision	Next Review
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Abbreviations

ACFID	Australian Council for International Development
ERFA	Edmund Rice Foundation Australia

Definitions

ACFID Member	A not-for-profit organisation that has obtained accreditation with ACFID
Board Members	Voluntary directors of ERFA's Board
Donor	Members of the public including individuals or organisations who contribute to ERFA in cash or in-kind
Partner	Any organisation which has an MOU or contract with ERFA
Primary Stakeholder (beneficiary)	Children and adults who participate in and are directly impacted by ERFA partner projects
Program	Programs are overarching development approaches and initiatives that set priorities and guide project outcomes, results and activities. Programs can comprise ministries or entities
Project	Projects are the development activities of a Program
Staff	Employees, contractors, subcontractors, outworkers, apprentices and trainees, work experience students, volunteers and any other person who performs work for ERFA or ERFK
Stakeholder	Anyone who interacts with ERFA/ERFK and its Partners including but not limited to suppliers, contractors, volunteers, donors, etc.

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1.0 Policy overview

Edmund Rice Foundation (Australia) (ERFA) is committed to establishing and maintaining an organisational environment that embodies integrity, ethical behaviour, accountability and transparency. By pursuing these commitments ERFA hopes to earn the confidence of its supporters network in the intentions and actions of ERFA Staff. An important component to achieving this aim is to ensure that actual, potential and perceived conflicts of interest are prevented, disclosed and managed so that they do not impact negatively on the integrity of ERFA's decision making and operations.

The potential consequences for failing to manage conflicts of interest include:

- a loss of trust in the Board Room and an undermining of collective decision making;
- an eroding of accountability and transparency about decisions, operations and transactions;
- a loss of public trust in ERFA as a non-governmental organisations;
- a decline in donations made to ERFA;
- difficulty in recruiting and retaining Staff.

It is ERFA's expectation that the principles and standards set out in this Conflict of Interest Policy will be mirrored at governance and operational levels in all programs and projects ERFA funds in developing countries and within Australia.

1.1 Links to other ERFA policies

Procedures for how ERFA enables open and fair procurement of goods and services are detailed in Section "6.0 Procurement Procedures" of ERFA's [Anti-Fraud & Anti-Corruption Policy](#).

2.0 Definitions

2.1 Conflict of Interest

A conflict of interest would occur when personal interests conflict with responsibility to act in the best interests of ERFA. Personal interests include direct interests as well as those of family, friends, or other organisations a person is involved with or has an interest in. At the board level it would also include a conflict between a director's duty to ERFA and another duty that the director has, for example, to the board membership of another not-for-profit organisation.

A conflict of interest may be actual, potential or perceived, financial or non-financial, or involve a conflict of loyalties. Conflicts of interest pose the risk that a person may make a decision based on, or affected by, these influences, rather than in the best interests of ERFA. To prevent this risk conflicts of interest must be managed accordingly.

2.2 Actual conflict of interest

A person is being influenced by a conflict of interest, i.e., the conflict is obvious.

2.3 Potential conflict of interest

A person could be influenced by a conflict of interest.

2.4 Perceived conflict of interest

A person could appear to be influenced by a conflict of interest.

Perception is as important as intention because it could potentially affect the reputation of both the person and ERFA.

3.0 Roles and responsibilities

3.1 Responsibilities of ERFA Staff

- sign ERFA's Code of Conduct. ERFA's Code of Conduct outlines expectations of Staff conduct. This Conflict of Interest Policy and its associated requirements is one of several related policies incorporated into the document (see page 3 of the ERFA Code of Conduct);
- adhere to ERFA's Conflict of Interest Policy;
- disclose any actual, potential or perceived conflicts of interest that concern them or other personnel to the ERFA CEO.

3.2 Responsibilities of the ERFA CEO

- disclose any actual, potential or perceived conflicts of interest that concern them to the Board Chair;
- oversee the discussion of conflicts of interest as a standing agenda item for all Board of Directors meetings;
- document responses to the conflict of interest agenda item in Board meeting minutes, providing detail of attendance and voting results. Provide evidence that disclosures of actual, potential or perceived conflicts of interest were systematically assessed and handled;
- manage entries into the **ERFA Staff Conflicts of Interest Register** as required;
- retain on file individual Staff members declarations of interest;
- facilitate training for Directors and Staff to ensure their understanding of conflict of interest situations.

3.3 Responsibilities of the ERFA Board of Directors

- make themselves aware of their obligations to prevent and manage conflicts of interest, as codified in their governing body instrument;
- before commencement of their service on the Board, complete the document "Declaration of Interests – ERFA Directors and CEO";
- disclose any actual, potential or perceived conflicts of interest that concern them to the Board Chair;
- disclose any actual, potential or perceived conflicts of interest when the topic is brought up at Board meetings;
- ensure that this policy is adhered to, that compliance is monitored, that the policy is reviewed regularly and that breaches are responded to;
- Collaborate with other Directors to decide whether it is necessary for another Director or Staff member to remove themselves from the discussion and decision-making process where they are involved in an actual, potential or perceived conflict of interest.

3.4 Responsibilities of the ERFA Company Secretary

- manage entries into the **ERFA Directors and CEO Declarations of Interest Register** as required;
- retain on file individual Director, Company Secretary and CEO declarations of interest.

3.5 Responsibilities of the ERFA Board Chair

- initiate the discussion of conflicts of interest as a standing agenda item for all Board of Directors meetings.

Section 1: Preventing conflicts of interest

4.0 Employment procedures

ERFA's employment practices include:

- providing new Staff and Board Directors with a copy of ERFA's Conflict of Interest Policy and ensuring they are aware of its processes.

5.0 Training

ERFA conducts infrequent training for its Staff and Board of Directors on this Conflict of Interest Policy.

Training focuses on communicating the following points:

- that conflict of interest situations are part of life;
- that to benefit from a conflict of interest may not always be illegal, but it will almost always be unethical;
- what sort of information at ERFA must be protected from improper use or disclosure;
- what to do when gifts and hospitality are offered;
- the differences between actual, potential and perceived conflicts of interest, and the importance of disclosing each;
- that ERFA personnel have a responsibility not to obtain a list of donors for personal or private solicitation purposes at any time during their affiliation with ERFA;
- how to disclose conflicts of interest.

Section 2: Detecting conflicts of interest

6.0 Declaration of interests

ERFA provides its CEO, Directors and Staff with regular opportunities to declare interests that have the potential to become conflicts. A general principle for managing conflicts of interest effectively and preventing them from adversely affecting decision making is to identify potential conflicts in advance.

6.1 Directors and CEO

ERFA Directors and the ERFA CEO are provided with the document “Declaration of Interests – ERFA Directors and CEO” to fill out. Before commencing service on the board, new Directors will complete and forward this document to the ERFA Company Secretary.

6.2 Staff

ERFA Staff are provided with the document “Declaration of Interests – ERFA Staff” to fill out. Before commencing service with ERFA, new Staff will complete and forward this document to the ERFA CEO.

7.0 Board meetings

An ongoing avenue for disclosing potential conflicts of interest is provided to Directors and the ERFA CEO during board meetings. It is standard practice for the Board Chair, at the start of each board meeting, to ask for any declarations of conflict of interest arising from the meeting agenda as set. Any director who has a material personal interest in a matter to be considered at a board meeting must disclose the nature and extent of the that interest to the board. All such declarations and any ensuing actions taken will be recorded in the meeting minutes and be added to the ERFA Conflicts of Interest Register.

Section 3: Responding to conflicts of interest

8.0 Registering conflicts of interest

Formal reporting is to be made of all conflicts of interest declared, including those that were relevant in the past.

Declarations of interest made by ERFA Directors and the ERFA CEO will be recorded in the “ERFA Conflicts of Interest Register – Directors and CEO”. This register is confidential and will be maintained only by the ERFA Company Secretary.

Declarations of interest made by ERFA Staff will be recorded in the “ERFA Conflicts of Interest Register – Staff”. This register is confidential and will be maintained only by the ERFA CEO.

9.0 Handling conflicts of interest

9.1 Directors and CEO

The disclosure and handling of conflicts of interest at the board level follows these stages:

- Stage 1: a Director identifies that they have a conflict of interest.
- Stage 2: conflicted director informs the board of their conflict.
- Stage 3: non-conflicted directors determine appropriate course of action.
- Stage 4: non-conflicted directors inform conflicted director of the outcome.

It is the responsibility of the non-conflicted Directors and the CEO to determine if the conflicted director may:

- participate in discussion or refrain from participation;
- be present in the room during discussion or remove themselves from the room;
- vote on the matter or abstain from voting on the matter.

9.2 Staff

The disclosure and handling of conflicts of interest at the organisational level follows these stages:

- Stage 1: a Staff member identifies that they have a conflict of interest.
- Stage 2: the CEO determines the appropriate course of action.
- Stage 3: if considered severe the CEO informs the Board of Directors of the conflict of interest. In consultation with the Board, the CEO determines the appropriate course of action.
- Stage 4: the CEO informs the Staff member of the outcome.

10.0 Investigating conflicts of interest

Where a conflict of interest is very significant and requires more proactive management, it may be appropriate for the Board to enlist the services of an independent third party with relevant expertise to oversee or review all or part of the decision-making process.

11.0 Remedial actions

Disciplinary action will be taken against any Staff member or Director who is discovered to have failed to disclose a conflict of interest.

ERFA appreciates that because Staff members and Directors have numerous professional, business, family and social relationships, that there is potential for conflicts of interest. Such conflicts need not necessarily be a significant problem. However, if not managed effectively, conflicts of interest may impact negatively on the integrity of the organisation and its personnel.

Remedial action will be more likely and more severe where the Staff member or Director concerned is discovered to have:

- benefited, either directly, or on behalf of someone close to them, by exploiting a conflict of interest;

- abused their power or authority;
- permitted a conflict of interest to interfere with their primary obligations to ERFA.

Remedial action, at its most extreme, could involve the suspension of Staff or the severance of Directors from the organisation.

12.0 Related Policies and Documents

Related policies

- Child Protection Policy
- Complaints Handling Policy
- Privacy Policy
- Anti-Fraud and Anti-Corruption Policy
- ERFA's Code of Conduct

ERFA policies and processes are regularly updated. For the most up to date policies refer to ERFA's website at www.erf.org.au/policies.

Declaration of Interests – ERFA Directors and CEO

I _____ as a director of Edmund Rice Foundation Australia, have set out below my private interests in accordance with the organisation’s Conflict of Interest Policy.

Category	Yes/No	If yes, provide details of interest
Directorships Are you a director or trustee of another company that might raise expectations of a possible conflict of interest with your duties as an ERFA director?		
Office holdings Do you hold public or private organisation office or memberships that might reasonably raise expectations of a possible conflict of interest with your duties as an ERFA director?		
Substantial sources of income Do you receive substantial income from current employment, or past employment in which you retain a financial interest that might reasonably raise expectations of a possible conflict of interest with your duties as an ERFA director?		
Business interests Do you have ownership of or shares in a business that might reasonably raise expectations of a conflict of interest with your duties as an ERFA director?		
Agreements Are you, or a member of your immediate family, party to any contract, agreement or understanding that gives rise to an obligation or expectation of reward that could raise an expectation of a conflict of interest with your duties as an ERFA director?		
Family, friends and associates Does any member of your immediate family, friends or close associates hold any substantial financial or other interests that could raise an expectation of a conflict of interest with your duties as an ERFA director?		
Director’s duties Have you ever been disqualified from acting as a director within the meaning of the Corporations Act 2001, or been disqualified by the ACNC from being a responsible person of a registered charity?		
Other conflicts Are there any other potential conflicts of interest not covered by the above?		

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided and to review the accuracy of the information annually.

Signed:

Date:

Declaration of Interests – ERFA Staff, volunteers and/or contractors

I _____ as a representative/staff member of Edmund Rice Foundation Australia, have set out below my private interests in accordance with the organisation’s Conflict of Interest Policy.

Category	Yes/No	If Yes, Provide Details of Interest
Personal relationships Do you have any personal relationships outside ERFA that might reasonably raise expectations of a possible conflict of interest with your ERFA duties?		
Business relationships Do you have any relationships outside ERFA where you exercise decision making power regarding purchasing or acquisition of services for ERFA that might reasonably raise expectations of a possible conflict of interest with your ERFA duties?		
Office holdings / memberships Do you hold office or memberships in a public or private organisation that might reasonably raise expectations of a possible conflict of interest with your ERFA duties?		
Financial interests Do you or any members of your immediate family have ownership of or a share in a business or any financial interests, direct or indirect that might reasonably raise expectations of a possible conflict of interest with your ERFA duties?		
Agreements Are you, or any member of your immediate family, party to any contract, agreement or understanding that gives rise to an obligation or an expectation of reward that might reasonably raise an expectation of a conflict of interest with your ERFA duties?		
Gifts and hospitality Have you or any member of your immediate family received any gifts or hospitality in the past 12 months from any external entity with which ERFA has dealings, that might raise an expectation of a conflict of interest with your ERFA duties?		
Other conflicts Are there any other potential conflicts of interest not covered by the above, that might raise an expectation of a conflict of interest with your ERFA duties?		

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided and to review the accuracy of the information annually.

Signed:

Date:
