



04 Board Conflict of Interest Policy			
Version	APPROVAL	Effective Date	REVIEW DATE
001	CEO	01 May 2024	Every 2 years

ASES Standard	Standard 2: Governance <ul style="list-style-type: none"> Requirement 2.1 Sound Governance Standard Requirement 2.2 Policy & Procedure Standard
NRSCH Standard	PO 4 Governance b PO 5 Probity a
Contractual Obligation(s)	NSW Specialist Homelessness Services (SHS) Funding Agreement: Lead Entity and/or Joint Working Agreements
Related Policies	SEARMS Rule Book 03 Board Confidentiality Policy 62 Privacy, Confidentiality and Decision-Making (CBO) 63 Professional Ethics and Code of Conduct Information Management

1. Scope

The scope of this policy is to support SEARMS Directors, Employees, Volunteers (workplace participants) commitment to high standards of ethical conduct through the declaration of any existing or potential conflicts of interest. This policy applies to all SEARMS workplace participants.

2. Purpose

The Corporations (Aboriginal and Torres Strait Islander) act 2006 (CATSI Act) sets out the duties required of directors and other officers. These are consistent with the duties under common law and in the Corporation Act 2001.

To provide SEARMS Directors guidance on identifying and disclosing potential/perceived/real conflicts of interests (disclose material personal interests).

3. Policy

Workplace participants might encounter conflicts of interest when participating in SEARMS decision-making processes, as other commercial, professional or personal roles intersect. These must be disclosed to the Chair (Directors/CEO) or CEO (SEARMS staff/volunteers).

Potential areas that may involve a conflict of interest include:

- pecuniary matters, such as those relating to money or commercial interests
- the recruitment of staff or contractors
- decisions to undertake projects or to enter into partnerships
- the representing of SEARMS in other forums, in which its policy and approach differs from that of the organisation for whom the Board member(s) work.



Definition

A conflict of interest is a situation in which a company or an individual, in a position of trust, has competing professional or personal interests. Such competing interests may make it difficult for the company or individual to fulfil their duties impartially and can create an appearance of impropriety that may undermine confidence in the company or the individual.

A **conflict of interest** can arise if:

- it is likely that the performance of a person's duties as Board or staff member could be prejudicially influenced by his or her other interests, or that someone would reasonably believe that the person could be so influenced
- a person's participation in the Board could be prejudicially influenced by the interests of the organisation for whom the person works, or that someone would reasonably believe that the person could be so influenced.

What is a **Material Personal Interest**?

In general terms, SEARMS considers that a matter may be material where the personal interests of a director or officer could interfere with, or could reasonably be perceived to interfere with, the exercise of a directors or officers unfettered and independent judgement.

Whilst each circumstance must be dealt with on its own merits, the personal interests of a director and those of associated persons must not be allowed to take precedence over those of the organisation generally.

There is nothing wrong with having a conflict of interest so long as you, as a director or officer, disclose all of the information about the conflict of interest to the other directors (or CEO for employees) and abide by their decision how it is managed.

All directors and staff have a responsibility under the terms and conditions of their employment to use all reasonable endeavours to avoid a situation where their interests may conflict or be inconsistent with the interests of SEARMS (the company). If such a situation arises, or may reasonably be expected to arise, employees and senior executives are required to notify their supervisor immediately.

Examples of a Material Personal Conflict of Interest include but are not limited to:

- SEARMS decides to purchase housing stock and a board member believes the housing s/he owns would be perfect.
- The SEARMS Board is planning to engage a consultant and a board member wants his/her company to bid.
- A board is planning to engage a consultant and a board member wants his/her relative's company to bid.
- A person serving simultaneously on two boards, and expected to help raise funds for both, finds s/he is expected to approach the same organisations for donations for the two different groups.
- A Board member advocates for a family member to be given preferential treatment in the allocation of housing.



4. Procedure

When must disclosure be made?

Disclosing a material personal interest to the Board and following the appropriate voting procedures established under the Act, does not in every situation release directors or officers of their conflict of interest obligations. In certain circumstances a director, or officer, will be required to take positive action to ensure that they are acting in good faith and in the best interest of the Company.

Notification of Personal Interest

A director or officer must disclose a material personal interest by providing written or verbal notice of the interest to a board meeting prior to or at the commencement of a meeting. The disclosure must specify the nature and extent of the interest and its relation to the affairs of SEARMS. Where notice is provided to a board meeting in writing, it should be delivered to the company Secretary prior to the board meeting so that it may be included in board papers and the other directors can be made aware of the circumstances surrounding a directors or officers interests.

Subject to the exemptions listed below a director or officer of SEARMS must disclose a material personal interest in a matter that relates to the affairs of SEARMS Corporation as soon as practicable, after the director or officer becomes aware of their interest in the matter.

Exemptions from giving a Disclosure Notice

A director or officer does not need to give notice of a material personal interest if:

- a) The interest arises because the director or officer is a member of the Company and the interest is held in common with other directors or officers; or
- b) The interest arises in relation to a directors or officers' remuneration as a director or officer of the Company; or
- c) The interest relates to a contract the Company is proposing to enter into that is subject to members' consent and will not obligate the Company if not approved by members; or
- d) The interest arises merely because the director or officer is a guarantor or has given an indemnity or security for a loan to the company/ or the director or officer has a right of subrogation in relation to the guarantee or indemnity; or
- e) The interest relates to a contract insuring the director or officer against liabilities the director or officer incurs as an officer of the company; or
- f) The interest relates to any payment by the company or a related body corporate in respect of an indemnity permitted under sec 199A of the Corporations Act or any contract relating to such an indemnity; or
- g) The interest is in a contract or proposed contract with a related body corporate and arises merely because the director or officer is a director or officer of the body corporate; or
- h) The director had given a standing notice in accordance with s192 of the Act of the nature and extent of the interest and the notice is still effective in relation to the interest; or
- i) The director or officer has already given notice of the nature and extent of the interest and its relation to the affairs of the company and all of the following are satisfied:
 - I. In the event a new director has joined the board, notice has been given to the new director;
 - II. The nature or extent of the interest has not materially increased above that disclosed in the notice; and
 - III. The company is a private company and the other directors are aware of the nature and extent of the interest and its relation to the affairs of the company.



1. The following steps should be taken to handle conflict of interest matters:

1. The Board or CEO will work with the workplace participant who has disclosed potential conflicts of interest, or the appearance of potential conflicts of interest, to identify strategies to prevent the potential conflict of interest from occurring. If no strategy is found, then the workplace participant will fully disclose the conflict of interest to the Board/CEO.
2. Where it is a workplace participant conflict of interest, the CEO will transfer delegation or role in decision-making to another workplace participant without a conflict of interest.

3. Conduct of Board Meetings

At the beginning of each Board meeting, the chairperson will ask for any declarations of conflicts of interest. The minutes of the meeting should note any such declarations.

Under s194 of the Act, a director of SEARMS who has a material personal interest in a transaction may vote on the transaction (or matters that relate to the transaction) at board meetings and retain the benefit of the transaction as long as the director has:

- a) Disclosed the nature of the extent of the interest and its relations to the affairs of the Company as noted above; and
 - b) Made the necessary disclosures before the transaction has been entered into by the Company.
4. Where a director has provided written notice of a material personal interest, the nature of the interest shall be entered into the Directors and Officers Interests Register.
 5. Any meeting where an issue relating to the conflict is considered the Chairman will ensure that:
 - a) All other directors are fully informed with respect to the nature of the material personal interest; and
 - b) Details of the disclosure are recorded in the minutes of the meeting.
 6. The Board must then decide whether the member should:
 - refrain from voting (this is a minimum)
 - refrain from participating in the debate
 - withdraw from the Boardroom during the debate and the voting
 - consider resigning from the Board.

7. Conflict of Interest Register

Will be maintained by the Chief Business Officer which will includes disclosures by SEARMS workplace participants.

5. Responsibilities

Responsibility	Delegation
Conflict of Interest Declarations	Chief Business Officer



Ask for Declarations of Conflicts of Interest	Chair of Meetings
Conflict of Interest Register	Chief Business Officer
Refrain from voting on/discussing/deciding on matters pertaining to conflict of interest	Chief Business Officer

6. Legislation

Further information about legislation can be found in the following sources:

- *Corporations (Aboriginal and Torres Strait Islander) Act 2006 No 124*
https://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/num_act/catsia2006510/

7. Appendices

- Appendix 1: SEARMS Rule Book
- Appendix 2: Conflict of Interest Register

Version	APPROVAL	Reason	Effective Date	REVIEW DATE
Version 001	CEO	Review update for ASES	1 May 2024	Every 2 years

8. Sign off Section by individual workplace participants (Directors, Employees, Volunteers)

SEARMS Conflict of Interest Policy Statement

I have read, understood and had the opportunity to clarify the Policy before signing.

Signed: Date:

To be signed on commencement and every two years thereafter.

A signed acknowledgement via the HR platform will be deemed to be this signed statement.