Conflict of Interest Policy

1. INTRODUCTION

Hagar Australia is committed to the responsible stewardship of the resources entrusted to it. Hagar Australia personnel and contractors are required to avoid (where possible) or disclose and manage any actual, potential or perceived conflicts of interest. While conflicts of interest can arise, they may not present a problem to Hagar Australia if they are appropriately identified, and openly and effectively managed. This policy aims to protect Hagar Australia's integrity and ensure personnel do not allow their personal interests to override their responsibility to act in the best interests of Hagar Australia. Hagar Australia aims to carry out all aspects of organisational and program management with integrity, and in a transparent and accountable manner.

2. PURPOSE

This policy is intended to:

- protect the interests of Hagar Australia personnel, supporters, partners, clients and other stakeholders
- provide guidance on the identification, reporting/ disclosure and management of any actual, potential or perceived conflicts of interest
- ensure all parties are aware of their responsibilities regarding conflict of interest
- preserve the reputation and integrity of Hagar Australia, as well as that of all parties affiliated with it, and manage risk.

3. SCOPE

This policy applies to:

- Hagar Australia personnel (as defined), and
- Contractors engaged by Hagar Australia

Hagar Australia management will take steps to ensure that all Hagar Australia personnel and contractors are made aware of their obligations under this policy.

4. POLICY

This policy has been developed to address conflicts of interest affecting Hagar Australia. Conflicts of interest are common and must be openly and effectively managed.

It is the policy of Hagar Australia, as well as a responsibility of Hagar Australia personnel and contractors, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with their obligations to Hagar Australia.

Approved by: Hagar Australia Board	**Date Policy Took Effect:** 16th March, 2021
Review Date: 16th March, 2024	**Responsible Person:** HAUS Board Secretary

5. RISK AND RISK MANAGEMENT CONTROLS

Hagar Australia's internal controls to manage conflict of interest are to:

- Clearly state Hagar Australia's commitment to integrity in recruitment materials, human resource policies, and all partnership agreements.
- Provide Hagar Australia's Conflict of Interest Policy, including Code of Conduct and Conflict of Interest Declaration, reporting requirements and procedures, to all Hagar Australia personnel and contractors; take steps to ensure they understand the Policy and sign the Code of Conduct and Declaration, and discuss it with Hagar Australia personnel during annual Performance Reviews (where required).
- Include 'Conflict of Interest' as a standing Board bi-monthly meeting agenda item to monitor Conflict of Interest Policy compliance.

6. CODE OF CONDUCT

All Hagar Australia personnel and contractors must read, sign and comply with Hagar Australia's Code of Conduct (Annex 1) which sets out strict standards of behaviour in relation to actual, potential or perceive conflicts of interest.

7. IDENTIFICATION AND DISCLOSURE

Hagar Australia personnel and contractors must consider three things when deciding if they have a conflict of interest:

1) **Hagar Australia's charitable purpose**: "providing relief to people within countries declared by the Minister for Foreign Affairs to be developing countries" with a focus on "women and children… who have suffered violence, exploitation and injustice, particularly human trafficking and gender-based violence".

2) **Their personal interests, the interests of others connected with them and how these interests could influence them**: considering current and previous paid or volunteer work, current and previous trusteeships, whether they are a Board member of any other organisation, whether they own a business or share in a business, membership of other organisations, and any similar interests of family or friend. These must be recorded in the register of interests.

3) **Their duties within Hagar Australia**: act with reasonable care and diligence, act in good faith in the best interests of Hagar Australia and for its purposes, not misuse their position, not misuse information they gain, disclose any actual or perceived conflict of interest, ensure responsible financial management, and not allow Hagar Australia to operate while insolvent.

Once an actual, potential or perceived conflict of interest is identified, it is entered into Hagar Australia's Conflict of Interest Register, as well as being raised with the Board. Where every other Board member shares a conflict, the Board should refer to Australian Charities and Not-for-profits Commission (ACNC) Governance Standard 5 to ensure that proper disclosure occurs.

The Conflict of Interest Register is maintained by the Board Secretary with advice from the Executive Director. The Register records information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

Where Board members handle Hagar Australia operations in a voluntary capacity or where multiple family members are involved in governance and operations, there must be a clear delineation of roles, role descriptions and decision-making procedures (for example, no two family members should be bank signatories or solely responsible for decision-making). Arrangements will be documented and approved by the Board.

8. ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST

Once the conflict of interest has been appropriately disclosed, the Board (excluding the Board or staff member who has made the disclosure, as well as any other conflicted Board or staff 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 voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Board or staff member from regularly participating in discussions, the Board should consider if it is appropriate for the conflicted person to resign from the Board.

8.1 Considerations

In deciding the appropriate action 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 organisation's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, Hagar Australia.

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 Conflict of Interest Register.

8.2 Specific Scenarios

- Where goods or services are provided by Hagar Australia personnel or contractors, a proper tendering process should be established which includes obtaining at least three competitive quotations.
- Offices of auditor, solicitor or similar positions should not be accepted where the person is Hagar Australia personnel or a contractor (or is related to such).

- Hagar Australia personnel and contractors must disclose any gifts they have been offered and/ or accepted as a result of their association with Hagar Australia. It is expected that any valuable or otherwise inappropriate gifts, however minor, should not be accepted (see Annex 1).

9. PROCESSES FOR REPORTING CONCERNS OR ALLEGATIONS

9.1 How to Report

Any person who becomes aware of or suspects that another person within the scope of this policy has failed to disclose a conflict of interest must:

- Discuss the conflict with the person in question;
- Report at https://hagar.org.au/reporting (conflict of interest reports will be received by the Executive Director) or email Hagar Australia's Board Secretary at secretary@hagar.org.au, and
- Considering who is involved, contact Hagar Australia's Executive Director, Board Secretary or Chair on **+61 3 9416 1960**.

Any person reporting a suspected or alleged conflict of interest in good faith will not be penalised. Deliberately making a false allegation, regarding conflicts of interest, will be considered a breach of this policy and will be managed accordingly (see Section 9.3).

9.2 How the Report will be managed

Any failure to disclose a conflict of interest and/ or alleged breach of this policy is a serious matter which will be investigated by Hagar Australia, as follows:

- All reports will be handled confidentially on a 'need to know' basis, which will include the Executive Director and/ or Board Chair, with transparency and procedural fairness to all parties. Any substantial allegation will be reported to the Board of Directors.
- An objective and impartial investigation will be conducted by the Executive Director or Board Chair, regardless of the position, title, length of service or relationship with the organisation of any party who might be the subject of such investigation.

9.3 Sanctions

If it is determined that a person within the scope of this Conflict of Interest Policy is in breach of the obligations it or the Hagar Australia Code of Conduct imposes, then Hagar Australia may apply an appropriate sanction as follows:

- dismissal; or
- cancellation of a contract.

10. DEFINITIONS

Term	Definition
Hagar Australia personnel	Hagar Australia's Board of Directors, employees (full time, part-time and casual) and volunteers. This includes persons delegated to make decisions

	on behalf of Hagar Australia or who can influence the actions of Hagar Australia. For example, personnel who make purchasing decisions, anyone who may be described as management personnel, and/ or anyone who has proprietary information concerning Hagar Australia.
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 Hagar Australia. Personal interests include direct interests, as well as those of family, friends, or other organisations/ companies a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between Hagar Australia personnel duties to Hagar Australia and another duty that person has (for example, to another organisation). 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 Hagar Australia. Therefore these situations must be managed accordingly.

11. RELEVANT LEGISLATION

Hagar Australia personnel and contractors must adhere to Australian Commonwealth laws.

Australian legislation

a) *Corporations Act 2001*

12. RELATED POLICIES AND PROCEDURES

- Prevention of Fraud & Corruption Policy
- Prevention of Terrorism Financing Policy
- Whistleblowing Policy
- Feedback & Complaint Handling Policy
- Risk Management Policy
- Incident Reporting Procedure

13. POLICY REVIEW

This policy will be reviewed at least every three years, or as required, incorporating lessons learned.

Contact:

For questions about this policy, contact Hagar Australia's Board Secretary or Executive Director on +61 3 9416 1960.