

Conflict of Interest Policy

Purpose

The purpose of this policy is to ensure effective management of interests in the activities, sharing of information and decision making of IGPTN. This document sets out the framework to assist directors, observers, committee members and staff determine whether a conflict of interest exists and the process for handling that conflict.

This is an essential component of protecting the integrity of IGPTN and managing risk.

Background and definitions

What is a conflict of interest?

A conflict of interest occurs when a person's personal or professional interests conflict with their responsibility to act in the best interests of an organisation. These may be direct or indirect interests and may relate to financial or non-financial matters.

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).

They can also arise from avoiding personal disadvantage.

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 IGPTN. Therefore these situations must be managed.

Conflicts of interest include:

- actual conflicts of interest, that is, where a person has a conflict between their official duty to act in the best interests of IGPTN and their own personal interests, including an actual or potential financial gain or loss. This may involve business interests, including employment, trade, profession, contracts or any company with which the individual is associated
- potential conflicts of interest, that is, where it can be reasonably expected that a director, observer, committee member or staff may in the future have a conflict between their official duty to act in the best interests of IGPTN and their personal interests and
- perceived conflicts of interest, that is, where it could be perceived or appears that a director, observer, committee member or staff's personal interests could improperly influence the performance of their duties, whether or not this is in fact the case.

Given these actual, potential and perceived conflicts, the question is whether they are significant or "material".

A **material** conflict of interest is a conflict of interest that has the potential to influence a person's decisions or conduct, or to have a non-trivial impact on the financial situation of a person or an entity.

Material conflicts of interest

A simple test is to consider whether a reasonable, fair-minded member of the community would judge that the director, observer, committee member or staff might be motivated by their personal interest rather than their duties and responsibilities to IGPTN?

Examples of situations that might constitute a material conflict of interest include the following:

- where a director, observer, committee member or staff with significant decision-making authority, stands to gain financially from any business dealings, products or services provided by IGPTN
- where a director, observer, committee member or staff with significant decision-making authority, whether directly or indirectly, is in any way interested in a contract or proposed contract with IGPTN
- where a director, observer, committee member or staff with significant decision-making authority is a supplier or service provider to IGPTN
- where hospitality or other gifts are provided to a director, observer, committee member or staff with significant decision-making authority by an actual or potential supplier to IGPTN
- positions on the board or committees of other organisations which are likely to give rise to a conflict between the duty owed to IGPTN and the duty owed to the other organisation
- where a director, observer, committee member or staff with significant decision-making authority uses confidential information received by them in their capacity as a director, observer, committee member or staff for their personal benefit or for that of an associate
- where a director, observer, committee member or staff with significant decision-making authority has any relationships between themselves or with any employee or member of IGPTN, or any other person having dealings with IGPTN that might reasonably give rise to the perception of a conflict of interest, and
- where an associate benefits from a director's position on the IGPTN board.

Scope

This policy applies to all IGPTN operations. All directors, observers, committee members and staff are responsible for complying with this policy.

Policy

Directors, observers, committee members and staff with significant decision-making authority are required to declare and manage interests associated with their position and decision making in connection to IGPTN.

All interests are documented in the Board's Declarations of Interest Register, which is considered at each board meeting.

A director who believes another director has an undeclared conflict of interest should specify in writing to the chair the basis of this potential conflict.

If a director declares that they have an existing or potential conflict of interest, confidentiality will be respected.

Declaring interests on appointment to the board, committee or as an observer

A *Register of Interests* form must be accurately completed and provided to IGPTN as soon as possible after a person's appointment to the board or committee, and at a minimum prior to the receipt of any sensitive IGPTN documentation or attendance at a meeting.

A *Register of Interests* form must be accurately completed and provided to IGPTN as soon as possible after a person's approval to attend a IGPTN meeting as an observer, and at a minimum prior to the receipt of any IGPTN documentation or attendance at a meeting.

Declarations of interests must be updated annually.

Declarations of interests must be updated within five (5) working days of a change in circumstances.

Declaring interests on appointment as staff

Contracts relating to the appointment of staff must contain a declaration of interest clause. Staff with significant decision-making authority must complete a *Register of Interests* form and comply with the same requirements as directors, observers and committee members.

Declaring actual or potential conflicts of interest at the start of a meeting

If a director, observer, committee member or staff has an interest, he or she will declare it, including the nature of the interest and the conflict that results, or may result, from it.

An interest must be declared even if it is already recorded in the *Register of Interests*.

If a director alleges that another director has a conflict of interest, whether existing or potential, and that director does not agree, and if the board cannot resolve this allegation to the satisfaction of both parties, the matter shall be referred to the chair to determine what action will be taken.

Declaring actual or potential conflicts of interests during a meeting

If a director, observer, committee member or staff becomes aware of a conflict of interest during a meeting, he or she must declare the interest and ensure this is recorded in the minutes of that meeting.

Handling conflicts of interest and material personal interests

In accordance with the IGPTN Rules (Sections 9 and 10), directors who have a conflict of interest, including material personal interests must:

- as soon as they become aware of their interest, disclose the nature and extent of this interest to the board, and
- disclose the relation of the interest to the affairs of the corporation and extent of their interest
- not be present at a meeting while the matter in question is being considered or vote on the matter unless:
 - approval is granted by the other directors that do not have a conflict of interest passing a resolution, which must be recorded in the minutes, or
 - by the Office of the Registrar of Indigenous Corporations (ORIC) in writing.
- any director excluded from voting due to a conflict of interest will not be counted in determining the quorum for that portion of the meeting.

The actions taken to manage the matter are recorded in the minutes.

Committee members, observers and staff with significant decision-making authority must also comply with these requirements.

The same processes apply for out of session board deliberations.