

Conflict of Interest Policy



1. Purpose

TEAR is committed to conducting business in a fair, transparent, accountable and impartial manner, ensuring that conflicts of interest are identified and managed so that they do not affect the services, activities or decisions of the organisation. This policy deals with situations in which TEAR people may have an actual, perceived or potential conflict of interest between their TEAR role and their personal interests. This policy provides clear guidelines for what could be a conflict of interest and how they should be handled. Proper disclosure and management of conflicts of interest is required to maintain our charitable fundraising licences and to comply with Corporations law and funding body requirements. More importantly TEAR is committed to living out the values of accountability and justice in all that we do.

2. Scope

This policy applies to all TEAR staff, TEAR volunteers who make funding decisions (such as IPAC, Board, and Committee members), consultants and contractors whose contracts specify that they are bound by this policy.

3. Policy

All TEAR people are required to act in good faith towards the organisation (i.e. act in the best interests of TEAR). The principle of acting in good faith guides the way conflicts of interest are managed.

TEAR people must ensure there is careful and appropriate disclosure, recording and management of any conflict between their personal interests and their duties, obligations and responsibilities to TEAR. Where such a conflict occurs, the interests of TEAR will be balanced against the interests of the individual. Unless exceptional circumstances exist the balance of interests will be resolved in favour of the organisation.

3.1. Disclosure of Information

Any TEAR person who has an actual, perceived or potential conflict of interest in a matter that relates to the operations of TEAR Australia must disclose that interest to their Supervisor, a member of the Leadership Team (LT) or the Chair of the Committee or meeting in which they are participating. Any person to whom a conflict of interest is disclosed must ensure that it is either recorded in the minutes of the meeting, or disclosed to an LT member, who will determine appropriate reporting. LT members must disclose any such interest to the CEO; the CEO and Board members must disclose any such interest to the Board Chair.

3.1.1 Examples of Conflicts of Interest

Examples of situations where a TEAR person may have an actual or perceived conflict of interest include:

- a) where a TEAR person is asked to participate on the interview panel for employment of a person whom they are closely connected with;
- b) where a person proposes to source goods or services for TEAR Australia from an organisation that they have a financial interest in (either directly or indirectly);
- c) where a TEAR person or their spouse or immediate family member have connections with one or more organisation's like TEAR Australia and:
 - may be called upon to promote directly or indirectly, the interests of another organisation;
 - receive financial/personal benefits because of this relationship/affiliation;
 - and/or the relationship/affiliation may prevent the staff member from acting fairly and objectively when he/she performs his/her duties at TEAR;
- d) where a TEAR person or their spouse or immediate family member has a close connection with a partner organisation receiving, or a prospective partner seeking funds from TEAR Australia;
- e) where a staff member directly supervises their spouse or other immediate family member.

It is impossible to define all the potential areas where a conflict of interest may arise and therefore if a person covered by this policy is in any doubt as to whether a conflict may exist, they should seek advice from their Supervisor or an LT member.

3.2. Handling Perceived or Actual Conflicts of Interest

A TEAR person with an actual or perceived conflict of interest may only participate in discussion or decision-making on that matter with the express consent of the appropriate organisational representative or body (e.g. for CEO or Board members, a majority of the Board; for LT members, a majority of the LT; for IPAC members, the IPT Director; or, the relevant Supervisor or Department Director for staff and/or volunteers).

Conflicts of interest will be considered on a case by case basis by the relevant representative or body, and in some cases it may be necessary for the Board or LT to develop and implement procedures to manage conflicts of interest (by type or to address particular cases).

In most cases, a conflict of interest can be managed in a number of ways including but not limited to:

- a) documenting the conflict, the nature and extent of the interest and any steps taken to address it (e.g. in minutes or a register of interests)
- b) restricting or removing the person with the conflict from participation in discussion and decision making;
- c) recruiting an independent person to oversee a process where a conflict needs to be managed and a person cannot be removed from it;
- d) having the person relinquish the private interest that gives rise to the conflict.

If a person has concerns about another person's perceived conflict of interest, they are encouraged to speak with that person directly to ascertain how it is being handled.

3.2.1 Gifts

When interacting with TEAR's partners, TEAR people should be mindful of courtesy especially around hospitality and gifts. TEAR staff may accept gifts in kind to honour a hosting partner. Gifts over the value of AU\$50 must be disclosed to a Supervisor. Gifts intended to reward, bring about future action or influence decision making should be politely declined.

3.2.2 Gratuities

When interacting with TEAR supporter organisations or when publicly representing TEAR in Australia, it is expected that TEAR people would forward any gift, gratuity or honorarium received to TEAR as a donation.

3.2.3 Handling volunteer conflicts of interest

TEAR involves volunteers in a range of groups that make decisions or formal recommendations on the work of TEAR. These include the Board and its Committees, IPAC Hubs and from time to time staff/volunteer working groups. These groups will document in an appropriate place (e.g. terms of reference, code of conduct, position description) the nature of conflict of interest within their context, consistent with this policy, as well as the process for handling conflicts of interest. As a minimum standard, where a meeting relates to funding of projects or activities, each meeting agenda will have a standing item for disclosure of any conflicts of interest specifically related to items being discussed at that meeting. Where there is an orientation program for group members and/or chair, it will include training on conflict of interest and the responsibility of group members to proactively disclose and manage conflict of interest. The reflection and review rhythms of each group will incorporate reflection on the effectiveness of its conflict of interest processes.

3.3. Breach of Policy

Failure to disclose or appropriately manage a conflict of interest constitutes a breach of this policy. Depending upon the intent, nature, circumstances and significance of the conflict, disciplinary action may

result that could include dismissal or severance from the organisation if deemed to be an incident of misconduct, wrongdoing or an abuse of power or authority.

4. Related References

Discipline Policy
Fraud Policy
TEAR Code(s) of Conduct
Whistleblower Policy

5. Definitions/Terminology Clarification

Chair: used in a general sense to mean convener or facilitator of the group.

Conflict of interest: A conflict of interest refers to a situation where a conflict arises for an individual between two competing interests, such as when a person’s personal interests conflict with their responsibility to act in the best interests of the organisation. This refers to a reasonably perceived, potential or actual conflict of interest. Conflicts of interest can involve financial or non-financial interests. They could be a direct interest of the TEAR person as well as those of a business partner or associate, another organisation, family member, friend or person in a close personal relationship with the staff member. 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 the charity and must be managed accordingly. Without limitation, a member of staff will have a perceived or actual conflict of interest in a matter where the matter involves any of the following persons or entities receiving remuneration for the supply of goods or services, their appointment to supply goods or services for remuneration, or their terms and conditions of service for remuneration:

- a) the staff member;
- b) a person in the staff member’s immediate family;
- c) a person or entity closely connected with the staff member; or
- d) volunteers and consultants.

TEAR people: For the purpose of this policy, “TEAR people” refers to all TEAR staff, volunteers, contractors and consultants as described in the scope of the policy.