

Conflict of Interest Policy

Preliminary information:

Type of Policy: Board and Organisation	Core Value: Enhancing professionalism
Leadership Owner: EO	Original Issue Date: 22 May 2021
Frequency of review: Two yearly Last review date: Next review deadline: May 2023	Version: 1

Purpose of the Policy

This Policy states Financial Counsellors Association Queensland Inc (FCAQ) position on conflicts of interest. To ensure we achieve and maintain the highest levels of integrity and public trust in the work of FCAQ, conflicts of interest should be avoided. Where this is not possible, conflicts of interest must be identified, declared and actively managed, to ensure that all decision-makers are free of any actual, potential or perceived conflict. Our personnel are required to conduct themselves in an ethical manner and to act in accordance with our Core Values and Code of Conduct. This means they should exercise objectivity and good judgement in decision-making to act in the best interests of FCAQ. Even the appearance of impropriety can be damaging to FCAQ's work. This means that every effort must be made to avoid conflicts, whether actual, perceived or potential, between the interests of the organisation and the person's own interests. Conflicts of interest may arise were personal, family, or other interests, loyalties, or commitments conflict with those of FCAQ. Such conflicts create problems, in that they may:

- inhibit free discussion in meetings or conversations;
- lead to bias or lack of impartiality in decision making;
- result in decisions or actions that are not in the interests of FCAQ; and/or
- harm public perception of FCAQ by giving the impression that FCAQ has or may have acted improperly.

Responsibility for the Policy

The following table sets out responsibilities for the policy.

	Implementing and Complying with the Policy:	Amending the Policy:	Responding to and dealing with incidents (including non-compliance)
Recommend	Not applicable	Anyone	Anyone
Consult	FCAQ Secretary, Management Committee, EO	FCAQ Secretary, Management Committee, EO	FCAQ Secretary, Management Committee, Chief People & Culture
Decide	Full Board	Full Board	Full Board
Perform	All employees, all Board members, Chief People & Culture, EO	FCAQ Secretary	FCAQ Chair, management Committee, FCA Board, FCAQ Secretary (as relevant),EO

Sources of obligations:

This policy complies with the requirements of:

- Financial Counselling Australia;
- National Standards; Code of Conduct;
- The Australian Charities and Not-for-Profits Commission Act 2012 (Cth);
- Associations Incorporation and Other Legislation Amendment Act 2020 QLD; and
- FCAQ's governing documents including its Rules of Association.

Contents

1. **Avoiding, Disclosing & Managing Conflicts of Interest**
2. **Specific types of conflicts of interest**
3. **Other Legal Obligations**
4. **Breaches**
5. **Consequences**
6. **Confidentiality**
7. **Training**
8. **Definitions**
9. **Appendix: Interests**

The Policy:

Definitions are set out in Section 8.

1. Avoiding, Disclosing & Managing Conflicts of Interest

All board members, and employees, must take all reasonable steps to identify any conflict of interest with their duties at FCAQ and where possible eliminate or otherwise avoid the conflict.

The person must declare and manage the conflict in accordance with this Policy and related policies and procedures, including the development of a documented Conflict of Interest Management Plan.

The Conflict Management Plan may require the conflict to be eliminated, for example through resignation or selling the conflicting interest. Conflict Management Plans must be approved in accordance with the Conflict-of-Interest procedures.

A Conflict-of-Interest Management Plan should achieve the following objectives:

- Those with the conflict should be absent from discussions relating to their interest unless there is an exceptional circumstance such that their supervisor or the full Board (as relevant) decides that it is in FCAQ's interests to have that person present during some part of the discussion as set out in the Conflict-of-Interest Management Plan.
- Anyone with a conflict of interest should be excluded from negotiations. All decision makers must be free of any conflict of interest.
- Any decision must be made in the absence of a person with a conflict of interest.

2. Specific types of conflicts of interest

There are many different types of conflicts of interest. Some of these are described below.

Board decisions

A Board member who has a conflict of interest in a matter that is being considered at a Board meeting must not vote on the matter. The Board may resolve to allow the Board member to participate in preliminary discussion about the matter, but the Board member would be excused while the rest of the Board deliberated and voted.

Introductions

A Board member or employee may introduce an organisation or individual to FCAQ where this may be of benefit to FCAQ. Board members taking the initiative to make such an introduction should do so via the EO and Board Chair or, in the case of the Board Chair, via the EO, FCAQ Secretary.

Employees seeking an introduction should do so via the EO, as appropriate. Where an introduction is made, the person making the introduction must identify whether there is a conflict of interest. Even where there is no actual or potential conflict of interest, there would very often be a perceived conflict of interest, or at least a risk of a perceived conflict of interest

(For Example; Where the Board member or employee initiated the introduction of someone they know, there may be a perception that the person is being introduced because they are a friend of the Board member or employee). The Board member or employee would need to declare the conflict of interest, and then comply with the relevant Conflict Management Plan.

Power imbalance

Employees and Board members must be mindful of the power imbalance which exists between Board members and employees, and between more senior employees and other employees. A person who has a conflict of interest must not directly communicate with a person/people who may be in a less powerful position about any matter involving their conflict of interest.

Contracts and other arrangements

Employees who make any decision about a contract or arrangement with another person or organisation must first assess if there is a conflict of interest with the other party and either themselves, their direct or indirect manager, another employee involved in the decision or a Board member. If there is a conflict, it must be dealt with in accordance with this Policy and related procedures. The full Board (excluding any conflicted Board member) must be advised of the plan to address any conflict of interest, and must approve a contract or other arrangement between FCAQ and a person/organisation which is the subject of a Board member or EO conflict of interest. To minimise the risk of a perceived conflict and to build trust in FCAQ, if there are two or more options which provide a similar benefit to FCAQ, then the option without any conflict of interest should be preferred. This is particularly the case the more senior the conflicted person is.

Personal relationships

Where there is a personal or consensual relationship between individuals and one party has the authority to make decisions or approve transactions (for example awarding a supplier contract, a salary increase, or expense approval) that could result in personal gain for one or both of the parties, a conflict of interest exists and must be dealt with in line with this policy. An employee must not be in a consensual personal relationship with any direct or indirect report, and a Board member must not be in a consensual personal relationship with any employee.

3. Other Legal Obligations

If a Board member has legal obligations to avoid conflicts of interest which are stricter than this policy requires, those legal obligations still apply.

4. Breaches

Where a Board member or employee becomes aware of any breach or possible breach of this Policy by a Board member, that person must advise the Board Chair or, if the breach involves the Board Chair, a Committee Chair so the Chairs (excluding any conflicted Chair) can review and refer to the Board with recommended action, which may include appointing an independent investigator. Alternatively, an employee may advise FCAQ Secretary or management committee to pass on to the relevant Chair. Where a Board member or employee becomes aware of any

breach or possible breach of this Policy by an employee, that person should report the matter to the relevant person as set out below, who will determine what, if any, action needs to occur which may include assigning a delegate to investigate or review the matter.

	Procurement and contracts	Other matters
EO's conflict	Board	Board
Employee Conflict	EO or Board	EO or Board
Contractors	Board	EO

Where the employee feels safe to do so, the report should be made verbally or in writing outlining their concern and providing any supporting information. Alternatively, an employee can also raise the concern via FCAQ's Whistle-blower processes. Refer to Reporting Improper Conduct on the FCAQ Website (protected login).

5. Consequences

Board members - Under FCAQ Rules of Association, a Board member's office may be vacated if the Board member fails to comply regarding disclosure of and voting on matters involving material personal interests (5.8 Disciplinary Investigations).

Also, a Board member may be removed for failure to comply with Australian Charities and Not-for-profit Commission governance standards. In the case of other breaches by a Board member, the Board will decide what action should be taken, up to and including calling a meeting of members to vote on removing the Board member from the Board.

Employees – a breach of this policy by an employee will be dealt with in accordance with the FCAQ disciplinary procedures. Any breach of this policy could have consequences for an employee which include termination of employment.

Where a breach of this policy also has the potential to be a breach of law, FCAQ may refer the matter to be dealt with by any relevant external bodies including the police.

6. Confidentiality

Reports or disclosure made in accordance with this policy and any plans or actions taken as a result will be treated confidentially and in accordance with the relevant privacy requirements. Information will only be shared with those persons who need access to the information for the purpose of performing their duties with FCAQ (i.e., on a need-to-know basis) or complying with the relevant laws and policies, including checking the Board and Employee Registers prior to approval of contracts.

7. Training

All employees and Board members must undertake regular training on this policy and any related procedures to support their understanding of the requirements of the policy and to assist them to comply. Records of training will be kept.

8. Definitions

Board Member means a person who is appointed to FCAQ's Board, sometimes known as a Committee Member.

Conflict of interest

A conflict of interest is where a person has an interest that could improperly influence, or be seen to influence, their decisions or actions in the performance of their duties.

Conflicts may be actual, potential or perceived:

Actual conflict of interest:	there is a real conflict between a person's duties to FCAQ and their interests.
Potential conflict of interest:	a person has interests that could conflict with their duties to FCAQ. This refers to circumstances where it is foreseeable that a conflict may arise in future.
Perceived conflict of interest:	the public or a third party could form the view that a person's interests could improperly influence their decisions or actions, now or in the future.

Personal and **consensual** relationships include intimate, family and other close relationships.

Consensual includes sexual, intimate and/or romantic relationships between adults of any sex or gender identity. Relationships of this kind may be on a casual, periodic or regular basis and may or may not constitute a primary relationship. A familial relationship of spouse or de facto partner also constitutes a consensual personal relationship.

Personal includes relationships which have the potential to influence decision making such as a family and relative relationship e.g., mother, father, brother, sister, uncle, aunt, niece, nephew. This may be biological, adoptive, by marriage or cultural. It can also include close non-family relationships, such as close friends or close business associates.

Non-token gifts, benefits and hospitality

Refer to definitions in the Gifts, Benefits & Hospitality Policy.

Employee means any person employed by FCAQ in any capacity (full time, part time, casual, permanent or temporary).

Related procedures:

- Conflict of Interest Procedures – Board
- Conflict of Interest Procedures – Employees

Related Documents:

- FCAQ Rules of Association
- Code of Conduct Policy
- Protected Disclosure Policy
- Contracts Policy
- Gifts, Benefits & Hospitality Policy

Revision History:

Revision Date:	Version no:	Summary description of revision(s) made:	Section(s) changed:	Approved by:
May 2021	1.	Policy written as part of overall organisational policies review under the Rules of Association.	All	Board

9. Appendix: Interests

What types of interests need to be disclosed?

The following is a guide to the types of interests which may need to be disclosed. Interests can arise from a wide range of personal, professional, or business-related sources.

Interests may be **direct** interests, such as personal, family, professional or business interests. They also include **indirect** interests, such as the personal, family, professional or business interests of individuals, groups or organisations with whom the person is, has been, or expects to be closely associated.

Interests may be **financial** which includes any actual, potential or perceived financial gain or loss. They may also be **non-financial**, which includes any actual, potential or perceived obligation to another organisation (for example, as a Board member of another organisation), and any tendency toward favour or prejudice resulting from current, former or expected personal or family relationships, such as consensual personal relationships, friendships, enemies; previous or anticipated receipt of non-token gifts, benefits or hospitality; and any current, former or expected involvements including with other sporting, cultural or social activities, not-for-profit or other organisations.

Types of interests which must be considered as potential conflicts include where a person:

- owns real estate;
- owns shares or other types of securities, whether directly or through a company or trust (including a self-managed superannuation fund or a family trust). Note that this would generally not include minor interests of less than one per cent of listed companies because a transaction with FCAQ would not materially impact the profit of the listed company;
- has investments or other business interests or partnerships;

- is a beneficiary or trustee of a trust;
- receives income including as an employee, contractor or consultant, including receipt of such income any time in the last three years;
- holds a position in a company bidding for or providing goods or services to FCAQ;
- owes or is owed significant liabilities;
- has received or is expected to receive gifts, benefits or hospitality of non-token value (see Gifts, Benefits & Hospitality Policy).
- has any other relevant financial interest, for example income derived from a contract;
- Is a Board member, officer, trustee, partner or has another significant role in an organisation?

If an interest is irrelevant to FCAQ, that is, it could not give rise to an actual, potential or perceived conflict, it does not need to be disclosed. For example, a person's residential property would not normally be an interest which needs to be disclosed (unless, for example, FCAQ wants to buy it). Interests include past, present, or expected future relationships, affiliations, or involvements

Whose interests need to be disclosed?

If this policy applies to you, then the following may be conflicts of interest:

- Your own interests; and/or
- Interests held by a close relative of you, your partner, children or parents, a close friend, or a person who is a business associate.

Note that interests include past, present or expected future relationships, affiliations or involvements

General Examples of Conflicts of Interest

Some examples of the types of interests that you or another person may have which you should consider are:

- (a) an affiliation or involvement that you or a relative may have with a person or organisation with which FCAQ or another State Financial Counselling Peak has business dealings;
- (b) an affiliation or involvement, as an employee or Board member (or equivalent) that you or a close relative may have with any not-for-profit organisation, which is a competitor of FCAQ by fundraising in the Australian market for financial counselling work, or which bids for the same grants as FCAQ.
- (c) an involvement that you or a close relative may have in a dispute with FCAQ or another Financial Counselling Peak Association;
- (d) a direct or indirect benefit (for example a gift or a loan) that you have received or are likely to receive from a source with which FCAQ has financial dealings;
- (e) a former employment relationship within the last three years;

(f) a personal relationship or friendship with a senior person of a potential/current supplier;

(g) a position or relationship that you may have with a person or an organisation (for example as a shareholder, a member) so that would reasonably be regarded as interested in any contract that FCAQ may enter with that organisation.

Specific Examples of Actual or Potential Conflicts of Interest:

(a) Your mother is a board member of a not-for-profit organisation which receives, or hopes to receive, benefits through a partnership with FCAQ.

(b) You are involved in evaluating a potential purchase or lease of a property by FCAQ and a property which one of your relatives owns is one of those being considered.

(c) Your close friend is a senior employee or Board member of an organisation which provides consulting services to FCAQ, and you participate in the decision regarding the initial appointment or extension of the contract.

These examples are for illustrative purposes only and are not exhaustive. If you are in doubt whether a situation poses a conflict of interest, you should check with the Head of Risk or your Manager

FCAQ Register for Conflict of Interests

Register Interest

Name of Board Member/Staff	Description of Interest	Has the Board been notified of the interest	Date of Disclosure	Steps taken by Board for dealing with the conflict	Actions taken by the board member to address the conflict