**Conflict of interest policy**

**1. Purpose**

The purpose of this policy is to help directors of **[name of corporation]** to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of **[corporation]** and manage risk.

**2. Objective**

The **[name of corporation]** board aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of **[name of corporation]**.

**3. Scope**

This policy applies to the directors of **[name of corporation]**.

**[It may be appropriate for your policy to apply to other people who work within the corporation or for the corporation, for example, managers. If you include people other than directors, you will need to change the policy to take this into account by adding their roles or positions here.]**

**4. Definition of conflicts of interests**

A conflict of interest occurs when a person’s personal interests conflict with their responsibility to act in the best interests of the corporation.

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).

It also includes a conflict between a board member’s duty to **[name of corporation]** and another duty that the director has (for example, to another corporation). 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 the corporation.

Therefore these situations must be managed accordingly.

**5. Policy**

This policy has been developed to address conflicts of interest affecting **[name of corporation]**.

Conflict of interest are common, and they do not need to present a problem to the corporation as long as they are openly and effectively managed.

It is the policy of **[name of corporation]**, as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to **[name of corporation]**.

**[name of corporation]** will manage conflicts of interest by requiring board members to:

* avoid conflicts of interest where possible
* identify and disclose any conflicts of interest
* carefully manage any conflicts of interest, and
* follow this policy and respond to any breaches.

**5.1. Responsibility of the board**

The board is responsible for:

* establishing a system for identifying, disclosing and managing conflicts of interest across the corporation
* monitoring compliance with this policy
* reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The corporation must ensure that its directors are aware of their obligations under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (the CATSI Act).

**5.2. Identification and disclosure of conflicts of interest**

Once an actual, potential or perceived conflict of interest is identified, it must be entered into **[name of corporation]**’s register of interests, as well as being raised with the board.

The register of interests must be maintained by **[person/role]**. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

**5.3 Confidentiality of disclosures**

**[This section should contain detail of who will have access to the information disclosed, such as restricting access to certain directors and/or those who fulfil specific roles. It may also be necessary to provide for an alternative disclosure mechanism if additional restrictions on disclosure are required.]**

**6. Action required to manage conflicts of interest**

**6.1. Conflicts of interest of board members**

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

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

**6.2. What should be considered when deciding what action to take**

In deciding what approach 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 corporation’s objects and resources, and
* the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the corporation.

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 register of interests.

**7. Compliance with this policy**

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them, including, but not limited to, reporting them to the Office of the Registrar of Indigenous Corporations.

**[Insert any other relevant sanctions that are proportionate to the seriousness of a breach]**

If a person suspects that a board member has failed to disclose a conflict of interest, they must **[description of relevant action, such as: discuss with the person in question, notify the board, or the person responsible for maintaining the register of interests]**.

**8. Contacts**

For questions about this policy, contact the board or **[person/role]** by **[contact details]**.