

Board Conflict Of Interest Policy

November 2024



Contents

1.	Overview	3
2.	Interpretation	3
3.	Purpose	4
4.	Conflict of Interest Policy	4
5.	Disclosure Procedure	4
6.	Review of Policy	5

1. Overview

- (a) This Conflict of Interest Policy has been developed to provide a framework for all Board Members of Strata Community Association (Vic) Inc (Association) to disclose actual, potential or perceived conflicts of interest.
- (b) This policy provides guidance as to what constitutes a conflict of interest for Board Members and Sub-committees and how it will be managed and monitored by the Association.
- (c) A conflict of interest may be:
 - i. an actual conflict of interest, where there is a real or material conflict between the Board Member and the performance of their duties in the best interests of the Association;
 - ii. a potential conflict of interest, where an actual conflict of interest may occur at some time in the future either based on current circumstances or a change in circumstances; or
 - iii. a perceived conflict of interest, where a third party may form the view, based on available information, that there may be a conflict of interest.
- (d) Direct and indirect interests**
 - i. A direct interest is a reasonable likelihood that the circumstances of the Board Member would be directly altered if a matter is decided in a particular way, including a reasonable likelihood that the Board Member will receive a directed financial benefit or loss.
 - ii. An indirect interest can arise where a person with a personal relationship to a Board Member has dealings with the Association.
- (e) Pecuniary and non-pecuniary interests**
 - i. A pecuniary interest (also known as a financial interest) is an interest a Board Member has in a matter because of the reasonable likelihood or expectation of financial gain or loss to that Board Member, or to another person with whom the Board Member is associated.
 - ii. A non-pecuniary interest is any private interest that does not relate to money, but arises out of kinship, friendship, membership or involvement or interest in an activity or another organisation.
- (f) Board Members owe duties, including the duties of loyalty, diligence and confidentiality to the Association, which require that the Board Members act in good faith on behalf of the Association and to exercise their powers for the Association's interests and not for their own or others' interests.
- (g) All actual, potential or perceived conflicts of interest should be treated with importance. The mere appearance of a conflict may be serious and potentially damaging and can undermine trust and confidence in the Association which may not be adequately restored even when explained or resolved.

2. Interpretation

- (a) Any capitalised terms which are used in this Policy and which are defined in the Constitution or Charter have the meaning given to them in the Constitution or Charter, respectively.
- (b) Any obligation imposed by this Policy on a Board Member to disclose or manage conflicts of interest is taken to be an obligation imposed on any member of the Board or a Sub-Committee of the Association.
- (c) This Policy is to be interpreted in the context of the Constitution, Charter and any relevant Laws.

3. Purpose

The purpose of this policy is to:

- (a) protect the integrity of the decision-making process of the Association by avoiding legal, financial, corporate, ethical and other conflicts of interest;
- (b) set out the requirements that all Board Members must comply with in order to avoid actual, potential and perceived conflicts of interest;
- (c) provide guidance for dealing with any conflict of interest in an open and transparent manner;
- (d) give all stakeholders confidence in the Association's decision-making processes;
- (e) protect the integrity and reputation of the Association and Board Members; and
- (f) further the maintenance of principles of good governance and transparency.

4. Conflict of Interest Policy

- (a) The Board of the Association is committed to the transparent disclosure, management and monitoring of actual potential or perceived conflicts of interest. All Board Members have a duty to avoid actual, potential or perceived conflicts of interest under the Constitution and the Law.
- (b) A Board Member must avoid being placed in or a potential situation of making a decision in relation to the business of the Association that might be affected by another business or material personal interest of the Board Member.

5. Disclosure Procedure

- (a) Board Members are required to disclose actual, potential or perceived conflicts of interest:
 - i. On appointment as a Board Member; or
 - ii. If a Board Member was appointed before the date the Board resolved to put this policy into effect, within 28 days of that resolution.and each Board Member is required to keep these disclosures up to date on an ongoing basis.
- (b) Board Members must promptly disclose to the Board any personal or outside interest, relationship or responsibility (legal, financial, corporate, ethical or otherwise) held by the Board Member with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for consideration, even if such interest relationship or responsibility has otherwise generally been disclosed to the Association.
- (c) Board Members are required to disclose actual, potential or perceived conflicts of interest prior to the commencement of each Board Meeting. The Public Officer will respond to disclosures by:
 - i. Recording in the minutes of the Board Meeting a Board Member's disclosure of a conflict of interest relating to particular agenda items;
 - ii. Recording in the minutes of the next Board Meeting a Board Member's conflict of interest disclosure made outside of Board meeting times;
 - iii. Keeping note of standing declarations of conflicts of interest in the Conflicts of Interest Register in the Board portal.
- (d) The Conflict of Interest Register will record:
 - i. Names, affiliations and conflicting agenda items of Board Members;

- ii. Conflicts identified and actions taken;
 - iii. Any reports considered by the Board on conflicts of interest matters; and
 - iv. Copies of written conflict of interest disclosures to the Board.
- (e) If a Board Member believes another Board Member has an undeclared conflict of interest, they are required to specify the basis of their opinion either verbally or in writing prior to the respective meeting through the Chair for resolution. Should this issue not be resolved through discussion, final resolution rests with the Chair. If a Board Member believes the Chair has an undeclared conflict of interest, they are required to specify the basis of their opinion either verbally or in writing prior to the respective board Meeting through the Public Officer for resolution.
- (f) Where a conflict of interest matter has been raised:
- i. The Board Member concerned:
 - (i) Must not take part in making a decision in relation that item;
 - (ii) Must take all reasonable steps to avoid sharing with other Board Members or being provided with (and must return as soon as possible after receipt) any information that relates to that item;
 - (iii) May otherwise participate in any deliberations in relation to issues before the Board to the extent that it would not be a conflict of interest to do so; and
 - ii. All other Board Members must take all reasonable steps to avoid sharing with he Board member concerned any information that relates to that item;
- (g) On most occasions it will be appropriate given the nature of the conflict of interest for the Board Member to not participate in any discussion or deliberation in relation to the contract or other undertaking to be made by the Association. The onus is on the Board Member to form their own view of their obligations on a case by case basis.
- (h) Any Board Member with such an interest, relationship or responsibility which conflicts with the interest of the Association or its members shall excuse themselves from any reporting, discussions and vote on the matter that gave rise to the conflict of interest and, if necessary, from the Board Meeting or applicable part of it.

6. Review of Policy

This policy shall be reviewed by the Association on a regular basis and if required be amended to suit the requirements of the Association and adherence to the Constitution, Charter and the Law.