

Conflict of Interest policy

Who does this policy apply to? All members of AAEE Executive and by association all members of AAEE in NSW

When endorsed? January 2016

This policy is designed to ensure that AAEE NSW follows best practice governance procedures that are ethical and transparent. It is recognised that Executive and Sub Committee members have other roles across the sector and that from time to time this can create potential conflicts of interest. This policy provides guidance on the management of these potential conflicts of interest.

A conflict of interest occurs 'when a board member or staff person's duty of loyalty to the charitable organisation comes into conflict with a competing financial or personal interest that he or she (or a relative) may have in a proposed transaction.' (NCOSS Panel on the Non-profit Sector, October 2007). The NSW Associations Incorporation Act 2009, under which AAEE NSW is incorporated, defines a conflict of interest as an *'interest [that] appears to raise a conflict with the proper performance of the committee member's duties in relation to the consideration of the matter.'*

This policy applies to the members of NSW AAEE Executive (the Executive), any members of AAEE who participate in an Executive Sub Committee and any employees or subcontractors appointed by the Executive. Within AAEE NSW, best management practice will strike an appropriate balance between the absolute need for transparency and ethical behaviour and the desire to guard against policy that is potentially prejudicial against members generally and Executive committee members in particular. For example, in a situation where an Association member submits a proposal for a piece of work that they have helped to develop as a Sub Committee member.

Conflicts of interest may be real or perceived and conflicts of interest may be pecuniary or non-pecuniary. The policy below applies to all of these situations.

Hence, the following policy applies:

1. All real or potential conflicts of interest are disclosed as early as possible. In the most part, disclosure will be delivered verbally within the Executive or to a Sub Committee of AAEE NSW. It may also be delivered to the Chair of the Association. Declaration of conflicts of interest is a standing item at the each AAEE NSW Executive meeting, and Sub Committee meetings and will be minuted as such.
2. Where a substantial real or perceived conflict of interest exists, the conflicted member or employee excludes him or herself or is excluded from all discussion and decision making associated with the matter concerned. Where a pecuniary conflict of

interest occurs, disclosure must occur at a time before briefing material or tender documents are developed.

3. Substantial conflicts of interest often, but not always, relate to pecuniary matters. In substantial non-pecuniary situations, early disclosure and exclusion is also appropriate behaviour.
4. If the matter is not substantial and even when disclosure occurs, there is no need for exclusion from consideration of the matter. The views of other Executive or Sub Committee members will assist in determining whether a conflict of interest that is raised, is substantial.
5. Where Association members [Executive or ordinary members] may be applying for contractor or employment roles the following policy applies:
 - The NSW AAEE will ensure an open selection process for contractors and employees is undertaken through an EOI process which seeks proposals widely, from outside of the members of the Association as well as within.
 - All briefs will include selection criteria against which applicants will be measured. Weighted criteria may be appropriate in some circumstances. AAEE NSW will ensure that all applicants receive the same level of information about the role and nature of the work, prior to receiving applications. This includes extracts from, or full copies of grant application documents, as appropriate.
6. In order to guard against conflicts of interest, the Executive will ensure that decisions about recruitment of staff/contractors are made by a designated selection panel of Association members, at least one of whom will not be a member of the Executive. This panel will make a recommendation to the Executive, before appointment.
7. The AAEE Executive is not the place for the promotion of private business interests of members, because that in itself is a conflict of interest.

All members of the Executive are responsible for the management of this policy, with special responsibility being vested in the Chair.
