

# ACA Conflict of Interest Policy

## 1. Purpose

The purpose of this Policy is to ensure the Board, staff and branch members of the Australasian Corrosion Association Inc (ACA) identify, disclose and manage any actual, potential or perceived conflicts of interest so as to maintain the integrity of ACA and mitigate any potentials risks.

## 2. Objective

The policy aim is to ensure:

- Board members are aware of their duties to disclose any conflicts of interest and to comply with this policy
- Staff and branch members are aware of good governance and the ACA's expectation that material conflicts will be reported and where possible avoided; and
- The Board, staff and branch members are provided a mechanism enabling the disclosure and recording of any material conflicts

## 3. Scope

Only material conflicts of interest (those conflicts of interest of sufficient dimension and significance) are included within the scope of this policy.

This policy applies to;

- Board Directors,
- Executive and staff members of the ACA (whether full time, part time casual or permanent or temporary) and consultants; and
- Branch members

## 4. The policy

The potential for conflict of interest exists in all aspects of ACA operations, including, training, assessment, staffing, administration, and other activities.

With increasing links between the ACA and other organisations, companies, and institutions, it is important that there is no perception that a Board, staff or branch member has benefited by using their association with the ACA inappropriately.

### 4.1 Avoiding conflicts of interest

All Board, staff and branch members are expected to take reasonable steps to avoid conflicts of interest with the interests of the ACA where practicable. For example they are expected to avoid:

- Using information received for personal or related party purposes;.
- Being involved in the admission, supervision, assessment or examination of a trainee with whom he or she has, or has had, a close personal relationship
- Taking part in any recruitment, supervision, promotion or grievance process with a prospective or current staff member with whom he or she has, or has had, a close personal relationship
- Receiving gifts, gratuities, loans, or special favours (including trips or speaker's fees) from members of the ACA; and
- Members involved in an ACA activity shall disclose any relevant commercial interests or conflicts and shall, if deemed necessary by themselves or their

peers, disqualify themselves from involvement in ACA matters where such conflicts exist.

#### **4.2 Recognising material conflicts of interest**

It is understood that some conflicts are material and difficult to avoid. In such cases conflicts need to be declared and managed so they do not affect the activities, decisions or obligations of the Association.

#### **4.3 A material “Conflict of Interest” occurs under circumstances where:**

- A Director has or may have a material personal interest in a matter that is or is to be under consideration by the Board; or
- A Director has or may have a material related party interest in a matter that is or is to be under consideration by the Board; or
- A Board, staff or branch member holds private interests that could conflict with their position within the ACA

#### **4.4 Disclosing material conflicts of interests**

All Board, staff and branch members are required, when they become aware a material conflict exists, to complete and sign a Disclosure Statement. The Governance Committee and EO will have copies available upon request.

At all times the normal duty of strict confidentiality applies.

#### **4.5 Recording material conflicts of interest**

All material conflicts will be elevated to the Governance Committee, which will collect and record all conflicts on a Register of Interests for review by the Board annually.

The Executive Officer will record material conflicts from staff members on the employee’s personal file and only elevate material conflicts to the Governance Committee as they arise.

The branch president will only record material conflicts from branch members and elevate such conflicts to the ACA President as required. If warranted, the conflict shall be elevated further to the Governance Committee where they will be recorded.

### **5. Responsibilities**

#### **5.1 Board members**

##### **5.1.1 Legal obligations**

Directors have legal obligations, which prevents them from using their position for personal advantage:

- A statutory duty under the Corporations Act, and a
- Fiduciary duty under common law; and
- A legal obligation, under the Corporations Act to disclose material personal interests and any changes to those interests to the Chairman and other Directors

If uncertain about what constitutes a material conflict of interest, a Director may look to the Chairman on how best to identify and manage any conflicts they believe they may hold.

### **5.1.2 Board meetings**

It is also good practise at the commencement of each Board or Committee meeting that Directors are asked to disclose any conflicts of interest in relation to any of the items on the meeting agenda or any conflicts that may arise from their employment or company representation on the Board. All responses will be recorded in the minutes and kept on file.

Upon disclosure, the Board will then decide if the Director concerned will:

- Vote on the matter subject to a suitable
- Participate in any debate; or
- Be present in the room during the debate and the voting

### **5.1.3. The Governance Committee**

The Governance Committee is responsible for:

- Establishing a system for identifying, disclosing and managing key conflicts of interest across the ACA
- Reviewing and recording all disclosures made
- Maintaining the ACA Register of Interests
- Presenting this policy to the Board for re-approval bi-annually

## **5.2 Staff members**

Good governance requires staff complete a confidential disclosure statement as soon as they become aware they may have an actual or potential material conflict of interest. All information will be treated confidentially and recorded on each staff members files.

If a staff member is uncertain about what constitutes a conflict of interest they may look to the Executive Officer on how best to identify and manage conflicts they believe they may hold.

## **5.3 Branch members**

Members shall avoid, or declare and manage, any conflict between their commercial interests and the interests and activities of the ACA.

Members involved in an ACA activity shall disclose any relevant commercial interests or conflicts and shall, if deemed necessary by themselves or their peers, disqualify themselves from involvement in ACA matters where such conflicts exist

## **6. Related Party Transaction**

A 'related party transaction' is any transaction where a financial benefit/conflict to a related party is apparent (such as a company, director, their spouse and certain other relatives). There is always a risk the interests of a related party may influence the decision-making of Directors and staff, to the detriment of the interests of the Associations members, when considering whether to enter into a transaction with a related party.

The AF&RC will review all related party transactions and seek information pertaining to:

- The "business case" and all relevant material relating to the transaction, including the purpose of the transaction, the financial benefits to the ACA and the related party
- The name of the related party
- The nature of the related relationship; and
- The material terms and duration of the contract

When the AF&RC is convinced an arm's length transaction has been presented it will seek Board approval for the transaction.

### **6.1. Conditions under which a related party transaction can proceed:**

A Director may have a related party interest in a transaction but under the Corporations Act an exception allows the Director to vote if:

- The transaction is at arms length; or
- All other Board members are in agreement with the Director voting

When considering if this exception under the Act applies, the ACA will assess the following: How the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis

- The nature and content of the bargaining process
- The impact of the transaction on the company or registered scheme
- Any other options available to the ACA
- Any expert advice received by the ACA; or
- Any reputations risk that may arise from completing the transaction

### **6.2 Conditions under which a related party transaction cannot proceed:**

If it is decided a conflict could have such a serious impact on ACA, that it cannot be adequately managed by acting at arms length, then the AF&RC may recommend to the Board that the transaction not proceed in the manner proposed.

### **6.3 Breach of this policy**

If a Board or staff member passes on information to a competitor that results in a loss of revenue for the ACA it may under law seek reimbursement for that loss of revenue.

A breach of policy is evidence of misconduct:

- Board members may be dismissed from the Board and Board and branch members risk having their membership with the Association terminated or suspended; and
- Staff member's employment may be terminated or result in disciplinary action in line with the ACA Disciplinary and Termination of Employment Policy.

## **7. Other Related Policies**

### **7.1 Whistle-Blower Policy**

If a Board or staff member has knowledge that a material conflict of interest exists and has not been disclosed, they should have a discussion with the Executive Officer and/or Chairman and read the Whistleblower Policy for further guidance.

### **7.2 Procurement Policy & Purchasing Procedures**

All purchases and tenders must be done at an arm's length from the ACA, Directors and their immediate families.

### **7.3 Members Code of Business Conduct and Ethics Policy**

The ACA conducts business according to the highest standards of honesty, integrity, respect and fairness when dealing with members and employees, and expects the same from its members.

### 8. Authorities and Review of this Policy

The Governance Committee is responsible for keeping this Policy up to date and the Board will review and approve.

### 9. Policy History and Version Control

The ACA Conflict of Interest Policy will be reviewed bi-annually.

<b>Version</b>	<b>Reviewed By</b>	<b>Reviewed</b>	<b>Approved By</b>	<b>Date Approved</b>
1.0	Governance Committee	6 <sup>th</sup> July 2017	Board	31 <sup>st</sup> July 2017