

STATION POLICY DOCUMENT



Policy on Conflict of Interest

DEFINITIONS

Capital Radio means Capital Community Radio Incorporated

Conflict of Interest means a material personal interest in accordance with the Associations Incorporation Act 2015 (WA) (*the Act*)

Management Committee means the Management Committee of Capital Radio

Members means:

- (a) Members of the Management Committee;
- (b) de facto Members, who include (without limitation):
 - (i) the members of any sub-committees of the Management Committee; and
 - (ii) any person who is an officer of Capital Radio within the meaning of the Act; and
- (c) any person to whom an appointment or delegation is conferred by the Management Committee pursuant to clause 16.3 of the Constitution.

PURPOSE

The purpose of this Policy is to help Members to effectively identify, disclose and manage any actual, potential or perceived Conflict of Interest in order to protect the integrity of Capital Radio and manage risk.

OBJECTIVE

The Management Committee aims to ensure that Members are aware of their obligations to disclose any Conflict of Interest that they may have, and to comply with this Policy to ensure any actual, potential or perceived Conflict of Interest is managed effectively.

SCOPE

This Policy applies to the Members of Capital Radio as defined to include Members, de facto Members and delegates of the Management Committee.

DEFINITION OF CONFLICTS OF INTERESTS

A Conflict of Interest may occur if an existing or potential interest appears to influence the ability of a Member to exercise objectivity and have the capacity to conflict with their responsibility to act in the best interests of Capital Radio. It applies to both pecuniary (financial) interests and non-pecuniary (non-financial) interests.

A Conflict of Interest includes direct interests of a Member as well as those of their family, friends or other organisations in which they may be involved or have an interest.

Examples:

- where a Member has a financial interest in a contract with Capital Radio,
- where a person seeking a contract with Capital Radio is a relative of a Member, or
- where a Member serves on the management committee of another organisation that competes with Capital Radio for the same tenders or grants.

A Conflict of Interest involves a risk that a Member affected by such an interest will make a decision based on, or affected by, that influence, rather than in the best interests of Capital Radio.

POLICY

This Policy has been developed because it can be expected that a Conflict of Interest will arise from time to time and does not need to present a problem to Capital Radio if openly and effectively managed. It is the Policy of Capital Radio, as well as a responsibility of the Management Committee, that any actual, potential or perceived ethical, legal, financial or other Conflict of Interest be avoided and that any such Conflict (where it arises) does not interfere with the obligations of Members to Capital Radio.

Capital Radio will manage any Conflict of Interest by requiring Members to:

- avoid any Conflict of Interest;
- identify and disclose any actual, potential or perceived Conflict of Interest;
- carefully manage any actual, potential or perceived Conflict of Interest; and
- follow this Policy and respond to any breaches.

RESPONSIBILITY OF THE COMMITTEE

The Management Committee is responsible for:

- establishing a system for identifying, disclosing and managing any actual, potential or perceived Conflict of Interest at Capital Radio;
- monitoring compliance with this Policy; and
- reviewing this Policy on an annual basis to ensure that it is operating effectively.

Capital Radio must ensure that Members are aware of the Australian Charities Not for Profits Commission (ACNC) governance standards, particularly governance standard 5, and disclose any actual, potential or perceived Conflict of Interests as required by governance standard 5.

IDENTIFICATION AND DISCLOSURE OF CONFLICTS OF INTEREST

If an actual, potential or perceived Conflict of Interest is identified, it must be entered into Capital Radio's Register of Interests and must be promptly declared to the Management Committee.

If an actual, potential or perceived Conflict of Interest is shared by all or some other Members, the Management Committee must refer to ACNC governance standard 5 to ensure that proper disclosure occurs.

The Register of Interests must be maintained by the Secretary of Capital Radio, and record information related to any actual, potential or perceived Conflict of Interest, including the nature and extent of the Conflict of Interest and any steps taken to address it.

ACTION REQUIRED FOR MANAGEMENT OF CONFLICTS OF INTEREST

If an existing, potential or perceived Conflict of Interest relates to a matter being considered the by Management Committee, the affected Member **must not**:

- be present while the matter is being discussed or considered at the meeting; or
- vote on the matter.

The Minutes of the meeting must record the Member's Conflict of Interest declaration and abstinence from voting.

INVESTIGATION OF CONFLICTS OF INTEREST

If:

- (a) it is alleged that a Member has an existing, potential or perceived Conflict of Interest and the Member does not agree; or
- (b) there is reason to believe that a Member has failed to disclose an existing, potential or perceived Conflict of Interest,

the matter must be referred to the Rules Sub-Committee for investigation. The Rules Sub-Committee will expeditiously investigate the matter and make a report of its findings to the Management Committee together with its recommendations, if any, for dealing with the same. Pending investigation by the Rules Sub-Committee and determination of the matter by the Management Committee, the Member must comply with of this Policy.

FINDING OF CONFLICT OF INTEREST

If, after investigation by the Rules Sub-Committee, the Management Committee determines that a Member has failed to disclose a Conflict of Interest, it may resolve to take such action as it considers appropriate having regard to the seriousness of the matter and in accordance with the Constitution and Rules of Capital Radio and the law, including the Act.

CONTACT

Any questions about this Policy or its implementation should be directed to the Secretary of Capital Radio.

Capital Community Radio Incorporated

Register of interests – Committee of Management

Name of member	Description of interest	Has the committee been notified of the interest?	Date of disclosure	Steps taken by committee for dealing with the conflict	Actions taken by the committee member to address the conflict

Governance Standard 5: Duties of Responsible Persons

This standard requires charities to take reasonable steps to make sure that the following duties apply to responsible persons and that they follow them. The duties can be summarised as follows:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the charity and for its charitable purposes
- not to misuse their position or information they gain as a responsible person
- to disclose conflicts of interest
- to ensure that the financial affairs of the charity are managed responsibly, and
- not to allow the charity to operate while it is insolvent.

Generally, the duties mean that responsible persons should act with standards of integrity and common sense.

Attention: You need to know! Read more about [the duties of responsible persons](#).

Purpose of this standard

A charity must make sure that its responsible persons are required to meet a set of legal duties. This ensures that they act in the best interest of the charity and in a way that doesn't endanger its work. Responsible persons have a responsibility to put the interests of their charity above their own personal interests. Generally, they need to be careful and conscientious in their roles and act with standards of common sense and integrity.

The purpose of this standard is to give the public confidence that your charity's responsible persons are managing the charity well and meeting these duties.

Ways to meet this standard

Steps your charity can take to meet this standard are to:

- bring these duties to the attention of responsible persons (such as providing them with a copy of this guidance or other resources) or outline their duties in a [letter of appointment](#) or by setting them out in a board or committee charter
- regularly provide information or training to responsible persons on their duties to refresh their knowledge (such as by advising of ACNC webinars on relevant topics, such as [Welcome to the board](#))
- encourage responsible persons to attend, prepare for, and participate at meetings
- have processes for the [responsible management of money](#)
- have processes in place to manage conflicts of interests, and
- **take action** if your responsible persons are failing to meet their duties.

Other laws on the duties of responsible persons

Your charity's responsible persons may already be subject to duties under other laws that apply to it.

For example:

- equivalent duties exist in state or territory incorporated associations legislation – if your charity and its responsible persons comply with these duties, your charity will meet this standard
- for companies under the *Corporations Act 2001 (Cth)*, the governance standards replace most requirements relating to director duties under this Act. However, some criminal offences under this Act and similar duties under common law continue to apply. Read more about the changes for [charities registered with ASIC and ACNC](#), and
- trustees will generally have higher duties (for example, under the common law).

Resources

For more information, read our:

- [Managing conflicts of interest guide](#)
- [Governance for good guide](#) (good governance practice)
- [Protect your charity from fraud guide](#), and
- [Protect your charity from harm guidance](#).

External resources

You may also like to refer responsible persons to the following guidance on duties:

- [the Not for Profit Compliance Support Centre's guidance for boards and committees](#)
- [ASIC's guidance for companies](#)
- [ORIC's guidance for ORIC organisations](#)
- [Our Community's article on boards](#)
- publications from [The Governance Institute of Australia](#) and [Australian Institute of Company Directors](#) (both for a fee).

[Return to the governance standards](#)

Examples

Bounce Back is a charity providing drug and alcohol services. The committee of management at Bounce Back is made up of volunteers, many of whom also use the charity's service, and none of the members have had experience as committee members before. Bounce Back provides committee members with a letter explaining their responsibilities and a copy the ACNC's guidance on the duties. Committee members can also access training to help them with their responsibilities if they request. As far as Bounce Back is aware, all of its committee members are carrying out their duties. Bounce Back meets this standard.

Careful Care is a large social service provider that offers services to thousands of people who have complex needs. The board of Careful Care is made up of 12 highly-qualified individuals, many with formal qualifications in directing companies and all with significant experience on boards. When new members join the board, Careful Care provides them with an induction process that outlines their responsibilities, conducts an annual review of board performance and acts on any identified areas of need. As far as the board members are aware, all of them are carrying out their duties. The charity meets this standard.

Darling Downs, an educational charity, has a board member who runs a consultancy providing training on online education. This was disclosed before he joined the board, therefore meeting the requirement to disclose conflicts of interest in governance standard 5.

Darling Downs has decided to expand into this area and is considering different training packages, including one developed by the board member's consultancy.

- If the board asks the board member to leave the room while they are discussing the proposal on its merits and he does not vote or participate in the decision about who to award the work to, Darling Downs meets this standard.
- If the board member discusses the proposal and votes, Darling Downs does not meet the standard.