



Conflict of Interest Policy and Procedure (Version 5.0)

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1. Introduction

This policy applies to Community Housing Limited Group of Companies (CHL) employees and contractors. Conflict of interest means any outside activity, commitment, or interest that may adversely affect, compromise, or be incompatible with the obligations of an employee to CHL or to widely recognised professional norms. Conflict of interest refers to situations in which financial or other personal considerations may compromise, or have the

appearance of compromising, an employee's professional judgment in exercising any employment duty or responsibility.

2. Aim

The purpose of this policy and procedure document is to:

- inform employees of CHL policy regarding conflicts of interest
- assist employees of CHL to identify situations in which a conflict of interest may arise
- provide guidelines and assistance to employees to avoid or deal appropriately with conflicts of interest
- outline the consequences of a failure to avoid or deal with conflicts of interest
- outline the process for reporting and resolving an actual, potential or perceived conflict of interest.

3. Principles

3.1. POLICY STATEMENT

All CHL employees owe a legal duty to CHL, as their employer, to act in the best interests of the Company in performing their duties, in preference to the employee's own personal interests. This duty is set out in the employment agreement, but it is also an obligation imposed on all employees by the law. It is the responsibility of all employees of CHL to act in a manner which will avoid actual, potential or perceived conflicts of interest, and to manage and report conflicts of interest as outlined in this document.

3.2. ABBREVIATIONS AND DEFINITIONS

| Term/ Abbrev. | Meaning |
|----------------------|---|
| Conflict of interest | An employee or contractor has personal interests which conflict with their responsibility, as an employee of CHL, to perform their duties, and lead to any form of financial or personal gain. Includes: <ul style="list-style-type: none"> • <i>Actual</i>. An obvious or demonstrable conflict of interest. • <i>Potential</i>. A situation arises where there is potential for a conflict of interest to occur. • <i>Perceived</i>. An onlooker may reasonably assume there is a conflict of interest. |
| Employee | Employee or contractor of CHL. These principles are inclusive of associates of the employee such as business partners, family members, friends or persons in a close personal relationship with the employee |

3.3. CONFLICT OF INTEREST AT CHL

A conflict of interest may take various forms but exists when there is a divergence between an individual's private interests and his or her professional obligations to CHL such that an independent observer might reasonably question whether the individual's professional actions or decisions might be influenced by considerations of gain, financial or otherwise, for the individual or his or her family members or for other parties.

Conflict of interest can occur when an employee receives or is perceived to receive any form of financial or other personal gain as a result of making decisions, in the course of their duties, as a delegated authority and/ or as a member of a decision-making committee. Conflict of interest can also occur when associates of the employee such as business partners, family members, friends or persons in a close personal relationship with the employee receive or are perceived to receive financial or personal benefits.

CHL employees perform a range of functions, many of which could present the potential for a conflict of interest, including but not limited to:

- employment and selection of staff

- selection of a contractor for services or purchases
- allocation of properties, tenant selection
- ordering/delivery of goods and services
- authorisation of expenditure
- where an employee of CHL holds secondary employment or contract that may compromise their responsibilities with CHL.

This *Conflict of Interest policy and procedure* is also relevant to the protection of clients' best interests, ensuring that they are dealt with fairly and not with a view to gaining an advantage for CHL at their expense.

3.4. AVOIDING CONFLICT OF INTEREST

The following principles provide some guidelines for conducting business in a way that avoids conflict of interest. Employees who are uncertain if they are placed in a potential or actual conflict of interest situation or not should seek advice from their supervisor or manager.

Use of CHL resources

CHL resources, information and supply arrangements are to be used for CHL and client benefit, not personal benefit. It could be a conflict of interest if an employee:

- makes private purchases on the same terms and prices that had been negotiated for CHL purchases

Notes

- purchasing discounted air tickets for personal use by using CHL travel agent
- obtaining items or services for personal use on the same using the terms/discounts negotiated by CHL to obtain a discount which would not be available to the general public

External relationships (suppliers, service providers, customers)

External parties such as suppliers, service providers and customers are to be dealt with in an impartial manner, and all dealings fair and transparent. It could be a conflict of interest if an employee is personally associated with an external party and:

- conducts business with them
- influences the awarding of supply of materials or services to them
- diverts CHL business away from another external party in favour of their associated business.

Notes

- if the association between the employee and the supplier or customer has been declared, and an action plan in place, this is managed as a potential conflict of interest

Care must also be taken even if there is no personal association between the employee and the external party. It could be a conflict of interest if an employee:

- is taken out to lunch by an external party
- receives discounted goods or services
- receives a gift, including but not limited to small items such as gift vouchers or concert tickets
- receives cash

Notes

- ensure lunches are approved by a Senior Manager.
- goods and services offered or received must be declared and either not accepted or placed in a central point for benevolent distribution
- tokens such as promotional pens and stationery items are not considered a conflict of interest

Internal CHL functions

Internal CHL functions are to be fair and transparent. It could be a conflict of interest if an employee:

- influences:
 - recruitment and selection
 - promotion
 - disciplinary procedures
 - staff development
 - performance review
 - remuneration
- as a financial delegate, approves payments to themselves or an associate
- discloses information to a third party about internal CHL functions

Notes

- see *Personal relationships* section below
- if financial delegate or associate is entitled to payment, claims must be signed by a more senior financial delegate
- a delegate must not approve claims for payment from a more senior employee within the same Business Unit
- information disclosed to a third party because there is a legal or professional duty to disclose is not a conflict of interest
- consent must be obtained before any disclosure

Personal relationships

Personal relationships are not to influence work behaviours. It could be a conflict of interest if an employee:

- acts on the basis of personal friendship or personal animosity to advantage or disadvantage a fellow employee, supplier, service provider, customer or tenant

Notes

- employees must disclose any close personal relationship with another current employee, an applicant for any vacant position relevant to the employee, a supplier, service provider, customer or tenant
- action plans relating to potential conflict of interest could include: ensuring that one party is not the direct supervisor of the other or involved in any other procedure relating to the conditions of appointment, e.g. position classification, leave applications, performance monitoring

4. Conflict of Interest Procedure

4.1. IDENTIFICATION

Employees must consider whether any conflict of interest exists at the commencement of their employment. The Employee Handbook refers new employees to important policies, including this Conflict of Interest policy. Potential conflicts of interest are also mentioned in the section on CHL Values. Because conflicts of interest can arise at any time, employees must be aware of the possibility occurring on an ongoing basis and if it arises, take action as per this policy and procedure document.

Refer to: [Section 5: Conflict of Interest at CHL](#) and CHLNet: [Employee Handbook](#)

4.2. DECLARATION

If an employee believes they may have a conflict of interest they must disclose it immediately to their supervisor or manager, and complete the Employee Declaration of Interest Form.

Refer to CHLNet: [Employee Declaration of Interest Form](#)

If there has been a delay in reporting it, a valid explanation must be provided on the Employee Declaration of Interest Form.

Employees who are uncertain whether or not they are placed in a situation where a potential or actual conflict of interest exists should seek advice from their supervisor or manager.

4.3. ASSESSMENT AND DECISION

The person to whom the disclosure has been made assesses the information provided and decides, either that:

- the potential for a conflict of interest of the employee is remote and requires no further action other than to record that the matter has been reviewed; or
- the employee's situation presents a conflict of interest and that conflict must be resolved.

Their assessment and decision must be recorded in a report, and submitted to the Senior Manager.

Guidelines for developing action plans

Actions determined to resolve or eliminate any conflict of interest are to be implemented immediately. These may include:

- require the employee to take action to eliminate the conflict
- disqualify the employee from the process to which the conflict relates
- reorganise the duties of the employee so as to remove the conflict of interest
- put in place additional processes to ensure the impartiality of the employee in the performance of their duties and notify the employee of these processes by confidential minutes.

4.4. APPROVAL

The Senior Manager reviews the report and gives approval, or discusses any further action that may be required to obtain approval.

4.5. EMPLOYEE NOTIFICATION

When approval has been given, the person who has made the assessment and decision notifies the employee of their decision, and develops an action plan. The employee is provided with a copy of the report, including any comment that they wish to be recorded.

If the employee disputes the decision, the matter is referred to the General Manager, Corporate Services who re-assesses the information and notifies the employee of their decision.

4.6. RECORDS

The report is forwarded to Human Resources who:

- place all relevant documentation on the employee's personnel file
- record the details in the Conflict of Interest Register, including:
 - details of the actual, potential or perceived conflict
 - the assessment, decision and action plan.

Employees who are uncertain whether or not they are placed in a situation where a potential or actual conflict of interest exists should seek advice from their supervisor or manager.

4.7. ANNUAL REVIEW OF CONFLICT OF INTEREST

Employees will be annually asked to update any declarations. While this provides a point in time notification of interests, employees who are authorised to continue to perform their normal duties must immediately report any change in circumstances to their supervisor, who must re-assess the situation.

Refer to [Section 7.3: Assessment and decision](#)

4.8. CONFIDENTIALITY

CHL shall take all necessary steps to ensure the confidentiality of information relating to conflicts of interest, disclosing information only to those with:

- delegated authority for dealing with and recording such matters
- relevant expertise whose advice and/ or assistance has been sought.

4.9. COMPLAINTS

If an employee believes that another employee is not complying with this policy and procedure, they may raise the matter with their supervisor or report it under CHL's Whistleblower policy and procedure. The complaint will, at the discretion of CHL, be investigated. If the employee against whom the complaint has been made disputes the allegation, their senior manager may ask them to make a written statement that they do not have a conflict of interest as alleged.

Refer to CHLNet:
[Whistleblower policy and procedure](#) and [Employee Declaration of Interest Form](#)

5. Breaches of the Conflict of Interest policy or procedure

5.1. WHAT CONSTITUTES A BREACH

An employee is deemed to have breached the *Conflict of Interest policy and procedure* if they:

- fail to disclose potential or actual conflicts of interest
- are directed to provide information and fail to do so

5.2. ACTION FOLLOWING A BREACH

Depending on the circumstances, actions taken by CHL may include:

- counselling
- use of disciplinary procedures
- civil action
- reporting of actions to police, possible leading to criminal charges.

Some breaches may lead to an allegation of misconduct, termination of employment and/ or legal proceedings against an employee.

Refer to CHLNet:
[Disciplinary Action Policy](#), [Fraud and Corruption Prevention Planning Policy and Procedure](#), [Termination Policy](#) and [Whistleblower policy and procedure](#)

6. Related legislation, industry frameworks and standards, CHL policy and procedures

6.1. CHL RELATED POLICIES AND PROCESSES

| |
|---|
| Employee Declaration of Interest form |
| Employee Handbook |
| Performance Counselling Policy |
| Disciplinary Action Policy |
| Fraud and Corruption Prevention Planning Policy and Procedure |
| Whistleblower Policy |
| Procurement Policy |

7. Monitoring and review

This document should be periodically reviewed and revised. Revisions should be made as and when required. The period between reviews must not exceed two years. The date for review of this document is on or before April 2021. Training will be provided to each staff member and the board as a component of their induction.

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