



BAREFOOT INITIATIVE

CONFLICT OF INTEREST POLICY

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Drafted by: Kerry Taylor	Board approval date: 22/02/20
Responsible person: Co-Managing Directors	Scheduled review date: February 2021
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OUTLINE

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1. PURPOSE

The purpose of this policy is to help board members of Barefoot Initiative to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Barefoot Initiative and manage risk.

2. SCOPE

This policy applies to the board members of Barefoot Initiative.

3. DEFINITIONS

A **conflict of interest** occurs when a person's personal interests conflict with their responsibility to act in the best interests of the organisation.

Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

It also includes a conflict between a board member's duty to Barefoot Initiative and another duty that the board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial. These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the charity. Therefore these situations must be managed accordingly.

4. LEGAL OBLIGATIONS

All Board members have a duty to make themselves aware of and adhere to the constitutional requirements relating to interested Directors in Clause 21 of the constitution of Barefoot Initiative Limited and specifically relating to the requirements as set out in Division 2 - Disclosure of and voting on matters involving, material personal interests in Sections 191 - 196 of the Corporations Act 2001.

5. POLICY STATEMENT

This policy has been developed to address conflicts of interest affecting Barefoot Initiative. Conflict of interest are common, and they do not need to present a problem to the charity as long as they are openly and effectively managed. It is the policy of Barefoot Initiative as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Barefoot Initiative.

The Barefoot Initiative Board (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of Barefoot Initiative.

Barefoot Initiative will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

6. POLICY IN PRACTICE

6.1 Responsibilities of the Board

The board is responsible for:

- a. establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- b. monitoring compliance with this policy, and
- c. reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by ACNC Governance Standard 5.

6.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be disclosed at the first available Board Meeting where it will be highlighted within the Conflict of Interest Register.

Where every other board member shares a conflict, the board should refer to ACNC

Governance Standard 5 to ensure that proper disclosure occurs.

6.3 Action required to manage conflicts of interest

Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted board members should:

- Vote on the matter (this is a minimum)
- Participate in any debate, and the voting

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

What should be considered when deciding what action to take

In deciding what action to take, the board will consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- the charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of the charity.

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

6.4 Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances. If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the charity.

7. MONITORING & REVIEW

The Co-Managing Directors will be responsible to ensure that this policy is implemented and will also be responsible to review and update this policy every two years. All changes to this policy will be presented to the Board of Directors for validation.



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ANNEX 1:

CONFLICT OF INTEREST REGISTER

Name	Description of Interest	Date of disclosure	Steps taken by the individual / Board to address the conflict

The [Conflict of Interest Register](#) is updated regularly by members of the board and reviewed at each board meeting.