



POLICY 04: CONFLICT OF INTEREST POLICY

1. INTRODUCTION

U3A Mornington (U3AM) aims to ensure that members of the Committee of Management (Committee) 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 U3AM. Conflicts of interest do not need to present a problem, as long as they are openly and effectively managed.

2. PURPOSE

All actions and decisions taken by the Committee need to be informed, objective and fair. The purpose of this policy is to help members of the Committee to effectively manage any actual, potential or perceived conflicts of interest in order to protect the integrity of U3AM and to ensure that personal or individual interests do not affect the services, activities or decisions of U3AM.

3. SCOPE

This policy applies to all Committee Members of the U3AM Committee of Management.

4. DEFINITIONS

A material conflict of interest occurs when a person's personal interests has the capacity to influence their consideration of, and their vote on, a particular matter, or when they conflict with their responsibility to act in the best interests of U3AM.

Policy No: 04	Version No: 1.0	Approved by the Committee of Management on 21 May 2021
Supersedes:	New	



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 Committee Member's duty to U3AM and another duty that they have (for example, to another organisation).

A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

A conflict of interest can be ongoing or only apply when a particular matter is being considered at a Committee meeting.

5. POLICY

5.1 It is the policy of U3AM as well as a responsibility of the Committee, 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 U3AM.

5.2 Conflicts of interest present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of U3AM. Therefore, these situations must be managed accordingly.

5.3 U3AM will manage conflicts of interest by requiring Committee 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.

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6. RESPONSIBILITIES

6.1. Responsibilities of the Committee

The Committee is responsible for:

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

U3AM must ensure that its Committee Members are aware of the Governance Standards of the Australian Charities and Not-for-profit Commission (ACNC), particularly Governance Standard 5, and that they disclose any actual, potential or perceived material conflicts of interests as required by Governance Standard 5 (see Section 11).

6.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, and is ongoing, it must be entered into U3AM's Register of Interests, as well as being raised with the Committee.

The Register of Interests must be maintained by the Secretary. The Register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

7. ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST

7.1 A Committee Member who has an actual, potential or perceived conflict of interest in a matter being considered at a committee meeting must disclose the nature and extent of that interest to the Committee.

7.2 Once the conflict of interest has been appropriately disclosed, the Committee Member who has made the disclosure, as well as any other conflicted Committee Member, must not be present during the discussion of the matter and must not vote on the matter.

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- 7.3 Rule 64 of the Rules of Association does not apply to a material personal interest:
- (a) that exists only because the member belongs to a class of persons for whose benefit the Association is established; or
 - (b) that the member has in common with all, or a substantial proportion of, the members of the Association.
- 7.4 Under section 81(3) of the Associations Incorporation Reform Act 2012, if there are insufficient Committee Members to form a quorum because a member who has a material personal interest is disqualified from voting on a matter, a general meeting may be called to deal with the matter.
- 7.5 In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Committee Member from regularly participating in discussions, the Committee must consider if it is appropriate for the person conflicted to resign from the Committee.

8. COMPLIANCE WITH THIS POLICY

- 8.1 If the Committee has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.
- 8.2 If it is found that this person has failed to disclose a conflict of interest, the Committee may take action against them. This may include seeking to terminate their relationship with U3AM.

9. RELATED POLICIES

01: Code of Conduct Policy

02: Privacy Policy

03: Confidentiality Policy

Rules of Association: Part 5, Section 64 (31 March 2020)

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10. REFERENCES

Australian Charities and Not-for-profit Commission (ACNC)

BSG Legal

11. ACNC Governance Standard 5

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.

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