

# POLICY

## Conflicts of Interest



Issued with the authority of the Board of Directors of Scouts NSW

Board Director Signature		Board Director Signature	
Sponsor	Chief Executive Office		
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# Conflicts of Interest

## 1 Purpose and scope

1.1 The purpose of this policy is to:

- Ensure that all members with delegated decision-making powers, and employed staff of Scouts Australia New South Wales Branch ('Scouts NSW') are aware of their obligations to disclose any conflicts of interest that they may have, and to ensure they effectively manage those conflicts of interest as representatives of Scouts NSW.
- Support the principles of integrity, fairness, transparency and accountability in the decision making process with the view to maintaining and enhancing the image of Scouts NSW in its interactions within the community.

1.2 The scope of this policy applies to all members of Scouts NSW, including Branch Councillors, Board Directors, Board Committee members, Chief Commissioner, Chief Commissioner's Council, any member of Scouts NSW with delegated decision-making powers (member), Chief Executive Officer and all employees of Scouts NSW.

## 2 What is a Conflict of Interest?

2.1 A conflict of interest exists where a reasonable and informed person would perceive that a Scouts NSW member could be influenced by a private interest when carrying out their Scouts NSW role.

2.2 For the purpose of this Policy, a Scout member includes members of the Branch Council, Board of Directors (Board), Board Committee's, Chief Commissioner, Chief Commissioners' Council, any member of Scouts NSW with delegated decision-making powers (member), Chief Executive Officer and all employees of Scouts NSW.

2.3 Scouts NSW members must avoid or appropriately manage any conflicts of interests, with the onus on members to identify a conflict of interest and take the appropriate action to manage the conflict in favour of their role or responsibility.

2.4 The Independent Commission against Corruption defines that "Conflicts of interest are not wrong in themselves. It is how they are managed that is important."

2.5 Any conflict of interest must be managed to uphold the probity and integrity of Scouts NSW decision making and, when considering whether or not a conflict of interest exists, it is important to consider how other impartial persons would view the situation.

2.6 Private interests can be either pecuniary (financial) or non-pecuniary (non-financial).

## 3 What are the different types of conflicts of interest?

There are three types of conflicts of interest as follows:

- **Actual** – A Scouts NSW member, right now, could be influenced by a private interest when exercising their Scouts role and responsibilities;
- **Perceived** – A Scouts NSW member could appear to be influenced by a private interest when exercising their Scouts role and responsibilities (whether or not this is true); or
- **Potential** – A Scouts NSW member, in the future, could be influenced by a private interest when exercising their Scouts role and responsibilities.

### 3.1 Pecuniary Interest

3.1.1 A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.

3.1.2 A person will also be taken to have a pecuniary interest in a matter if that person's spouse or de facto partner or a relative of the person or a partner or employer of the person, or a company or other body of which the person, or a nominee, partner or employer of the person is a member, has a pecuniary interest in the matter.

3.1.3 A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter.

3.1.4 Examples of pecuniary interests which may involve a conflict of interest are:

- I own shares in a family business which has tendered for a contract with Scouts NSW.
- My spouse, de facto partner or relative owns a company, in which I have no direct interest, which has tendered for a contract with Scouts NSW.
- I have primary or secondary employment with an organisation/company that has tendered for a contract with Scouts NSW.
- My spouse, de facto partner or relative is an applicant for employment with Scouts NSW.

### 3.2 Non-pecuniary interest

3.2.1 A non-pecuniary interest is an interest that a person has in a matter that does not amount to a pecuniary interest. These interests commonly arise out of family or personal relationships or involvement in sporting, social or other groups and associations.

3.2.2 A non-pecuniary conflict of interests must be managed according to whether it is significant or non-significant.

3.2.3 Examples of non-pecuniary interests which may involve conflicts of interest are:

- A close personal friend has submitted a tender for a contract with Scouts NSW.
- I am active in another voluntary organisation which is tendering for a contract with Scouts NSW.
- I am involved with or have close ties to a Scout Group who has applied for assistance or approval in relation to a matter concerning the Scout Group.

3.2.4 As a general rule, a significant non-pecuniary conflict of interests involves:

- a relationship between a Scouts NSW member and another person that is particularly close, for example, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the person or of the person's spouse, current or former spouse or partner, de facto or other person living in the same household;
- other relationships that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the business relationship, the frequency of contact and the duration of the friendship or relationship; or
- an affiliation between a Scouts NSW member and an organisation, sporting body, club, corporation, or association that is particularly strong.

## 4 Why the identification, disclosure and management of a conflict of interests is important

- 4.1 The Scouts NSW has a right to expect that Scout members at all levels perform their roles in a fair and unbiased way and that the decisions they make are not affected by self-interest, private affiliations or the likelihood that they, or those close to them, will financially gain or lose from a decision in which they participate.
- 4.2 The perception that a conflict of interest has influenced an outcome can undermine confidence in the integrity of Scouts NSW and the member involved.
- 4.3 Unresolved or badly managed conflicts of interests can lead to corruption or abuse of office or the perception that these exist within Scouts NSW.

## 5 Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to Scouts NSW if they are openly and effectively managed. It is the policy of Scouts NSW that ethical, legal, financial or other conflicts of interest are to be avoided or where they do arise that members are to take action such that the circumstances do not conflict with the obligations to Scouts NSW.

Scouts NSW will manage conflicts of interest by requiring its members with delegated decision-making powers, and employed staff 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.

The agenda for each meeting should include an agenda item 'Declaration of Conflicts of Interest'. Any conflicts disclosed at the meeting are to be recorded in the minutes of the meeting.

## 5.1 Responsibilities

Scouts NSW is responsible for:

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

## 5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Scouts NSW ['Conflict of Interest Register'](#).

The ['Conflict of Interest Register'](#) is to be maintained by the Office of the Chief Executive Officer, and will record information related to a conflict of interest, including the nature and extent of the conflict and any steps taken to address it.

Members will be requested to disclose conflicts on a six monthly basis, and as conflicts arise. It is the responsibility of members to disclose conflicts of interest.

## 5.3 Confidentiality of disclosures

The Conflict of Interest Register will be made available to the Audit and Risk Committee for review with all outcomes to be reported to the Board.

Access to information disclosed in the Conflict of Interest Register will be restricted to the Chief Executive Officer, Executive Assistant to the Chief Executive Officer and Audit and Risk Committee, and will be made available on request to Board Directors, Chairs of Board Committees and the Chief Commissioner.

# 6 Management of conflicts of interest

## 6.1 Conflicts of interest of members

Once the conflict of interest has been appropriately disclosed, it must be decided whether or not the conflicted member should:

- not participate in discussion on the matter
- not participate in voting on the matter, and
- may be asked to leave the meeting.

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

## 6.2 What should be considered when deciding what action to take

In deciding what approach to take, the following will be considered:

- 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,
- Scouts NSW's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of Scouts NSW.

The approval of any action requires the agreement of at least a majority (excluding the conflicted member) 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.

## 7 Compliance with this policy

If Scouts NSW has a reason to believe that a person subject to the policy has failed to comply with it, they will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, Scouts NSW may take action against them. This may include seeking to terminate their relationship with Scouts NSW.

If a person suspects that a member has failed to disclose a conflict of interest, they must take appropriate action, such as:

- discuss with the person in question,
- notify the Audit and Risk committee,
- notify their manager, or
- notify the person responsible for maintaining the register of interests (Chief Executive Office).

## 8 Other related Policies, Procedures and Practices

This Policy needs to be read in conjunction with the following policies, procedures and practices that provide a Compliance framework for Scouts NSW:

[POL04: Personal Interest Statement](#)

[POL05: Sustainable Procurement](#)

[POL32: Limits of Authority](#)

[PRO37: Conflicts of Interest](#)

[PRTCL05: Code of Business Ethics](#)