

GUIDE TO CONFLICT OF INTEREST POLICY TEMPLATE

ABOUT THIS POLICY AREA

This policy guides how the organisation manages and documents conflicts of interest within the organisation.

A written conflict of interest policy is required as part of meeting Standard 11 (Governance and accountability).

Standard 11 — governance and accountability

The organisation develops a set of guiding principles and implements a set of procedures for dealing with conflicts of interest.

Policy checklist

The following checklist will help you check that an existing policy covers this area adequately.

The policy should:

- explain what the principles governing conflicts of interest are
- say how conflicts of interest will be declared and managed
- say how conflicts of interest will be documented
- contain clear procedures and actions
- indicate the timing of any actions
- show when it was approved
- show when it was last reviewed.

COMPLETING YOUR CONFLICT OF INTEREST POLICY

Using the policy template

The template provides some example statements. You can adapt these statements and include them in your policy or write your own statements to better suit the operations and services of your organisation.

To customise the policy template, click on the shaded sections <<Insert text>> and insert the information that is specific to your organisation.

When you have completed the policy template, delete the shaded instruction sections such as: [Refer to the conflict of interest policy template guide for questions and/or examples to consider when customising this section.](#)

For further information on using the policy guides, refer to the information in *Using the policy templates and guides*.

Guidelines for each section of your policy

1. Purpose

When identifying the purpose of the policy, consider how it might apply not only to board or management committee members, but also to staff and volunteers. The same principles should apply to all personnel in the organisation, although procedures may differ for each group.

2. Scope

To determine the scope of the policy, consider the following questions:

- Does this policy apply to all your organisation's personnel, including board or management committee members, staff and volunteers?
- Are there any parts of your organisation that are not covered by this particular conflict of interest policy?
- Do you have any external stakeholders who need to be included in this policy?
- Does the definition of 'conflicts of interest' cover the types of situations that might arise in your organisation?

3. Policy statement

If you are adopting the policy statement in the template, consider whether there are any additional commitments your organisation wants to make.

In identifying the actions your organisation will take to implement this policy, you should include the following:

- maintaining a register of conflicts of interest
- registering known conflicts of interest when people first join the organisation as a board or management committee member, staff member or volunteer
- requiring that people in the organisation declare any conflicts of interest as they arise
- providing a process for people in the organisation to make a notification about undeclared conflicts of interest they believe exist
- managing conflicts of interest consistently and fairly
- maintaining appropriate confidentiality about disclosed interests.

4. Procedures

The procedures describe how your organisation achieves the aims and goals you have outlined in your purpose, scope and policy statement.

4.1 Registering known conflicts of interest

Describe the process for keeping a record of conflicts of interest. This should include:

- potential or actual conflicts of interest that exist when a person joins the organisation (particularly as a board or management committee member). All board or management committee members, and staff and volunteers if applicable, should be asked to declare any conflicts of interest when they first join the organisation.
- conflicts of interest that arise during their involvement with the organisation.

A record of conflicts of interest would normally be kept in a register that documents:

- the name of individual
- the nature of the interest they hold
- the date of record

- any incidents that arise where the interest comes into conflict with the interests of the organisation, the date of the incident, and a summary of how it was managed.

4.2 Identifying and declaring conflicts of interest

In addition to an initial declaration of any potential conflicts of interest at the beginning of their involvement with the organisation, personnel should also be required to declare any conflicts that they become aware of for themselves or others.

The process for declaration of conflicts of interest should involve one or both of the following:

- informing those present when a conflict becomes apparent (this should always be applied where the individual is about to take part in a decision-making process)
- formal notification in writing to the secretary (for board or management committee members and the senior staff person) or the senior staff person (for staff or volunteers).

4.3 Managing conflicts of interest

The process for managing a conflict of interest should include the following steps:

- identification or declaration of the interest
- assessment of whether a conflict exists
- decision about the individual's continued role in the issue, if any. In any case where a conflict of interest exists, the individual concerned should not take part in the decision and, in most instances, should not be present when the matter is discussed.

5. Other related policies and documents

List the other policies related to the conflict of interest policy. The policy should be linked to:

- induction of governing body policy
- training and development for governing body policy.

6. Review processes

Consider how often the policy should be reviewed and the process for doing this:

- **frequency of review:** Most policies benefit from an annual review. The experience of implementing the policy is used to decide which changes are necessary. Consider reviewing your conflict of interest policy as part of an annual review of your organisation's governance- and accountability-related policies or, if your organisation is small, perhaps over a three-year period. Critical incidents may prompt you to review the policy ahead of schedule.
- **responsibility for the review:** In most organisations, the board or management committee would be responsible for reviewing this policy in conjunction with senior staff.
- **process for the review:** Decide which particular staff, volunteers, external people and organisations will provide input to the policy review.
- **decision-making process:** Who will review draft changes to the policy and approve changes? What will be the timeframe for the review process?
- **documentation and communication:** What records of the policy review process are needed? How will changes to the policy be communicated to staff implementing the policy? In a small organisation, this may be as simple as noting the changes at a staff meeting. In a larger organisation, an email memo may be needed.
- **key questions for the review:** Is the policy being implemented? Are procedures being followed? Is the policy clear? What has changed that may prompt a change to the policy? Have particular stakeholders had difficulty with any aspect of the policy? Can

their concerns be resolved? How does the policy compare with that of similar organisations?