

# Policy

**ATSE**

## Policy

History

Version

Approval body

Review date

Review body

Administrator

## Conflicts of Interest Policy

**Original Policy 25 May 2021**

**Board Approved 25 May 2023**

**Governance – Legislative and Compliance: Board**

**Annually**

**Audit and Risk Committee**

**Chief Executive Officer**

### Review History

Original Policy 25 May 2021; reviewed May 26, 2022 (Board 84), last reviewed Board 25, 2023 (Board 90)

## **1. Introduction**

The Australian Academy of Technological Sciences and Engineering (ATSE) is guided by its values, which are the foundation of how we behave and interact with each other – the Secretariat, the Board, our Fellows, program participants and all internal and external partners, collaborators, and stakeholders. Together our values reflect the priorities of the organisation and provide guidance and a framework in our decision making.

ATSE's policies have been developed to align with our values and ensure we observe the highest standards of conduct and ethical behaviour in all our business activities and to promote and support a culture of honesty, transparency and integrity, compliance, good governance, and fair dealing.

## **2. Purpose and Scope**

The purpose of this policy is to help Directors, and staff effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of ATSE and manage risk. The aim of this policy is to ensure all Directors, and staff of ATSE are aware of their obligations to disclose any conflicts of interest that they may have, and ensure they effectively manage those conflicts of interest as representatives of ATSE.

This policy applies to Directors of the ATSE Board, and ATSE staff. Committee-specific conflicts are dealt with in relevant Terms of Reference, where applicable. Where there is potential for conflicts specific to a particular member of staff, these should be dealt with in that staff member's employment contract.

## **3. Definition of Conflicts of Interest**

An actual, potential or perceived conflict of interest occurs when an individual's personal interests may 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).

They also include an actual or perceived conflict between an officer's duty to ATSE and another duty that the Board member has (for example, to another organisation). 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 ATSE. Therefore they must be reported, considered and managed accordingly.

## **4. Policy**

This policy has been developed to address conflicts of interest affecting ATSE.

Conflicts of interest are common, and they do not need to present a problem to ATSE as long as they are openly and effectively managed.

It is the policy of ATSE as well as a responsibility of the Board, that ethical, legal, financial or other conflicts are managed by the process in this policy an avoided where possible, and that any such conflicts (where they do arise) do not conflict with the obligations to ATSE.

ATSE will manage conflicts of interest by requiring Directors and staff members to:

- identify and disclose actual or potential conflicts of interest
- carefully manage any conflicts of interest; and
- follow this policy and respond to any breaches.

### **The Board**

The Board is responsible for:

- monitoring compliance with this policy; and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

As a registered charity, ATSE must ensure that its Directors are aware of the Australian Charities and Not-for-profits Commission (ACNC) governance standards, particularly Governance Standard 5, and that they disclose any actual or perceived material conflicts of interest as required by the standard.

### **Identification and disclosure of conflicts of interest**

Once an actual, potential or perceived conflict of interest is identified, it must be entered into ATSE's register of interests, as well as being raised with the management or the Board where appropriate.

Where a Board member shares a conflict, the Board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register of interests must be maintained by the Company 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).

## **5. Actions required to manage conflicts of interest**

### **The Board**

Once the conflict of interest has been appropriately disclosed, the Board (excluding the Director who has made the disclosure, as well as any other conflicted Director) must decide whether or not those conflicted Directors should, in accordance with rule 52.5 of ATSE's constitution:

- be present while the matter is being considered at a meeting
- vote on the matter, unless permitted by the Corporations Acts to do so, in which case the Director may:
  - participate in any debate
  - be counted in determining whether or not a quorum is present at any Board meeting considering that contract or arrangement
  - sign or countersign any document relating to that contract or arrangement or proposed contract or arrangement
  - vote in respect of, or in respect of any matter arising out of, the contract or arrangement or proposed contract or arrangement

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.

## **Staff**

When a conflict of interest has been identified it is up to the staff member to appropriately disclose the conflict with the Chief Executive Officer (CEO), who must decide on an appropriate treatment or further action depending on the scope of the conflict.

### **What should be considered when deciding what action to take?**

In deciding what approach to take, the Board or ATSE management 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
- ATSE's objects and resources
- The possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of ATSE.

## **6. Compliance with this policy**

The Board and management may investigate if there is reason to believe that a person subject to his policy has failed to comply.

If a failure to disclose a conflict of interest is found, action may be taken against the person, up to and including termination of the relationship with ATSE, at the discretion of the Board.

If a person suspects that a Director or staff member has failed to disclose a conflict of interest, they must first discuss this with the person. If the resolution is not reached, they are required to notify either the CEO, Company Secretary, the Chair of the Academy Audit and Risk Committee, or the President. The notified authority then carries an obligation to investigate and act accordingly.

## **7. Endorsement and Review**

This policy will be reviewed annually to ensure alignment with relevant legislation and the requirements of the organisation and staff members. The policy will be reviewed as required, if relevant legislation changes require earlier revision.