



Conflict of Interest Policy.

Purpose:

All members of Andrews Farm Community Church (AFCC) should be aware of the possibility of conflicts of interest, what they are and what it could mean for the parish and how they should be managed.

Members of AFCC are under a duty of responsibility to act in the best interests of the church. This duty must take precedence over an individual's interests.

What are conflicts of interest

Introduction to Conflicts of Interest

A conflict of interest arises when the personal, family or business interests of a member seem to conflict with those of the church they serve. This interest can be direct or indirect, and can include the interests of people or organisations connected to the member.

Conflicts of interest may inhibit free discussion resulting in decisions or actions that are not in the best interests of the church or risk the impression that the church has acted improperly. The purpose of this guidance is to protect the church and members from any appearance of impropriety.

Direct or indirect interest

An example of a direct interest would be where a member stands to benefit financially from a decision by the church to contract with a company which the member controls to provide services to the church. An indirect interest would be if the member did not control the company but had shares in it and stood to benefit indirectly from any profit made, or if the owner's spouse, family member or friend controlled the company.

Connected people and organisations

- Family members
- Corporate bodies to which the member is connected or is a beneficiary
- A business partner, friend or acquaintance.

It is unlikely that conflicts of interest can be completely avoided but any potential conflict should be identified and managed to avoid any adverse effects on the church and to promote maximum accountability and transparency in the work of the church. Even potential or perceived conflicts should be considered in order to protect the integrity and reputation of the church.

How to deal with a conflict of interest

Section 9.4 of the AFCC Constitution states "*An Elder having a direct or indirect pecuniary interest in a contract or proposed contract with the Church must disclose the nature and extent of that interest to the Elders as required by the Act, and shall not vote with respect to that contract or proposed contract. The Elder must disclose the nature and extent of their interest in the contract at the next Members meeting*".

There is an absolute need to follow the steps below which set out the way of declaring the interest, withdrawing from the meeting, deciding the impact of the interest and recording the decision.

STEP 1: DECLARE THE CONFLICT

Any church member who has a potential or actual, financial or other interest in a matter under discussion should declare their interest at the earliest opportunity. Even where the interest creates a minimum risk of bias but might reasonably cause others to think it could influence that member’s decisions, the nature of the interest should be declared.

If a member is in any doubt about whether they have a conflict of interest, they should consult with the Pastor.

If a member fails to declare an interest that is known to other members, another member may declare that interest at the meeting.

STEP 2a: WITHDRAW FROM THE MEETING

Unless otherwise directed by the remaining members, the conflicted member should leave the meeting while the others decide on the impact of the interest and whether the conflicted member’s absence is appropriate or necessary.

STEP 2b: WITHDRAW FROM THE DISCUSSIONS

Unless otherwise directed by the other members of the group discussing any topic of future financial interests, the conflicted member should leave the discussion while the others decide on the impact of the interest and whether the conflicted member’s absence is appropriate or necessary.

STEP 3: DECIDE ON THE IMPACT OF THE INTEREST

The remaining members *may* decide by a vote if the interest affects the conflicted member’s ability to act in the best interests of the parish.

CONFLICT LEVEL	SUGGESTED ACTION
No conflict	Member can return to the meeting in their full capacity
Deemed low level conflict	Potential conflict may be tolerated if certain actions are taken to protect the parish interests, e.g. exclude the conflicted member’s vote from relevant decisions
Serious conflict	A conflicted member should be excluded from the meeting and any decision making related to the conflict

Making decisions where there may be a conflict

- All decisions should be made by vote, with a simple majority required
- A quorum must be present for the discussion and decision
- Conflicted members should not be counted when deciding whether the meeting has a quorum.
- Conflicted members may not vote on matters deemed to affect their own personal interests

STEP 4: RECORDING THE DECISION

All decisions made about conflicts of interest and the matters concerned should be recorded in the minutes, noting the following:

- The member who has declared a conflict
- The nature and extent of the conflict
- A summary of the discussion
- The actions taken to manage the conflict

Best practice suggests that if a member shall receive personal benefit for any reason, even where the risk of a conflict of interest has been dismissed, this should be fully disclosed in the minutes.

KEEP A REGISTER OF INTERESTS

It is good practice to keep a record of members' interests in a register, noting the following:

- Name of member
- Description of interest (whether direct or indirect and whether current or past)
- Whether the interest is deemed by the church to be a risk to the best interests of the parish

This can be in the form of a folder containing the completed "Conflict of Interest" Declarations.

CONFIDENTIAL INFORMATION

Confidential information provided by church members in the course of dealing with a conflict of interest should be kept confidential by the church and not be disclosed or used for any other purpose.

GIFTS & HOSPITALITY

Gifts and hospitality with nominal value (less than \$40) may be accepted but only if gifts are not given or received with an expectation that an obligation is owed as a result of accepting the gift.

Gifts and hospitality intended to influence the church's decision making should never be accepted.

Any gift no matter what the value must declared at the next Elders Meeting. These must be recorded in the minutes.

Office use only: -		
Form: Conflict of Interest Policy.		
Composed _____	Dec 2018.	Review due _____
		Dec 2019
		Reviewed _____
By: _____	R Smith	By: _____
		By: _____