



Conflict of Interest Policy

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Person/Body Responsible	MHF Board
Approved By	MHF Board

Purpose

The purpose of this policy is to help board members and managers of Mental Health Foundation ACT (MHF) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of MHF and manage risk.

Definitions

ACNC – means the Australian Charities and Not for Profits Commission.

Conflicts of interest – occurs when a person’s personal interests conflict with their responsibility to act in the best interest of MHF.

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 (e.g. as a shareholder).

It also includes a conflict between a board member’s duty to MHF and another duty that the Board member has (e.g. to another community 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 MHF. Therefore, these situations must be managed accordingly.

Objective

The MHF Board aims to ensure that MHF Board members, employees and volunteers 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 MHF.

Scope

This policy applies to MHF Board members, employees and volunteers.

Policy

This policy has been developed to address conflicts of interest affecting MHF. Conflicts of interest are common, and they do not need to present a problem to MHF if they are openly and effectively managed.



It is the policy of MHF, as well as a responsibility of the Board, 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 MHF.

MHF will manage conflicts of interest by requiring MHF Board members, employees and volunteers to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest
- follow this policy and respond to any breaches.

Responsibility of the board

The Board is responsible for:

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

MHF must ensure that its Board members are aware of the ACNC governance standards, particularly governance standard 5¹, and that they disclose any actual or perceived material conflicts of interests as required by that governance standard.

Identification and disclosure of conflicts of interest

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

Where every other 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 Chief Executive Officer on the Risk Register. The register must record information related to a conflict of interest, the nature and extent of the conflict of interest, and any steps taken to address it.

Confidentiality of disclosures

The information on the Risk Register will be deidentified. If the conflict is disclosed at a Board meeting it will be minuted. If the conflict relates to a staff member or volunteer it will be kept on their HR file.

Action required to manage conflicts of interest

Conflicts of interest of Board members

Once the conflict of interest has been appropriately disclosed, the Board (excluding the Board member who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted Board members should:

¹ ACNC Government Standard 5: Duties of Responsible People: 'A charity must take reasonable steps to make sure that its Responsible People are subject to, understand, and carry out the duties set out in Governance Standard 5', can be found [here](#).



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- vote on the matter (this is a minimum)
 - participate in any debate
 - be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is 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.

What should be considered:

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

The approval of any action requires the agreement of at least a majority of the Board (excluding any conflicted Board member/s) 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 conflicts of interests.

Compliance

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

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

If a person suspects that a Board member has failed to disclose a conflict of interest, they must report to the President who will decide the course of action.

If a person suspects that a employee or volunteer has failed to disclose a conflict of interest, they must report to the CEO who will decide the course of action.

References

Australian Charities and Not
for Profits Commission

Conflict of Interest Policy template.

[Governance Standards website](#) (accessed 1 May 2024)



Document History				
Author	Version	Amendment	Owner	Date of Effect
Corporate Services Manager/ Registered Nurse	1.0	Document Created	MHF Board	March 2023
Corporate Services Manager	2.0	Checked for currency. Included web link to ACNC Governance standard. New timeframe for review is 3 years. Otherwise no content changes made.	MHF Board	March 2023