



Conflicts of Interest Policy



AUSTRALIAN INFORMATION SECURITY ASSOCIATION

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History Table

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03.10.13	1	Policy created
05.02.21	2.0	Changes applied through rebranding to AISA new design 2021 and document history table included'
28.02.23	2.2	Reviewed and updated. Strengthen details on ACNC and director duties.

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1. Conflict of Interest Policy

This Policy is in place to ensure that conflicts of interest between a person's personal interest and their responsibility to act in the best interests of AISA is appropriately managed. This is to protect AISA's interests, reputation and minimise risk of financial or other losses.

As an ACNC register charity AISA's "Responsible People" are its board or committee members.

Each AISA Director is obligated by ASIC and ACNC to declare material interests and any potential conflict of interest.

2. Scope

This policy applies to all AISA ('the Organisation') directors, staff, volunteers, advisory board members and any third party operating on behalf of, or with, AISA.

3. Policy statement

This policy ensures that directors, advisory board members, employees, volunteers, consultants, contractors and other related third parties (including representatives from member universities) must comply with in order to avoid actual, potential or perceived conflicts of interest.

This policy ensures to protect:

- The integrity of the decision-making process within the company by avoiding ethical, legal, financial or other conflicts of interests;
- Provide guidance for dealing with any conflicts of interest in an open and transparent way; and
- The reputation and integrity of AISA and its members and employees and ensure a high level of corporate governance.

Further, registered charities must meet the ACNC Governance Standards. To comply with Governance Standard 4 charities must make sure its Responsible People are suitable. To comply with Governance Standard 5 they must ensure their Responsible People are aware of their duties and comply with them.

To comply with Governance Standard 5, Responsible People must:

- Act with reasonable care and diligence;
- Act honestly and fairly in the best interests of the charity and for its charitable purposes;
- Not misuse their position or information they gain as a Responsible Person;
- Disclose actual or potential conflicts of interest;
- Ensure that the financial affairs of the charity are managed responsibly; and
- Not allow the charity to operate while it is insolvent.

4. Definition of Conflicts of Interests

A conflict of interest occurs when a person's personal interest conflicts with their responsibility to act in the best interests of AISA.

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). It also includes a conflict between a director's duty to AISA and another duty that the board member has, such as their involvement with corporate partners, commercial organisations or other industry bodies or

charities. A conflict of interest may be actual, potential or perceived and may be either financial or non-financial.

- **ACTUAL - YOU ARE BEING INFLUENCED BY A CONFLICTING INTEREST**
For example – Your charity is considering whether to give a grant to a school that your child attends and you cannot make the decision impartially.
- **POTENTIAL - YOU COULD BE INFLUENCED BY A CONFLICTING INTEREST**
For example – You’ve taken up employment with another charity and you may, at some point, apply for a grant as an employee of one charity and a board member of another.
- **PERCEIVED - YOU COULD APPEAR TO BE INFLUENCED BY A CONFLICTING INTEREST**
For example – You are reviewing quotes for a service and one of the potential providers is the employer of your sibling. While you believe you can make an impartial decision in the best interests of the charity, it could be perceived as being made in your own interest.

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 AISA. Therefore, these situations must be managed accordingly.

Examples of conflict of interest situations include but are not limited to:

- Personal workplace relationships (e.g. hiring, contracting or supervising a person with whom you have or have had a close personal relationship);
- Purchasing goods or services supplied by the family business of an employee, or family company, relative or close friend;
- Participating in a tender for goods and services where a relative or friend will be submitting a bid (known as related party transactions);
- Providing services or goods at a per-cost-amount for a charitable purpose where a personal brand is involved (e.g. actor, singer, author etc) and may be considered as providing future personal benefits;
- Outside employment – paid or volunteer, committee or board role (e.g. having a position with a competitor or has a relationship with AISA);
- Personal financial interests (e.g., owning a property being considered for lease by the Company);
- Sale of a company asset to an employee or volunteer without an arm’s length process; or
- Employees or volunteers knowing company confidential information that could impact private interests.

Conflicts of interests may also occur when receiving fees, commissions, discounts, gifts, entertainment, or services. (e.g., receiving cash or gifts from a business partner). Please refer to the AISA policy covering gifts, benefits and hospitality that provides further information on this subject.

5. What to Disclose

5.1 When undertaking AISA related activities or engagements:

The obligation to disclose interests is ongoing;

- The responsibility to identify, disclose and update these interests remains with the individual;
- Must clearly disclose any personal interests that may impact, or be perceived to impact, their ability to perform the role for which they have been engaged;
- Must declare both pecuniary and non-pecuniary interests in all possible areas where a perceived or actual conflict of interest may arise, including but not limited to:
 - professional positions;

- professional relationships;
- consultancies;
- boards of directors;
- membership of committees of other organisations;
- advisory groups;
- family and personal relationships; or
- financial interests, including
 - material share ownership or public or private companies;
 - receiving recompense in the form of cash; or
 - services or equipment from other parties not in the normal course of business.

Individuals are required to update that information as soon as possible if any significant changes occur to their or their immediate family/partner's interests.

5.2 When assisting on AISA projects:

In the instance where an individual is working on AISA projects, the COI obligation to disclose interests is ongoing. A number of examples are provided, but not limited to, those shown below;

- Employed by, or has any contractual or pecuniary arrangement with an organisation that has an interest in the project;
- Named in the project;
- Supervising / has supervised any of the individual(s) that is named in the project;
- owns shares in, or exercises control in a company or other organisation named in the project or any evaluation process related to the project that is under his/her consideration, or in which he/she has direct involvement, or receives any other financial benefit such as consulting fees;
- Involved in any other AISA process where he/she may have a direct or indirect involvement in the matters being considered; or
- Has a professional /personal (including enmity) relationship with an individual who is named in the project.

5.3 Ongoing Disclosure

Individuals are required to update previously disclosed conflicts when details change. This is because the

nature of conflicts and the necessary controls/permissions are all subject to change. Individuals are responsible for properly and continually informing AISA in a way that allows the organisation to continually assess risk.

6. Disclosure of Conflicts of Interests

6.1 Directors

The duty to avoid conflicts of interests is derived from both common law and statutory provisions found in the Corporations Act 2001 (the Act), which requires directors of Australian companies to avoid conflicts of interest.

- Exercise their powers and discharge their duties with a reasonable degree of care and diligence (section 180);
- Act in good faith in the best interests of the company or for a proper purpose (section 181);

- Not use their position to obtain an advantage for either themselves or a third party, or to cause detriment to the company (section 182);
- Not improperly use information gained through their position as a director to obtain an advantage for either themselves or a third party, or to cause detriment to the company (section 183).

Whilst these are statutory provisions which apply to company directors, the principles underpinning the management of conflicts of interest must apply to all staff and other parties who work with and are involved with the organisation.

AISA Board members must declare any interests and disclose any conflict of interest including but not limited to Section 3 (Definition of Conflicts of Interests) and Section 4 (What To Disclose) of this Policy. AISA Directors must Declared any material Personal Interests, for example ownership of a company and then further identify any actual, potential or perceived Conflicts of Interests.

Directors' disclosures must be to the Chair who will document all conflicts of interest, both in the relevant Board meeting minutes, and separately in the Register of Conflicts of Interests.

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 board member(s)) must decide whether those conflicted board members should:

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

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, the Board must consider whether the conflicted director should resign from the Board.

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 and a quorum must be maintained at the meeting as per AISA Constitutional obligations. The action and result of the voting will be recorded in the minutes of the meeting and in the Register of Conflicts of Interests.

6.2 Employees, volunteers, contractors and any third parties

Employees and volunteers must disclose any conflicts including but not limited to Section 3 (Definition of Conflicts of Interests) and Section 4 (What To Disclose) of this Policy. Disclosure must be in writing to the AISA Company Secretary.

The AISA General Manager will consider the matter and provide a response in writing to the individual. The AISA General Manager may advise the Chair and/or seek external advice regarding any disclosures if required.

During the course of employment or engagement, should there be a change to any actual, potential or perceived conflicts of interest, employees, volunteers or contractors should disclose same to the AISA General Manager. This includes any actual, potential or perceived conflicts of interest which may arise from the development or change in personal relationships that may exist within or outside the organisation.

The AISA Company Secretary will document all conflicts of interest and advise the Board on all matters raised consistent with this Policy.

6.3 Advisory Board

Advisory Board members must disclose any conflicts including but not limited to Section 3 (Definition of Conflicts of Interests) and Section 4 (What to Disclose) of this Policy.

Advisory Board members must make declarations to the Chair of the Advisory Board of any relevant conflict. The Advisory Board Chair will seek advice from the AISA Director representative regarding the conflict.

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

- participate in any debate, or
- be present at the meeting during the debate and recommendation.

The AISA Company Secretary can provide further advice on possible remediations to the Advisory Board Chair.

7. Failure to Comply with this Policy

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.

The Corporations Act 2001 (Cth) provides the basis for an organisation to refer matters to the Australian Securities and Investment Commission (ASIC) for review of any breach of the Act, or separately for consideration by the members of the Company as appropriate.

Whilst this applies to directors of Australian companies, statutory requirements applicable to employees are stated in the Fair Work Act 2009 (Cth) and the National Employment Standards. Any breaches of this policy by AISA employees will be considered under that member's employment contract or the Volunteer Deed for branch volunteers, which may result in disciplinary action, including termination.

For other parties, remedial action will be dealt with via the specific contractual arrangements which may include such contract being terminated, including removal of AISA membership.

In rare situations, the ACNC may suspend or remove a Responsible Person from their role.