

<b>POLICY</b>	<b>Governance</b>
TITLE:	Conflict of Interest Policy
AREA:	Governance
RESPONSIBILITY:	Chief Executive Officer
DRAFTED BY:	Chief Operating Officer
DATE APPROVED:	10 <sup>th</sup> November 2019
APPROVED BY:	PA Board
NEXT REVIEW:	November 2021

## CONTENTS

CONTENTS .....	2
1. GENERAL INFORMATION .....	3
1.1 Purpose .....	3
1.2 Objective .....	3
1.3 Scope .....	3
2. DEFINITION OF CONFLICT OF INTEREST .....	3
3. POLICY.....	4
3.1 Outline of Policy.....	4
3.2 Responsibility of the Board .....	4
3.3 Identification and Disclosure of Conflicts of Interest.....	4
4. ACTION REQUIRED FOR MANAGING CONFLICTS OF INTEREST.....	5
4.1 Conflicts of Interest of Members .....	5
4.2 Conflicts of Interest of Employees.....	5
4.3 Conflicts of Interest of CEO .....	6
5. COMPLIANCE WITH THE POLICY .....	6
6. CONTACT .....	7
APPENDIX 1.....	8

## 1. GENERAL INFORMATION

### 1.1 PURPOSE

Proper management of conflicts of interest is a requirement for Paddle Australia, its Member States and Paddling Clubs (individually a Paddling Organisation, collectively the Paddling Organisations). The purpose of this policy is to help the Board of Directors or similar governing body (Board), Committee, Panel, Advisory Group and Working Party members of Paddling Organisations, as well as Employees and Contractors, to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Paddling Organisations and manage risk.

### 1.2 OBJECTIVE

Paddling Organisations aim to ensure that Board, Committee, Panel, Advisory Group and Working Party members (called the 'Members' in this policy) as well as Employees and Contractors (called the 'Employees') are aware of their obligations 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 Paddling Organisations.

### 1.3 SCOPE

This policy applies to the Members and Employees of any Paddling Organisation which resolves to be governed by it.

## 2. DEFINITION OF CONFLICT OF INTEREST

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of a Paddling 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). It also includes a conflict between a Member's duty to a Paddling Organisation and another duty that the 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 Member will make a decision based on, or affected by, these influences, rather than in the best interests of the organisation and must be managed accordingly.

For the avoidance of doubt, a conflict of interest may occur where a Member or Employee has an interest in two or more of the Paddling Organisations. Such interests must be disclosed and managed in accordance with this Policy.

While each situation must be assessed according to its individual circumstances, three hypothetical examples of conflicts are presented at Appendix 1, as a guide to Paddling Organisations.

## 3. POLICY

### 3.1 OUTLINE OF POLICY

This policy has been developed because conflicts of interest commonly arise and do not need to present a problem to Paddling Organisations if they are openly and effectively managed. It is the policy of Paddling Organisations 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 Paddling Organisations.

Paddling Organisations will manage conflicts of interest by requiring Members to:

- Avoid conflicts of interest where possible;
- Identify and disclose any conflicts of interest;
- Carefully manage any conflicts of interest; and
- Follow this policy and respond to any breaches.

### 3.2 RESPONSIBILITY OF THE BOARD

The Board is responsible for:

- Establishing a system for identifying, disclosing and managing conflicts of interest across the organisation;
- Monitoring compliance with this policy; and
- Regularly reviewing this policy basis to ensure that the policy is operating effectively.

### 3.3 IDENTIFICATION AND DISCLOSURE OF CONFLICTS OF INTEREST

All Members and Employees must assess whether there is a potential personal interest (whether pecuniary or non-pecuniary) that could raise a conflict of interest relevant to Paddling Organisations matters.

Members and Employees of Paddling Organisations must:

- Declare any potential, actual or perceived conflicts of interest to management that exist on becoming employed or commencing a voluntary role with a Paddling Organisation;
- Declare any potential, actual or perceived conflicts of interest that arise or are likely to arise to management during employment or once commencing a voluntary role with a Paddling Organisation;
- Avoid being placed in a situation where there is potential, actual or perceived conflict of interest if at all possible.

Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Paddling Organisation's register of interests. For Members it must be raised with the relevant Board, Committee, Panel, Advisory Group or Working Party, for Employees it must be raised with the Chief Executive Officer or corresponding role within the relevant Paddling Organisation (CEO). For matters relating to the CEO it must be raised with the President or corresponding role of the Paddling Organisation (President). The register of interests shall be maintained by the CEO or their delegate and 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).

## 4. ACTION REQUIRED FOR MANAGING CONFLICTS OF INTEREST

### 4.1 CONFLICTS OF INTEREST OF MEMBERS

Once the conflict of interest has been appropriately disclosed, the Board, Committee, Panel, Advisory Group or Working Party (excluding the Member disclosing and any other conflicted Member) must decide whether or not those conflicted Member(s) should:

- Vote on the matter (this is a minimum);
- Participate in any debate; or
- Be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Member from regularly participating in discussions, it may be worth the Board, Committee, Panel, Advisory Group or Working Party considering whether it is appropriate for the person conflicted to resign. A Committee, Panel, Advisory Group or Working Party may refer a Conflict of Interest issue to the Board for consideration.

In deciding what approach to take, the Board, Committee, Panel, Advisory Group or Working Party will consider:

- Whether the conflict needs to be avoided or simply documented;
- Whether the conflict will realistically impair the disclosing Member's capacity to impartially participate in decision-making;
- Alternative options to avoid the conflict;
- The Paddling Organisation's objects and resources; and
- The possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the Paddling Organisation or Paddling Organisations.

The approval of any action requires the agreement of at least a majority of the Board, Committee, Panel, Advisory Group or Working Party (excluding any conflicted 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 interests.

### 4.2 CONFLICTS OF INTEREST OF EMPLOYEES

Once the conflict of interest has been appropriately disclosed, the CEO or corresponding role must determine the extent to which the conflict requires management. Options for managing the conflict include:

- Documenting the conflict on the Paddling Organisation's register of interests;
- Referring the conflict to the Board for consideration;
- Reassigning the Employee to avoid the conflict; or
- Putting in place ongoing reporting and/or management requirements for the Employee, to ensure that the ongoing management of the conflict is appropriate.

In deciding what approach to take, the CEO will consider:

- Whether the conflict needs to be avoided or simply documented;

- Whether the conflict will realistically impair the disclosing Employee's capacity to work in the relevant area;
- Whether the conflict places the Employee in breach of his/her contract of employment;
- Alternative options to avoid the conflict;
- Whether, if steps are taken to avoid the conflict, the disclosing Employee's or any other Employee of PA's role will be materially affected;
- The Paddling Organisation's objects and resources; and
- The possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, Paddling Organisations.

Any management plan put in place by the CEO shall be reported to the Board.

#### 4.3 CONFLICTS OF INTEREST OF CEO

Once the conflict of interest has been appropriately disclosed, the President must determine the extent to which the conflict requires management. Options for managing the conflict include:

- Documenting the conflict on the Paddling Organisations register of interests;
- Referring the conflict to the Board for consideration;
- Reassigning management of the relevant area to avoid the conflict; or
- Putting in place ongoing reporting and/or management requirements for the CEO, to ensure that the ongoing management of the conflict is appropriate.

In deciding what approach to take, the President will consider:

- Whether the conflict needs to be avoided or simply documented;
- Whether the conflict will realistically impair the CEO's capacity to continue in that role;
- Whether the conflict places the Employee in breach of his/her contract of employment;
- Alternative options to avoid the conflict;
- Whether, if steps are taken to avoid the conflict, the disclosing CEO's or any other Employee of PA's role will be materially affected;
- The Paddling Organisation's objects and resources; and
- The possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, Paddling Organisations.

Any management plan put in place by the CEO shall be reported to the Board.

#### 5. COMPLIANCE WITH THE 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.

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, including their employment relationship if appropriate, with Paddling Organisations.

If a person suspects that a Board member has failed to disclose a conflict of interest, they must inform the CEO immediately. If a person suspects that the CEO has failed to disclose a conflict of interest, they must inform the Board immediately.

## 6. CONTACT

For any questions about this policy, please contact the CEO or corresponding role of the relevant Paddling Organisation.

## APPENDIX 1

*This Appendix seeks to provide hypothetical examples of conflicts of interest, in order to assist Paddling Organisations in the assessment and management of conflict:*

### Example 1:

A Paddling Organisation is considering the purchase of some boats to assist in the development of young paddlers. One of the Directors of the Paddling Organisation has a financial interest in a boat manufacturer who produces the type of craft being considered for purchase.

The Director must disclose this interest to the Board of the Paddling Organisation (Section 3.3) and have the conflict noted of the register of interests (Section 3.3). The Board must then consider the conflict and determine the appropriate management process (Section 4.1).

### Example 2:

A Paddling Organisation has determined to award financial scholarships to paddlers to assist them in attending the Paddle Australia Championships which are being held in a different state. The CEO of that Paddling Organisation has been responsible for the provision of a list of recommended athletes to the Board of the Paddling Organisation, which has approved the awarding of the scholarships in accordance with those recommendations. One of the athletes who has received a scholarship is the niece of the CEO, which was not disclosed by the CEO at the time of making the recommendation.

A person who is aware of this situation is to report the matter to the Board of the Paddling Organisation (Section 5). The Board is then to investigate the circumstances and make a determination as to whether there has been a failure to disclose under the Policy and, if so, what the appropriate action should be (Section 5).

### Example 3:

A Paddling Organisation has a volunteer Committee which handles complaints and protests arising out of Competitions managed by that Paddling Organisation. One of the Committee members is a participant in those Competitions.

As a Member of the Paddling Organisation (Section 1.2), the Committee member is bound by the Policy and must declare the potential conflict, to be entered into the Paddling Organisation's register of interests (Section 3.3). The Committee must then consider the conflict and determine the appropriate management process (Section 4.1). If the potential conflict is deemed to be so great, the Committee is to refer the matter to the Board for its consideration.