



HUMANE SOCIETY INTERNATIONAL

HSI CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS POLICY

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1. CONFLICT OF INTEREST POLICY

1.1 APPLICATION

This policy will apply to all Officers of the HSI which for the purposes of this policy will include all people who hold a position of authority or trust at HSI. This includes (but is not limited to) employees, contractors, volunteers and Board members.

1.2 INTEGRITY OBLIGATION

Officers are obliged to act with integrity to ensure public, stakeholder and client confidence in the HSI by setting standards of conduct.

These standards assist to ensure that our actions, conduct and relationships do not raise questions about our willingness to serve the organisation in a politically and ideologically non-partisan manner; that we use official powers, influence, resources and information properly and not for personal or other improper advantage; and that we maintain proper confidentiality of official information.

The standards contained in the Policy will help to ensure that the HSI, in both substance and public image, is an organisation that:

- A. Is deserving of public trust;
- B. Maintains and enhances public confidence in the integrity of its own administration;
- C. Is focused on delivering the purposes described within its Constitution.

In doing so, Officers, acting individually and/or collectively, shall ensure that they:

- (a) Do not improperly use any official powers or position, or allow them to be improperly used; and
- (b) Ensure that any conflict that may arise between the official's personal interests and official duties is resolved in favour of the organisation's interest; and
- (c) Disclose any fraud, corruption or maladministration of which they become aware.

1.3 CONFLICT OF INTEREST

1.3.1 Overview

In contributing to decisions and actions taken by the HSI, Officers will act honestly, in good faith and in the best interests of the HSI as a whole and as part of the wider community.

Officers will not allow personal interests or the interests of any associated person or organisation to conflict with the interests of the HSI or the public interest.

Where any conflict exists, it shall be resolved in favour of the organisation and the public interest.

EXAMPLE

An “apparent” conflict of interest may exist if a person perceives a conflict which is not there. For example, a Board member may have an interest in a company that deals with HSI but has properly declared their interest and withdrawn from the decision-making process. This may be perceived as a conflict however is managed internally to ensure that no real conflict can develop.

A “potential” conflict exists if a private interest is taken further. For example, a Board member who is to participate in selecting a supplier may be invited to a function sponsored by the supplier.

An “actual” conflict occurs when an interest would be considered by a reasonable person, possessing all relevant facts, to conflict with public duty. This would occur, for example, if a Board member with a financial interest in a supplier continued to participate in purchasing decisions relating to the supplier.

Where an apparent, potential or actual conflict is identified or perceived, the conflict of interest must be disclosed to the President and/or CEO as soon as practicable after the Officer becomes aware of the relevant facts.

Resolution of Conflicts of Interest

It is the role of the Board to resolve any conflicts of interest. Depending on the nature and circumstances of the conflict, the Board may:

- Take action to ensure that the relevant Officer does not have access to HSI information which is relevant to the conflict.
- Direct the Officer to absent themselves from all meetings which involve discussion or decision-making, including voting, relevant to the matter which is the subject of the conflict.
- Take steps to ensure that deliberations of the Board are not directly or indirectly influenced by the conflict.
- Consider that the Officer's input is necessary to decision-making and so receive the Officer's input while bearing in mind the conflict which has been disclosed.

Any discussion of conflicts of interest or their management is to be fully recorded in the minutes of that meeting.

Voting at board meetings

A Board member who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for the purposes of the vote.

The Board member may not vote on the contract or transaction and shall not be present in the meeting room when the discussion of the contract or transaction is held or when vote is taken.

The conflict and ineligibility to vote shall be reflected in the minutes.

These requirements to abstain from voting and to not be counted in determining a

quorum can be overruled with a unanimous resolution of the board.

EXAMPLE

The partner of an HSI Officer is employed by a company that has caused serious environmental damage in Moreton Bay. The HSI is considering its media response.

Analysis: There is a primary obligation on the Officer to disclose their relationship with the company before their participation in any discussion of the matter. Secondly, once the conflict of interest is known it must be managed by the Board as indicated above. Thirdly, under these circumstances there is a potential issue of disclosure of information which must be managed.

Resolution: The Board must make a judgement whether to exclude the Officer from being present at further discussions on the matter. The issue of disclosure of information may also need to be managed, for example by clearly defining what information is confidential particularly in relation to that Officer with the possible conflict of interest.

1.4 DECLARATION AND REGISTRATION OF INTERESTS

The integrity of the HSI and its Officers can be protected from criticism by placing personal interests on the record in advance of decisions being made. To this end, there will be a routine annual registration of financial and other interests which could constitute a basis for conflict of interest.

Registration requires Officers to register any personal and immediate family interests, pecuniary and otherwise, which are relevant to the functions of HSI.

The registration form is attached to this Code. The form is to be lodged with the President on an annual basis.

Officers must ensure that they keep the details of the statement of interest up to date for any changes to their situation.

1.5 RELATED PARTY TRANSACTIONS

HSI may from time to time undertake transactions with related people or organisations. Related party is defined by the Australian Accounting Standards Board (AASB) in AASB 124 Related Party Disclosures and refers to the following as related parties for a registered charity:

- a person connected to the charity such as a Responsible Person or a close member of their family that has control or joint control of the charity
- a parent entity, subsidiary entity, fellow subsidiaries, associate or joint venture
- a member or a close member of their family, of the key management personnel of the charity (the people with authority and responsibility for planning, directing and controlling the activities of the charity directly or indirectly)

A related party transaction is defined in AASB 124 as a transfer of resources, services or obligations between a charity and a related party regardless of whether a price is charged and can include purchases, sales, donations, receipt of goods,

services or property, leases, loans, guarantees, transfers of property including intellectual property and provision of employees on a paid or complementary basis.

If a transaction is identified as a potential related party transaction, it must be immediately disclosed to the President and/or CEO and will be dealt with in the same manner as any other conflict of interest. Any discussion regarding the transaction will be recorded in the minutes of the relevant meeting and any related party transactions will be recorded in the Conflict of Interest/Related Party Transaction Register. Furthermore, any such transactions will be disclosed in the annual financial statements in accordance with the standard on related party transactions, AASB 124 Related Party Disclosures.

1.6 GIFTS AND BENEFITS

HSI does not accept any Officers being entitled to receive any payment or other valuable consideration or benefit except as decided by HSI under their terms of employment or as otherwise agreed by the Board.

Officers, including Board members, shall therefore not seek any form of reward for their work for HSI beyond these primary agreements.

Monetary and/or material gifts are not to be accepted from outside parties under any circumstances.

In relation to non-monetary gifts, Officers will be bound by an overriding ethical principle that any gift must not call into question the integrity of the Officer or the HSI. No gift should be accepted, regardless of monetary value, if acceptance would potentially raise questions of obligation towards the donor or if the gift by its nature would be inappropriate. In these circumstances, a gift should be politely refused and an explanation provided in the context of this Policy to avoid offence to the person offering the gift.

In the interest of total transparency, all offers of monetary and/or material gifts to Officers and acceptance of gifts by Officers is to be disclosed to the Board and recorded in Board Minutes.

1.7 DISCLOSURE OF OFFICIAL INFORMATION

Officers will not improperly disclose official information acquired through membership of, or association with, the HSI. This prohibition applies irrespective of whether the Officer member would directly or indirectly gain a personal advantage or advantage for an associated person, and irrespective of whether detriment would be caused to HSI.

Officers will abide by this obligation after their term on the Board or employment has concluded.

1.8 DISCLOSURE OF PERSONAL INFORMATION FOR OFFICIAL PURPOSES

Officers are to be provided with an opportunity to review and approve any personal information that the HSI will make available publicly for official purposes (eg. personal biography on website etc).

1.9 USE OF INFLUENCE TO SECURE ADVANTAGE

Officers will not take advantage of their position, influence or connections to improperly influence any decision or to gain advantage for themselves or another person.

Officers will also ensure that no person within or external to HSI is able to improperly influence Board decision-making or circumvent due process within the HSI.

Officers will not seek to advantage any particular part of HSI over any other part, nor allow themselves to be a vehicle for undue influence by a particular employee of HSI.

1.10 PUBLIC COMMENT ON GOVERNMENT POLICY AND ADMINISTRATION OR TO THE MEDIA

Generally, the Head of Campaigns or Programs or the relevant campaign lead will be the HSI spokesperson on issues pertaining to their portfolios, under direction of the CEO. In certain circumstances, the CEO will be the appropriate spokesperson or signatory on matters of Government policy. For matters pertaining to governance, the CEO or Board President will act as spokesperson.

If an Officer is requested to comment without notice, they should decline the offer and refer the matter to the CEO or the President.

Officers should not publicly or semi-publicly pre-empt the outcomes of unresolved matters being considered within HSI. They should also ensure that they do not publicly or semi-publicly contradict the policies of HSI. They should avoid disclosing any details about any internal discussions or Board deliberations.

As private citizens however, Officers have the same right as any members of the community to make public comment about political and social issues that affect them. In doing so, Officers are to ensure any statement is attributed to them as a private individual and not linked to HSI; avoids contradicting the views and policies of HSI; and generally does not bring HSI into disrepute.

1.11 PARTY-POLITICAL, PROFESSIONAL AND TRADE UNION ACTIVITY

Officers will ensure that any party-political, professional or trade union activity does not impose an ongoing conflict with the interests of HSI. Officers are to adopt a politically neutral stance in all HSI business and communications.

1.12 OTHER EMPLOYMENT

Officers should ensure that other employment in which they may be engaged does not impose an ongoing conflict of interest which will interfere with their ability to perform their HSI duties and responsibilities.

1.13 TESTIMONIALS, REFEREE AND SELECTION REPORTS

When providing any official reference that will be seen as an official representation by HSI, all Officers must ensure that the information provided is accurate and can be substantiated.

Generally, any requests for Testimonials and Referee or Selection Reports should be referred to the CEO or the President.

1.14 INTELLECTUAL PROPERTY AND COPYRIGHT

The Board is accountable to ensure that intellectual property and copyright restrictions are not breached through any action or decision of the organisation.

Where an Officer is considering the use or potential use of materials to which such restrictions may apply (eg. for HSI publications), reasonable action should be taken to ensure that no breach of restrictions occurs.

1.15 GENERAL PROMOTIONAL AND COMMERCIAL ACTIVITIES

The Board is to ensure that any commercial business or sponsorship which it authorises will maintain HSI's good reputation. Commercial support and sponsorship should be consistent with the standards, goals and integrity of HSI.

1.16 OBLIGATION TO DISCLOSE FRAUD, CORRUPTION AND MALADMINISTRATION

All Officers have a general obligation to disclose fraud, corruption and maladministration on the basis that such actions are by their nature contrary to the interests of the organisation.

As a general rule, the President of the Board should be advised by an Officer if they suspect any of the following:

- 'Fraud' : gaining a benefit by deception;
- 'Corruption' : the misuse of an official position to procure a benefit for yourself or another

party; and

- 'Maladministration' : an unlawful administrative action which is arbitrary, unjust, oppressive or improperly discriminating, or administrative actions taken for improper purposes.

2. HSI – CONFLICT OF INTEREST DECLARATION

Email

TO: CEO – HSI

EMAIL: emartin@hsi.org.au

HSI BOARD - CONFLICT OF INTEREST DECLARATION

(Please delete or draw a line through the paragraphs which are not applicable)

1. I confirm that, in relation to my position with HSI, **I am not aware of any actual or potential or perceived conflict of interest situations.**

OR

2. I confirm that, in relation to my position with HSI, all actual or potential or perceived conflict of interest situations of which I am aware **have been advised to the Board.**

OR

3. I confirm that, in relation to my position with HSI, all actual or potential or perceived conflict of interest situations of which I am aware **that have not been advised to the Board previously are listed below/on the attached page.**

Signed Date/...../

Name Position

3. HSI CONFLICT OF INTEREST/RELATED PARTY TRANSACTION REGISTER

