

1. Purpose of the policy

Femili PNG Australia (FPNGA) is committed to high standards of ethical conduct and accordingly places great importance on making clear any existing or potential conflicts of interest and related party transactions. The purpose of this policy is to help Board members, staff, volunteers, and contractors effectively identify, disclose, and manage any actual, potential, or perceived conflicts of interest in order to protect the integrity of FPNGA and manage risks. This policy also outlines procedures to ensure that related party transactions are disclosed and managed, and any conflicts of interest that may arise are appropriately managed.

FPNGA aims to ensure that Board members, staff, volunteers, and contractors 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 FPNGA.

2. Policy application

This policy covers FPNGA and applies to all Board members (including ex officio members), staff, volunteers and contractors but, for simplicity, will refer to Board and staff members.

3. Definitions

Personnel	A FemiliPNG Australia staff member, contractor or volunteer
Representative	A FemiliPNG Australia Board member
Conflicts of Interest	<p>A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of FPNGA. 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).</p> <p>It also includes a conflict between a board or staff member's duty to FPNGA and another duty that the Board or staff member has (for example, to another organisation). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.</p> <p>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 the organisation, and must be managed accordingly.</p>
Related Party Transactions	Related parties and related party transactions are defined under Australian Accounting Standard Board (AASB) 124 Related Party Disclosures. Femili PNG and FPNGA are related parties under AASB 124. Related party transactions is a transfer of resources, services or obligation between a reporting entity and a related party.

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4. Policy

Conflicts of interests may occur if an interest or activity influences, or appears to influence, the ability of a Board member to exercise objectivity. This Policy has been developed because conflicts of interest commonly arise, and do not need to be a problem for FPNGA if they are openly and effectively managed.

It is the policy of FPNGA, and the responsibility of the Board and staff, to make clear any ethical, legal, financial or other conflicts of interest. All such conflicts of interest shall be declared by the Board or staff member concerned and documented in the Register of Interests in Annex A.

FPNGA will manage conflicts of interests by requiring Board and staff members to:

- Avoid conflicts of interests where possible;
- Identify and disclose any conflicts of interest;
- Carefully manage any conflicts of interests;
- Respond to any breaches;
- Not initiate or take part in Board discussions or staff meetings on topics where conflicts of interest exist unless invited to do so by unanimous agreement of other members present; and
- Not vote on matters where there are conflicts of interest.

Conflict of interest may arise in related party transactions. FPNGA will manage any related party transactions according to clear procedures with an emphasis on disclosure, and in a transparent and accountable manner. FPNGA will undertake responsible financial management.

4.1 Responsibility of the Board and FPNGA CEO

The Board and the FPNGA CEO are responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest and related party transactions across the organisation;
- acting honestly and fairly in the best interests of FPNGA and not misusing their positions;
- monitoring compliance with this Policy; and
- periodically reviewing this Policy to ensure that it is operating effectively.

FPNGA is registered with the Australian Charities and Not-for-profits Commission (ACNC) and hence must ensure that its board members are aware of the ACNC governance standards and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5. The ACNC governance standards are available at www.acnc.gov.au/for-charities/manage-yourcharity/governance-hub/governance-standards/5-duties-responsible-persons and a copy of governance standard 5 is also provided at Annex B.

4.2 Identification and disclosure of conflicts of interests and related party transactions

Board members shall declare any conflicts of interest of which they become aware either at the start of the Board meeting concerned or when the relevant issue arises. The nature of this conflict of interest will be entered into the meeting minutes. The interest will also be documented in the Register of Interests.

Where all of the other Board members share a conflict, the Board can refer to governance standard 5 to ensure that proper disclosure occurs. The Register of Interests will be maintained by the FPNGA Chair and CEO. The Register of Interests records information related to a conflict of interest including the nature and extent of the conflict of interest and any steps taken to address it.

Staff can declare an actual or perceived conflict of interest at any time, by raising it with their supervisor or the FPNGA CEO. The conflict is reported to the FPNGA CEO and a separate Register of Interests is maintained for

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staff, contractors and volunteers, also noting the nature and extent of the conflict of interest and any steps taken to address it.

Related party transactions are registered by the FPNGA Finance and Administration Officer on the Related Party Register. These transactions include donations from Responsible Persons and their family members, their pro bono work, and transfers between FPNGA and Famili PNG. The Register is provided to the Australian auditor to determine whether the related party transactions need to be disclosed under AASB 124.

4.3 Confidentiality of disclosures

Only the following people will have access to the information relating to conflicts of interest disclosed by Board and staff members:

- Board members and Board observers;
- FPNGA CEO; and
- FPNGA staff (on a need to know basis).

5. Action required for management of conflicts of interest

5.1 Conflicts of interests of board members

Once the conflict of interest has been appropriately disclosed, the Board (excluding the Board member disclosing and any other conflicted Board member) must decide whether or not those conflicted Board members should:

- vote on the matter (this is a minimum);
- participate in any debate; and
- 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 Board member from regularly participating in discussions, it may be worth the Board considering whether it is appropriate for the conflicted person to resign from the Board.

5.2 What should be considered when deciding what action to take

In deciding what approach to take, the Board and FPNGA CEO 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 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 organisation.

In certain circumstances, the approval of action may require the agreement of at least a majority of the Board (excluding any conflicted Board member/s) or Management who are present and voting at the meeting. In this case, the action and result of the voting will be recorded in the minutes of the meeting and in the Register of Interests.

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6. Related Party Transaction Procedures

Related party transactions details are recorded appropriately to ensure the transparency and integrity of its financial reporting. Board members, staff, volunteers, and their family members will declare any related party transactions. The following procedures will apply to related party transactions:

- Femili PNG's Executive Management Committee and FPNGA CEO to approve and fully document any transfers between Femili PNG and FPNGA.
- Pro bono contributions by responsible persons and their family members to FPNGA will be tracked and disclosed.
- Donations by responsible persons and their family members to FPNGA will be tracked and disclosed.
- Donations, pro bono activities and funds transfers to FPNGA will be registered by the Finance and Administration Officer and provided to the auditor.
- Related parties to act in accordance with the conflict of interest provisions and ACNC Governance Standard 5.

7. Compliance with policy

If the Board or FPNGA CEO or staff 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 or FPNGA CEO may take action against them. This may include seeking to terminate their relationship with the organisation.

If a person suspects that a Board or staff member has failed to disclose a conflict of interest, they must discuss with the person in question and notify the other Board members, or the FPNGA CEO in the case of staff.]

8. Policy amendments

All policies are subject to review and endorsement by the FemiliPNG Australia Board. Suggestions about this policy are welcome and should be directed to the FemiliPNG Australia CEO. Any amendments or changes to the Policy will be submitted to the Board for endorsement.

The CEO is responsible for maintaining this document, including updating confirmed changes, informing staff of the changes, and disseminating the latest version to all personnel.

This policy will be reviewed every three years, or as needed to meet governance obligations and/or changes in legislation.

9. Related documents

Document number	Document name
PROC-003	Whistleblowing Procedure

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Annex A – Register of Interests

Name of board member	Description of interest	Has the board been notified of the interest?	Date of disclosure	Steps taken by the board for dealing with the conflict	Actions taken by the board member to address the conflict

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Annex B – ACNC Governance Standard 5

Governance standard 5: Duties of responsible persons

This standard requires charities to take reasonable steps to make sure that the following duties apply to responsible persons and that they follow them. The duties can be summarised as follows:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the charity and for its charitable purposes
- not to misuse their position or information they gain as a responsible person
- to disclose conflicts of interest
- to ensure that the financial affairs of the charity are managed responsibly, and
- not to allow the charity to operate while it is insolvent.

Generally, the duties mean that responsible persons should act with standards of integrity and common sense.

Purpose of this standard

A charity must make sure that its responsible persons are required to meet a set of legal duties. This ensures that they act in the best interest of the charity and in a way that doesn't endanger its work. Responsible persons have a responsibility to put the interests of their charity above their own personal interests. Generally, they need to be careful and conscientious in their roles and act with standards of common sense and integrity.

The purpose of this standard is to give the public confidence that your charity's responsible persons are managing the charity well and meeting these duties.

Ways to meet this standard

Steps your charity can take to meet this standard are to:

- bring these duties to the attention of responsible persons (such as providing them with a copy of this guidance or other resources) or outline their duties in a letter of appointment or by setting them out in a board or committee charter
- regularly provide information or training to responsible persons on their duties to refresh their knowledge (such as by advising of ACNC webinars on relevant topics, such as Welcome to the board)
- encourage responsible persons to attend, prepare for, and participate at meetings
- have processes for the responsible management of money
- have processes in place to manage conflicts of interests, and
- take action if your responsible persons are failing to meet their duties.

Other laws on the duties of responsible persons

Your charity's responsible persons may already be subject to duties under other laws that apply to it. For example:

- equivalent duties exist in state or territory incorporated associations legislation – if your charity and its responsible persons comply with these duties, your charity will meet this standard
- for companies under the Corporations Act 2001 (Cth), the governance standards replace most requirements relating to director duties under this Act. However, some criminal offences under this Act and similar duties under common law continue to apply. Read more about the changes for charities registered with ASIC and ACNC, and
- trustees will generally have higher duties (for example, under the common law)

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