



## Managing Conflict of Interest on ACE Committees

Communities are made up of connected individuals. These connections might be based on family, business or social relationships. Each of these connections brings with it a set of shared interests.

Because ACE organisations are community-based, their committees will inevitably include people with connections to each other and to other individuals and organisations in the community. This is both an enormous strength and one of the biggest challenges of the ACE sector.

### What is Conflict of Interest?

Mostly the many interests that we bring to the table of an ACE provider are benign, meaning they have no effect on our work on ACE Committees at all. Often these connections and interests are of great benefit to the ACE Committee. However, even the most beneficial of connections may have the potential to conflict with the interests of the organisation in the right circumstances.

Some examples of conflict of interest could be (but are not limited to):

- When a Committee member or his/her immediate family or business interests stands to gain financially from any business dealings, programs or services of the organisation.
- When a Committee member him or herself offers a professional service to the organisation.
- When a Committee member stands to gain personally or professionally from any insider knowledge if that knowledge is used to personal advantage.
- Where a Committee member or the ex/officio member of the Committee has a role on the governing body of another organisation, where the activities of that other body may be in direct conflict or competition with the activities of the ACE organisation. (from [www.ourcommunity.com.au](http://www.ourcommunity.com.au))

### Potential Conflict of Interest

If committees excluded people with potential conflict of interest, most ACE organisations would find it hard to fill their committees. The aim is not to exclude people with a potential conflict of interest; rather it is to manage this potential conflict of interest.

All ACE Committees should have an up to date Conflict of Interest Policy for the Committee. If your committee doesn't have one, you need to write one. A good example of one can be found at [http://www.ourcommunity.com.au/files/boards/Conflict\\_of\\_Interest.doc](http://www.ourcommunity.com.au/files/boards/Conflict_of_Interest.doc)

Once you have a policy, make sure you implement it straight away. We tend to think of

declaring a potential conflict of interest as bad or embarrassing. However, it is not. Regularly declaring a potential conflict of interest and absenting yourself from decision-making around these topics is the sign of a mature and healthy committee.

There may be circumstances on your Committee, where a member's potential conflict of interest is so great that it impacts on most of the work of the Committee. Where this is the case, it may be in the best interests of the organisation for the person to resign from the committee and to offer their services in another capacity.

## Some Practical Examples

- Sue is an ESL tutor at an ACE provider and has recently joined the Committee as a staff representative. The committee has to decide whether the organisation will sign on to a new enterprise agreement. Sue stands to benefit financially from the decision so she declares a conflict of interest. The Chair leaves this item till the end of the meeting so that Sue can leave early.
- John is the Treasurer at his ACE provider. The committee are seeking some governance training and they get quotes from three consultants. One of them is John's brother in law. John declares this to the meeting and leaves the meeting when the committee discuss whom they will employ.
- Alan is the Chair of an ACE provider and his daughter Sue works there as a volunteer. A paid administration job comes up at the centre and Sue thinks that she will apply for the job. Alan declares this to the committee. The committee outsources the recruitment process to ACEVic and Alan asks the deputy chair to sit on the interview panel in his place.
- Wendy is a teacher at a regional TAFE Institute and the Secretary on the Board of her local ACE provider. Wendy has recently been promoted into a management role where she will have control of some areas of programming and planning. The TAFE and the ACE provider are in direct competition with each other in these program areas. Wendy decides that the potential conflict of interest is so great that it is time for her to move on from the committee. She offers her time to train and mentor the new secretary.

## Getting Support

Managing Conflict of Interest is at the basis of ethical practice. Handled well it represents the mature management of governance. Handled badly it can descend into shame and blame on the one hand or unethical conduct on the other. If you need support on conflict of interest or any other issue of governance, don't hesitate to call the ACEVic office on 9315 2610.