ANGLICAN DIOCESE OF GRAFTON
POLICIES AND PROCEDURES

SUBJECT: **CONFLICT OF INTEREST MANAGEMENT**		**REFERENCE NUMBER** GEN-010
DATE APPROVED 6 August 2026 by Bishop-in-Council		**VERSION 3** Replacing previous version dated 27 April 2023
IMPLEMENTATION DATE Immediate	**REVIEW FREQUENCY** As required but at least 3 yearly	**RESPONSIBLE FOR REVIEW** Bishop-in-Council

1. PURPOSE

The purpose of this policy is to help members of the governance bodies of the Anglican Diocese of Grafton (the Diocese) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest, in order to protect the integrity of the Diocese's governance processes and manage risk.

2. SCOPE

2.1 This policy applies to the members of Bishop-in-Council, The Corporate Trustees of the Diocese of Grafton, Diocesan Audit Committee, Finance Committee, Grafton Anglican Schools Commission, Presentation Boards, Professional Standards Committee and Parish Councils.

2.2 To the extent that any committee or working group of the above governance bodies have a delegation to make a decision with financial or operational impact, this policy also applies to members of such committees and working groups.

2.3 This policy does not apply to a person participating in a general meeting such as the Synod or a Parish Annual General Meeting, although when moving, seconding or debating a motion that overlaps with the person's interests, the person is encouraged to reveal their other interest in the matter.

3. DEFINITIONS

"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 the Diocese. 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 (e.g. as an owner or a shareholder).

A Conflict of Interest also includes a conflict between a member's duty to the Diocese and another duty that the member has (e.g. to another charity). Members of governing bodies may have competing governance roles, employment or other interests or allegiances within the Diocese which also need to be managed.

A Conflict of Interest may be actual, potential or perceived and may be pecuniary (financial) or non-pecuniary (non-financial). A conflict exists where a reasonable and informed person could perceive that a member's private interests may improperly influence, or appear to influence, the exercise of their duties to the Diocese.

"Diocese" – means the Anglican Diocese of Grafton.

"Governing Body" – means Bishop-in-Council, The Corporate Trustees of the Diocese of Grafton, Diocesan Audit Committee, Finance Committee, Grafton Anglican Schools Commission, Presentation Boards, Professional Standards Committee and Parish Councils.

"Non-Pecuniary Interest" - means a personal, family, ministry, parish, professional, governance, charitable, cultural, relational or other interest that does not amount to a pecuniary interest but may influence or be perceived to influence judgement.

"Pecuniary Interest" - means a reasonable likelihood or expectation of financial gain or loss to the member, a Related Party, close family member, employer, business partner or associated entity. Pecuniary Interests may be categorised in three ways:

- Minor Interest (under $5,000)
- Moderate Interest ($5,000 to $50,000)
- Significant Interest (Over $50,000)

"**Related Party" –** A member of a Governing Body or their close family members

"Related Party Transaction" – A transfer of resources, services or obligations between related parties. A related party transaction can include:

- purchases, sales or donations
- receiving goods, services or property
- leases
- transferring property, including intellectual property
- loans
- guarantees
- providing employees or volunteers
- a related party providing professional services (for example, accounting or legal services) at a discounted rate or for free

4. PRINCIPLES

4.1 The Diocese is committed to the proper management of Conflicts of Interest as an exercise of good governance to improve decision making and confidence in the decisions made.

4.2 This policy aims to ensure that members of governance bodies are aware of their obligation 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 the Diocese. In this regard, the following principles are key:

4.2.1 The Christian mission and ministry of the Diocese takes priority;

4.2.2 Openness and transparency are to be practiced by all members;

4.2.3 It is the obligation of the person with the Conflict of Interest to bring this to the attention of the other members of the Governing Body in a timely way;

4.2.4 Proper handling of a perceived or potential Conflict of Interest is as important as managing an actual Conflict of Interest;

4.2.5 Decisions on Conflicts of Interest should be taken with a low tolerance for the risk of allowing a member participate in decision making processes when they have an unresolved Conflict of Interest;

4.2.6 Conflicts of Interest are common and they do not need to be considered a problem, as long as they are openly and effectively managed.

5. REQUIREMENTS

5.1 Ethical, legal, financial or other conflicts of interest are to be disclosed and managed and any conflicts that arise do not conflict with the good governance and the mission and ministry of the Diocese.

5.2 Members of governance bodies are required to:

5.2.1 Disclose actual, potential and perceived conflicts whether pecuniary or non-pecuniary

5.2.2 avoid significant conflicts of interest where possible;

5.2.3 complete a Conflict of Interest declaration when appointed to the Governing Body and then on an annual basis (Schedule A);

5.2.4 identify and disclose any new or changed conflicts of interest. All new or changed conflicts must be declared within 14 days of becoming aware of it;

5.2.5 carefully manage any conflicts of interest or related party transactions, and

5.2.6 follow this policy and respond to any breaches.

5.3 Each Governing Body is required to:

5.3.1 monitor compliance with this policy,

5.3.2 ensure that Conflicts of Interest and Related Party Transactions arising and actions to manage them are included in minutes of the Governing Body's meetings, and

5.3.3 ensure that its members are aware of the Australian Charities and Not-for-profit Commission (ACNC) Governance Standards, particularly Governance Standard 5 – Duties of Responsible Persons, and that they disclose any actual or perceived material conflicts of interests as required by that Standard.

5.3.4 create and keep current a register of interests.

5.3.4.1 Members and staff non-members who are key in providing information and advice to the Governing Body, are to complete a Conflict of Interest Declaration as per Schedule A, on an annual basis.

5.3.4.2 Each Governing Body, or the Bishop-in-Council in lieu of the Governing Body, may require an alternate declaration to be completed that includes topics of particular concern to the work of the Governing Body.

5.3.4.3 The register of interests is to be available to all other members of the Governing Body.

5.3.4.4 For Parish Councils, the Secretary shall be responsible for maintaining the Register. For Diocesan Governing Bodies and Committees, the Registrar shall maintain the Register.

5.3.4.5 To the extent that the register contains private personal information, it should not be used for any purpose outside of the scope of this policy. All private information must be handled in accordance with the *Privacy Act 1988* and GEN-001 Privacy Policy. All records must be stored in compliance with REG-003 Retention of Records.

5.3.5 create and keep current a register of Related Party Transactions. The Register must record, for each Related Party Transaction:

- the name of the Related Party and their relationship to the Diocese;
- a description of the nature and purpose of the transaction;
- the monetary value or estimated value of the transaction;
- the date of disclosure and the date of the transaction;
- the approving authority and the basis on which approval was given; and
- any conditions attached to the approval.

6. RELATED PARTY TRANSACTIONS

6.1 As a Basic Religious Charity (BRC) registered with the Australian Charities and Not-for-profits Commission (ACNC), the Anglican Diocese of Grafton is not legally required to manage or report Related Party Transactions under the ACNC Act 2012. However, the Diocese voluntarily adopts a higher standard of governance in this area, consistent with its Christian values of transparency, accountability and faithful stewardship of the resources entrusted to it.

6.2 Members of Governing Bodies must identify and disclose any actual, proposed or potential Related Party Transaction as soon as they become aware of it, and in any event no later than 14 days before the transaction is entered into, where it is reasonably practicable to do so.

6.3 Before a Related Party Transaction is entered into, the relevant Governing Body must assess and, where appropriate, formally approve the transaction. In doing so, the Governing Body must satisfy itself that:

- the transaction is in the best interests of the Diocese;
- the terms and conditions are arm's length and fair to the Diocese (i.e. no less favourable than those that could be obtained from an unrelated party in comparable circumstances);
- the Related Party has made full disclosure of their interest; and
- the Related Party has not participated in the decision to approve the transaction.

6.4 The level of scrutiny and the approving authority for a Related Party Transaction will be proportionate to the significance and value of the transaction, as follows:

- **Minor transactions** (under $5,000): must be disclosed and recorded in the Register of Related Party Transactions.
- **Moderate transactions** ($5,000 to $50,000): must be disclosed, assessed for arm's length terms, and approved by a resolution of the relevant Governing Body with the Related Party excluded from voting and deliberations.
- **Significant transactions** (over $50,000 or any transaction of unusual nature or strategic significance): must be disclosed, supported by independent evidence of arm's length terms (such as market quotes or a professional valuation), and approved by Bishop-in-Council with the Related Party excluded from voting and deliberations.

6.5 Notwithstanding clauses 6.3 and 6.4, the following Related Party Transactions are prohibited unless expressly approved by Bishop-in-Council in which the Related Party has not participated in the deliberation or vote:

- loans to a Related Party (other than standard employment entitlements);
- the transfer of a significant asset of the Diocese to a Related Party below market value; and
- any guarantee given by the Diocese in respect of a Related Party's personal obligations.

6.6 Where a Related Party Transaction also gives rise to a Conflict of Interest under this policy, both this section and the Conflict of Interest management requirements in section 8 apply. In the event of any inconsistency, the more stringent requirement prevails.

7. MANAGING CONFLICTS OF INTEREST

GOVERNANCE PROCESSES

7.1 Once the Conflict of Interest has been appropriately disclosed, the members of the Governing Body (excluding the member who has made the disclosure, as well as any other conflicted member) must decide within its meeting, whether or not those conflicted members should:

- vote on the matter,
- participate in any debate, or
- be present in the room during the debate and the voting.

The default position for minor non-pecuniary conflicts is to record but remain present, participate in discussion and vote. The default position for minor pecuniary and moderate non-pecuniary conflicts is the conflicted person may remain present, participate in discussion but abstain from voting. The default position for moderate pecuniary conflicts is that the conflicted person may remain present, but abstain from discussion (unless asked) and voting. The default position for significant pecuniary and significant non-pecuniary conflicts is withdrawal from discussion and voting. Disclosures and management actions must be recorded in minutes and the Register of Interests.

7.2 In the event that a conflict causes the Governing Body to lose quorum, the matter must be delayed to the next meeting where a quorum can be made.

7.3 In exceptional circumstances, such as where a conflict is very significant or likely to prevent a member from regularly participating in discussions, the Governing Body should consider if it is appropriate for the person conflicted to resign from the Governing Body.

CONSIDERATIONS

7.4 In deciding what approach to take, the Governing Body will consider:

- whether the conflict needs to be simply documented or whether other action is required,
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making,
- alternative options to manage the conflict,
- the Diocese's mission,
- available resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the Diocese or a part of the Diocese.

7.5 The approval of any action requires the agreement of at least a majority of the members of the Governing Body (excluding any conflicted member/s) who are present and voting at the meeting.

7.6 The action and result of voting will be recorded in the minutes of the meeting and the register of interests subsequently updated.

8. COMPLIANCE WITH THIS POLICY

8.1 If a Governing Body has a reason to believe that one of its members or a staff member subject to the policy, has failed to comply with this policy, it will ensure the circumstances are investigated.

7.1.1 Any investigation must commence within 14 days of a concern being raised.

7.1.2 The investigation shall be conducted by the Registrar unless they are the subject of the investigation, in which case it shall be the Bishop or Bishop's delegate. The investigation shall be completed in within 60 days.

7.1.3 The subject of the investigation has the right to respond to any matters raised.

8.2 If it is found that this person has failed to disclose a Conflict of Interest, the Governing Body may decide to take action against them. Possible actions are:

- Including a note in the minutes to the effect that the Governing Body is of the view that the particular action or inaction is unacceptable;
- Providing the person with a letter of censure,
- Requiring the person to undertake education or revision relating to the management of conflicts of interest;
- Requesting the Bishop-in-Council to remove the person from the Governing Body;
- Requesting the Bishop-in-Council to remove the person from all involvement with the governance processes of the Anglican Diocese of Grafton and its entities.

The above list of actions is not exclusive and other actions within the authority of the Governing Body may be considered. More than one action may be taken.

8.3 If a person who is not a member of the relevant Governing Body suspects that a member of that body has failed to disclose a Conflict of Interest, they must provide details of their concern and relevant supporting information to one or more of the following:

- The Chair of the relevant Governing Body,
- The Registrar,
- Or where each of the above is a subject of the report, the Bishop.

9. FORMS

9.1 Standard Conflict of Interest Declaration Form (Schedule A)

9.2 Corporate Trustees Conflict of Interest Declaration Form (Schedule B)

9.3 Grafton Anglican Schools Commission Conflict of Interest Declaration Form (Schedule C)

10. REFERENCES

- Managing Conflicts of Interest Guide- Australian Charities and Not-for-profit Commission: https://www.acnc.gov.au/tools/guides/managing-conflicts-interest-guide

- ACNC Governance Standards, particularly Governance Standard 5 – Duties of Responsible Persons: https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards/5-duties-responsible-persons

- Diocesan Governance Ordinance 2008, with reference to clauses 4.17, 65.1, 75.3(q), 111.4, 112.2, 230.4: https://www.graftondiocese.org.au/documents/ordinances/

THE ANGLICAN DIOCESE OF GRAFTON
PO Box 4
GRAFTON NSW 2460
Email: admin@graftondiocese.org.au

SCHEDULE A

CONFLICT OF INTEREST DECLARATION

In accordance with the good governance practice that members of governance bodies will annually disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their responsibilities, I hereby declare the following:

1. **Personal and other family parish affiliation.**

2. **Personal and other family member involvement in diocesan organisations/committees.**

3. **Personal and other family involvement in organisations that have provided goods or services to the Diocese of Grafton or one of its entities in the last 5 years or would view the Diocese of Grafton or one of its entities as a potential customer.**

4. **Personal and other family involvement in organisations that would be competing with the Diocese of Grafton or one of its entities for business, grants or membership.**

5. **Other interests and relationships that could, or could be seen to, impact upon Committee responsibilities.**

NAME:	
SIGNATURE:	**DATE:**
POSITION:	

Please return to: admin@graftondiocese.org.au

Sample Only

THE CORPORATE TRUSTEES OF THE DIOCESE OF GRAFTON
PO Box 4
GRAFTON NSW 2460
Email: admin@graftondiocese.org.au

SCHEDULE B

CONFLICT OF INTEREST DECLARATION

In accordance with the good governance practice that Corporate Trustees will annually disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their responsibilities, I hereby declare the following:

1. **Personal and other family investments in financial institutions where funds under the care of the Corporate Trustees is placed (accounts, not monetary value).**

2. **Personal and other family involvement in diocesan organisations or institutions.**

3. **Personal and other family investments in financial products or equities that are, or being considered as, the subject of diocesan investments.**

4. **Other interests and relationships that could or could be seen to impact upon Trustee responsibilities.**

Sample Only

NAME:	
SIGNATURE:	**DATE:**
POSITION: *Member of The Corporate Trustees of the Diocese of Grafton*	

Please return to: admin@graftondiocese.org.au

THE GRAFTON ANGLICAN SCHOOLS COMMISSION
PO Box 4
GRAFTON NSW 2460
Email: schools@graftondiocese.org.au

SCHEDULE C

CONFLICT OF INTEREST DECLARATION

In accordance with the good governance practice that Commission members will annually disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their responsibilities, I hereby declare the following:

1. **Personal and other family member pecuniary/non-pecuniary involvement in diocesan educational institutions.**

2. **Personal and other family member pecuniary/non-pecuniary involvement in diocesan organisations/committees.**

3. **Other Board and Committee involvement.**

4. **Other interests and relationships that could, or could be seen to, impact upon Commission responsibilities.**

Sample Only

NAME:	
SIGNATURE:	**DATE:**
POSITION: *Member of the Grafton Anglican Schools Commission*	

Please return to: schools@graftondiocese.org.au