

Pacific Conference of Churches

Operations Manual

Finance and Administration

Governance Policies

Conflicts of Interest Policy

Document History

Version	Date	Author	Comment
1.0	16 March 2022	JS Bhagwan	Approved by Executive Committee 25 April 2022
2.0			

Overarching Policy Framework

This Policy is to be read in conjunction with Governance Policies - Introduction. This sets out the PCC Business Units to which this Policy applies, together with the Scope of the Policy and overarching Principles, Policies, Procedures and Guidelines.

Background

Members of Boards and Committees, employees, volunteers, Ministers, consultants and contractors have a duty under common law to act in the best interests of the organisation in which they serve. They should act in good faith and should not seek to gain any personal benefits from their service for themselves, their families or their friends (other than remuneration or benefits as specified in their employment, appointment, placement or contract arrangements). Employees have additional obligations that are established in the relevant Human Resources Policies and Procedures, in their employment contracts, and in the relevant Codes of Conduct.

Conflicts of interest can be real, potential or perceived. They can be direct or indirect. They can involve financial, personal, influence and loyalty aspects. While conflicts of interest are not necessarily wrong in themselves, they must be disclosed and effectively managed. If not, the functioning of an organisation can be undermined and its reputation damaged.

Policy Statement – General

This policy has been adopted by the PCC Executive Committee on [date].

1. All staff, volunteers and members of Committees must declare new or changes to existing conflicts of interest promptly to their Manager, Chairperson or General Secretary;
2. Managers (for staff or volunteers) or Chairpersons (for Committee members) will decide if the conflict-of-interest declaration warrants written documentation and recording in the Conflicts of Interest Register, and will determine the appropriate response on behalf of PCC;
3. Conflict of Interest Registers must be maintained by the General Secretary; and
4. Conflicts of Interest Register must be reviewed annually by the PCC Executive Committee or its Finance and General Business Committee.

Policy Statement - Governance

As soon as a member of a Committee becomes aware that a real, potential or perceived conflict of interest may exist, he or she must notify the General Secretary or Moderator at the earliest opportunity. After consultation, the General Secretary or Moderator will determine the seriousness of the conflict and the appropriate response. The General Secretary or Moderator should also be advised of any significant change in the nature of the conflict of interest.

Policy Statement - Management

As soon as an employee, volunteer, consultant or contractor becomes aware that a real, potential or perceived conflict of interest may exist, he or she must notify the General Secretary at the earliest opportunity. After consultation, the General Secretary will determine the seriousness of the conflict and the appropriate response. The General Secretary should also be advised of any significant change in the nature of the conflict of interest.

Further Information and Guidelines

The Appendix contains additional information that applies as Policy Guidance to PCC. The Appendix may be of assistance to PCC Agencies or Business Units.

Related Governance Policy

- 6.10 Fraud Prevention Policy
- 6.15 Whistleblower Policy

Access to Relevant Reference Material

The Conflicts of Interest Policy will be included on the PCC's website.

Policy Owner

General Secretary

Appendix - Policy Guidance

The Appendix contains additional information that applies as Policy Guidance to PCC and any PCC Agencies for which annual accounts are prepared by the PCC's Accounting Unit.

The Appendix may be of assistance to any PCC Agencies and Business Units.

Conflicts of Interest that can arise - Governance

Conflicts of interest can occur when a person's private interests conflict with his or her duties as a member of a Committee. Conflicts of interest can also arise between a person's duties when engaged with PCC or other organisations. Members have a duty to declare, at the earliest opportunity, that a conflict of interest may exist, and to take steps to resolve it. If in doubt regarding a particular situation, it should be discussed with the General Secretary or Moderator.

Conflicts of Interest that can arise - Management

Conflicts of interest can occur when a person's private interests conflict with his or her duties as an employee, volunteer, Minister, consultant or contractor. Conflicts of interest can also arise between a person's duties as an employee, volunteer, Minister, consultant or contractor when engaged with PCC or other organisations. Employees, volunteers, Ministers, consultants and contractors have a duty to declare, at the earliest opportunity, that a conflict of interest may exist, and to take steps to resolve it. If in doubt regarding a particular situation, it should be discussed with the relevant manager.

Advice of a Real, Potential or Perceived Conflict of Interest

The advice provided to the Moderator, Executive Committee, Finance and General Business Committee, General Secretary or manager must clearly state the nature of the conflict of interest and the steps being taken to resolve it. Such advice should be provided as soon as possible after the person becomes aware that a conflict may exist.

Resolution Process for Conflicts of Interest

Arrangements that involve real, potential or perceived conflicts of interest are not necessarily prohibited. Rather, there must be a transparent process where all interests are declared, addressed with care and managed consistently and effectively. Nevertheless, in some circumstances, it may be possible or desirable for conflicts of interest to be avoided completely. The expectation is that people associated with PCC will always meet or exceed minimum community standards and PCC's Values.

In the Resolution of Conflicts of Interest affecting Governance and Management (see below), the individual can be asked to resolve the conflict i.e. not to leave it in place.

Resolution of a Conflict of Interest - Governance

Professional and commercial work undertaken for an organisation by members of its Governance Body raises significant implications relating to community standards, ethics, values, perceptions of PCC, and the good governance of the organisation. Each identified real, potential or perceived conflict of interest needs to be considered individually, and a range of solutions may be appropriate. Depending on circumstances, the Chairperson of a meeting shall determine the appropriate option to be followed, such as:

- Members of a Committee are advised of the situation and allowed to determine the appropriate course of action for a particular member to take;
- A Member of a Committee may participate in a discussion, then be asked to abstain from voting;
- A Member of a Committee may participate in a discussion, then be asked to leave the meeting while a particular decision is made;
- A Member of a Committee may be asked to leave the meeting while a particular item is under discussion;
- A Member of a Committee may choose to resign or be asked to resign; or
- In exceptional circumstances, a Committee may need to terminate a person's membership.

Resolution of a Conflict of Interest- Management

Each identified real, potential or perceived conflict of interest needs to be considered individually, and a range of solutions may be appropriate. Depending on circumstances, the General Secretary shall determine the appropriate option to be followed, such as:

- Word of caution or instruction - verbal or written;
- Transfer of some duties to another person;
- Transfer to other duties; or
- In exceptional circumstances, where a breach has occurred of sufficient gravity, dismissal.

Recording a Conflict of Interest - Governance

As early as possible in every meeting of a Committee, a specific Agenda item should give members and guests the opportunity to declare any conflicts of interest that may exist. Reference to specific items on the Agenda will often be appropriate. The Minutes of meetings must record any conflicts of interest declared. If a standing conflict of interest exists, it must be declared initially and repeated at least annually. The Conflicts of Interest Register is maintained by the General Secretary. An example of a Conflicts of Interest Register is shown below. The Chairperson is responsible to ensure that each conflict of interest is recorded in the Conflicts of Interest Register.

Recording a Conflict of Interest- Management

An appropriate note is recorded on the relevant register. If a standing conflict of interest exists, it must be declared initially and repeated at least annually. Conflicts of Interest Register is maintained by the General Secretary. An example of a Conflicts of Interest Register is shown below. The Finance and Administration Manager is responsible to ensure that each conflict of interest is recorded in the Conflicts of Interest Register.

Acceptance of Gifts

Conflicts of interest are often associated with the offering or acceptance of gifts. Conflicts of interest should always be resolved in favour of PCC, not in favour of the employee, volunteer, consultant, contractor, member of a Committee. This may mean that the person should decline to accept a gift. However, in some cultures, declining the gift could cause offence. Another option might be for the gift to be given to PCC, if this is identified as being in the interest of PCC. Details relating to the acceptance of Gifts by PCC are set out in the Appendix to Governance Policy - Fraud Prevention Policy.

Conflicts of Interest Register (example)

Name of employee, volunteer, consultant, contractor, member of Committee and role/position	Description of Interest and real, potential or perceived conflict	Self, family member or friend	Current or when ceased	Steps being taken to resolve conflict of interest
Mr T Smith Member of ASC Director of XYZ	XYZ supplies IT services to the PCC office	Self	Current	
Rev. A. Jones Director of Ministry in Frontier Services	Ms P. Jones (wife) is CEO of Government Department providing funding for all aged care services in Fiji	Wife	Current	
Mr P. Brand Member of the PCC Executive Committee	Mr G. Brand (son) has recently been appointed as Managing Director of the PCC's Auditor	Self and Son	Current	

Conflict of Interest Process - Overview

