



Engaging the community in a celebration of locally grown food

CONFLICT OF INTEREST PROTOCOL

An integral part of the board's commitment to ethical governance is ensuring that no individual profits from Millen Farm's operations.

The board is committed to ensuring any conflicts between personal interests and those of Millen Farm are made transparent and managed in a way that protects our reputation as a not for profit, community focused organisation.

It is not wrong for individuals to have interests that might compete with Millen Farm's interests. What matters is that there is transparency and any interests are considered and treated in a meaningful way with decisions being documented and communicated.

Who does this apply to?

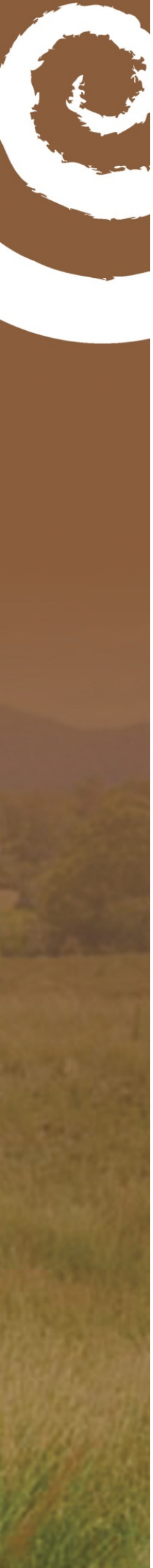
Anyone involved in Millen Farm has an obligation to act in an ethical way and avoiding conflicts of interest is part of that.

However Board members and employees have a higher level of responsibility under legislation governing companies limited by guarantee. Their formal role enacts the general law requirement that they must not conduct themselves in such a way that their interests conflict with those of the organisation they serve.

This higher level of accountability stems from the fact that people in these roles make decisions about Millen Farm's operations and ultimately decide how funds raised through memberships, sponsorships, donations and grants are spent.

What is a conflict of interest?

According to the Independent Commission against Corruption, "a conflict of interest occurs when you as an official are in a position to be influenced or appear to be influenced by your private interests when you are doing your job. A conflict of interest can involve avoiding personal disadvantage as well as gaining personal advantage. Your private interests may include social and professional activities and interests with individuals or groups, including family and friends, as well financial interests."



If you were to research ten different explanations of exactly what constitutes a conflict of interest you might get ten different answers. That's because a conflict of interest depends a lot on context. Generally, a conflict of interest situation arises when your duty to Millen Farm clashes with your duties, obligations or interests elsewhere. This includes your business or workplace interests or even those of family or friends. Some examples follow:

- A board member's family business is given a contract without any other quotes being asked for.
- A board member assists a third party in their dealings with Millen Farm, where such assistance could result in favourable treatment being granted to the third party.
- A board member's business bids for a board-controlled contract and is successful, even though it's not the most competitive bid.
- A steering committee member's daughter is given a job, without the position being advertised.
- A steering committee member receives gifts or loans from Millen Farm.
- A volunteer appropriating intellectual property of Millen Farm for personal benefit.

The situations as described above can cause real damage to public confidence in Millen Farm and the reputations of individuals – even those not directly involved.

Failing to adequately deal with a conflict of interest may not always be illegal, but it will almost always be unethical.

There are other situations that can give rise to potential or perceived rather than actual conflicts of interest, which can be just as serious in undermining public confidence eg:

- The board is planning to engage a consultant and a board member wants his/her company to bid.
- A board member receives a gift from a company that is tendering for a contract with Millen Farm.
- Being a member of the Steering committee while also working for a government agency that provides funding to Millen Farm.

In summary an actual conflict of interest is after the fact and that's what we want to avoid. We want an environment where people are proactively come forward with any perceived or potential conflicts for a determination to be made – both an individual's own interests and any concerns about other's interests.

When raising concerns about others, the intention is that we are all looking out for one another and different perspectives can bring to light potential risks to our reputation so we don't find ourselves having to repair our reputation or worse lose sponsors and members.

Strategies for avoiding a conflict of interest

Board and Steering Committee members do not live within the prism of their volunteer role but have a range of other personal and professional interests and relationships. It is no surprise that almost all will come across a real, potential or perceived conflict of interest at some point.

To prevent conflicts of interest, Millen Farm is committed to:

- Fair and transparent decision making to remove any perceptions that the board's and steering committee processes are carried out in undue secrecy or that things are being hidden.
- Competitive processes to assess contracts and other business deals.
- Yearly declarations detailing all the businesses, groups and other boards that board members and steering committee members and their family members are affiliated with.

What to do when you believe there is a conflict of interest

Individual interests can change over time and so can Millen Farm's. Anyone involved in Millen Farm who feels there may be a conflict of interest should notify the board immediately in writing.

Information about the interest and how it may conflict with Millen Farm's interests needs to be outlined. The Board will consider the matter and provide their decision in writing.

Whilst the Board is considering the matter you can do the following:

- Ask not to be included in on any Board or internal papers that discuss the matter.
- Avoid any informal discussions that might influence fellow Board members on the matter.
- When the matter is raised formally during a meeting, declare your interest and leave the room. Don't wait to be asked. Ask to be called back when the item has been dealt with. Ensure the minute-taker notes why and when you left and when you rejoined the meeting.
- Seek legal advice if you are in doubt about how to handle a real or potential conflict of interest.
- If you feel it is impossible to resolve the conflict or your personal interest outweighs your Millen Farm interest, consider resigning or moving into a less formal role.
- If you feel your outside interest is less important than your interest in Millen Farm, consider withdrawing from your outside interest.

The process for making a determination

When a matter is raised with the Board, the following process is followed to make a determination.

Step 1: Determine who should consider the matter

The Board should firstly discuss who is able to determine a matter raised and ensure there is a quorum. If necessary a member/s of the Steering Committee can be invited to a Board meeting to participate and ensure due and appropriate consideration is given.

Step 2: Determine if the matter raised presents a real, potential or perceived conflict of interest.

- Is the person in a position to make decisions or influence decision making in relation to the matter?
- Will this person's personal activities impede our ability to achieve our goals?
- Will these activities impede our ability to raise funds?
- Could these activities harm our reputation in the community?
- How would our sponsors, donors or members feel about this?
- How high is the risk and how likely is it that there will be a consequence of not addressing this?

Step 3: Determine a course of action

The Board can then determine a course of action which could include but is not limited to the following:

- No action being taken
- Excluding the person from any activities or processes that put the person in a decision or even influencing capacity where they may become compromised
- Being open and explicit about the matter with sponsors/donors/members and community to ensure they understand our position and any action taken
- Asking the person to resign from their official role

Step 4: Document the matter. The Board's minutes will reflect:

- Who was present during the discussion
- How each person voted
- Reasons for deciding whether or not a matter does present a potential, perceived or actual conflict of interest
- The actions taken including how the above is to be communicated

Step 5: Natural justice

The principles of natural justice apply to these determinations. That is, where it is determined that an action is to be taken by the Board and an individual feels they are being adversely affected, that individual has the right of reply.

In these instances the individual has 10 calendar days from when the decision is communicated to submit their reasons. Submissions are made in writing to the Millen Farm Chair.