

Conflict of interest policy

1. Purpose

The purpose of this policy is to help members of the Council of the ACT Law Society to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the ACT Law Society and manage risk.

2. Objective

The Council of the ACT Law Society (the 'Council') is committed to high standards of ethical conduct. The Council accordingly aims to ensure that Council members 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 ACT Law Society (the 'Society').

3. Scope

This policy applies to the Council members and other officers of the Society, including the Chief Executive Officer and managers who are part of the senior leadership team of the Society, and members of any of the Society's established committees. References to a Council member in the remainder of this policy are taken to also apply to those other officers and members for the purposes of the policy.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the Society.

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 or employee).

It also includes a conflict between a Council member's duty to the Society and another duty that the Council member has (for example, to another organisation). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

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 Society.

Therefore these situations must be managed accordingly.

5. Policy

This policy has been developed to address conflicts of interest affecting the Society.

Conflicts of interest are common, and they do not need to present a problem to the Society as long as they are openly and effectively managed.

It is the policy of the Society, as well as a responsibility of the Council, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to the Society.

Council members are not barred from engaging in business dealings with the Society, provided that these are negotiated at arm's length without the participation of the Council member concerned.

The Society will manage conflicts of interest by requiring Council members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

5.1. Responsibility of the Council

The Council is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the Society
- monitoring compliance with this policy, and
- reviewing this policy on a regular basis to ensure that the policy is operating effectively.

The Society must ensure that its Council members are aware of their duties as directors of the Society and disclose any actual or perceived material conflicts of interests as appropriate.

The duties as directors can be summarised as follows:

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

5.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Society's register of interests, as well as being raised with the Council.

Where every other Council member shares a material conflict, then the conflict of interest should be disclosed to the members of the Society.

The register of interests must be maintained by the Society's Executive Secretary. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

5.3 Confidentiality of disclosures

If a Council member is in doubt about whether information can be disclosed, the Council member should be open and transparent with the other Council members, and consider what is best for the Society.

Where a Council member has an interest that may be regarded as confidential, the Council member may disclose an interest without disclosing the full details of the interest. The declaration of the interest should be recorded in the minutes on that basis and the Council member should not participate in any discussion relating to the matter.

6. Action required to manage conflicts of interest

6.1. Conflicts of interest of Council members

Once the conflict of interest has been appropriately disclosed, the Council (excluding the Council member who has made the disclosure, as well as any other conflicted Council member) must decide whether or not those conflicted Council members should:

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

6.2. What should be considered when deciding what action to take

In deciding what approach to take, the Council 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 Society's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the Society.

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

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

7. Compliance with this policy

If the Council 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 Council may take action against them. This may include seeking the Council member's resignation from the Council or making an own motion complaint against the person, where appropriate.

If a person suspects that a Council member has failed to disclose a conflict of interest, they must specify in writing to the Executive Secretary the basis of this potential conflict, for notification to, and consideration of, the Council.

Approved by the Council on: 20 March 2023

To be reviewed: 20 March