

CONFLICT OF INTEREST PROTOCOL

1. Purpose

This policy states AICIP's position on conflict of interest, including the requirement of stakeholders that conflict of interest is avoided wherever possible, or:

- identified and declared; and
- actively managed.

Stakeholders will encounter conflict of interest and AICIP acknowledges that conflicts will not always be able to be avoided. They must however be identified and appropriately managed to ensure we earn and maintain the highest levels of integrity and trust.

AICIP has issued this policy to support behavior consistent with the *AICIP Code of Conduct and Code of Ethics*. All stakeholders are required to comply with this policy.

2. Application

This policy applies to all stakeholders. For the purpose of this policy, this includes: volunteers; employees; contractors; consultants; inspectors; and any individuals or groups undertaking activity for; or on behalf of; or as a representative through certification; of AICIP.

3. Policy principles

AICIP is committed to and will uphold the following principles in applying this policy:

Public interest: all stakeholders have a duty to place the public interest above their private interests when carrying out their official duties.

Accountability: all stakeholders are accountable for avoiding wherever possible or identifying, declaring and managing any actual, potential or perceived conflict of interest that applies to them. Stakeholders with direct reports are accountable for overseeing management of their direct reports' conflict of interest, modelling good practice and promoting awareness of conflict of interest policies and processes.

Risk-based approach: AICIP will take a proactive approach to assessing and managing conflict of interest risks. Those with direct reports will ensure they are aware of the conflicts inherent in their team's work and functions and monitor the risks to which their direct reports are exposed.

4. Definitions

Conflict of interest

A conflict of interest is where a stakeholder has private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their duties.

Conflicts may be actual, potential or perceived:

- Actual** conflict of interest: there is a real conflict between a stakeholder’s public duties and private interests.
- Potential** conflict of interest: a stakeholder has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.
- Perceived** conflict of interest: the public or a third party could form the view that a stakeholder’s private interests could improperly influence their decisions or actions, now or in the future.

Private interest

A private interest means anything that can influence a stakeholder. Private interests include **direct** interests, such as a stakeholder’s own personal, family, professional or business interests, as well as **indirect interests**, such as the personal, family, professional or business interests of individuals or groups with whom the stakeholder is, or was recently, closely associated.

Private interests may be **pecuniary** (i.e. financial), which includes any actual, potential or perceived financial gain or loss, as well as **non-pecuniary**, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting, cultural or social activities.

5. Process

Stakeholders must avoid wherever possible or identify, declare and manage conflict of interest in accordance with this policy.

A) Identify conflict of interest

Stakeholders should regularly consider the relationship between their private interests and public duties in order to identify any conflict of interest (for example, before major projects, decisions or policy development).

Additionally, those with direct reports must consider the risk profile of their team and its functions and ensure direct reports are aware of any increased risks of conflict of interest in their work.

Whilst conflict of interest may occur, some functions and activities are higher risk than others and may require increased risk mitigation measures.

The following functions are high risk within AICIP (not exhaustive):

- recruitment;
- procurement, contract management and tendering; and
- internal committee governance.

B) Declare conflict of interest

A conflict of interest must be declared. Stakeholders should discuss and register any conflict of interest with the Board. The declaration form sets out specific instructions for the for those completing and submitting the form and details their conflict of interest management plan.

C) Manage conflict of interest

Conflict of interest management plans will ensure conflicts are managed and resolved in the public interest rather than that of the individual and will be based on the following mitigation strategies:

Restrict:	restrictions are placed on their involvement in the matter.
Recruit:	a disinterested third party is used to oversee part or all of the process that deals with the matter.
Remove:	they remove themselves, or are removed, from the matter.
Relinquish or Resign:	they relinquish the private interest that is creating the conflict. Where relinquishing the interest is not possible (e.g. relationship with family) and the conflict cannot be managed in the public interest using one of the other options above, the stakeholder may consider resigning.

Declaration will be advised at the commencement of every board and general meeting.

The Risk Management Committee will manage the process.

6. Declaration and management of private interests

Directors, upon appointment, must adhere to this policy and advise within five working days if their circumstances have changed (i.e. their circumstances as they relate to their position):

- Executive Officers.
- Board appointees.
- Stakeholders assessed by AICIP as warranting declaration of private interests based on potential, perceived or actual conflict of interest risk.

7. Authorising Officer

This policy is issued under the authority of the AICIP Board and is subject to annual review.

8. Breaches

Any stakeholder's failure to avoid wherever possible or identify, declare and manage a conflict of interest in accordance with this policy could lead to disciplinary action including cessation as a member (consistent with clause 14.1 of the AICIP constitution). Contractors may be subject to contract re-negotiation, including termination.

For further information on managing breaches of this policy, please contact the Executive Officer.

9. Speak up

Stakeholders who consider that a conflict of interest may not have been declared or is not being appropriately managed should speak up and notify the Executive Officer.

The Board will take decisive action, including possible disciplinary action, against stakeholders who discriminate against or victimise those who Speak Up in good faith.

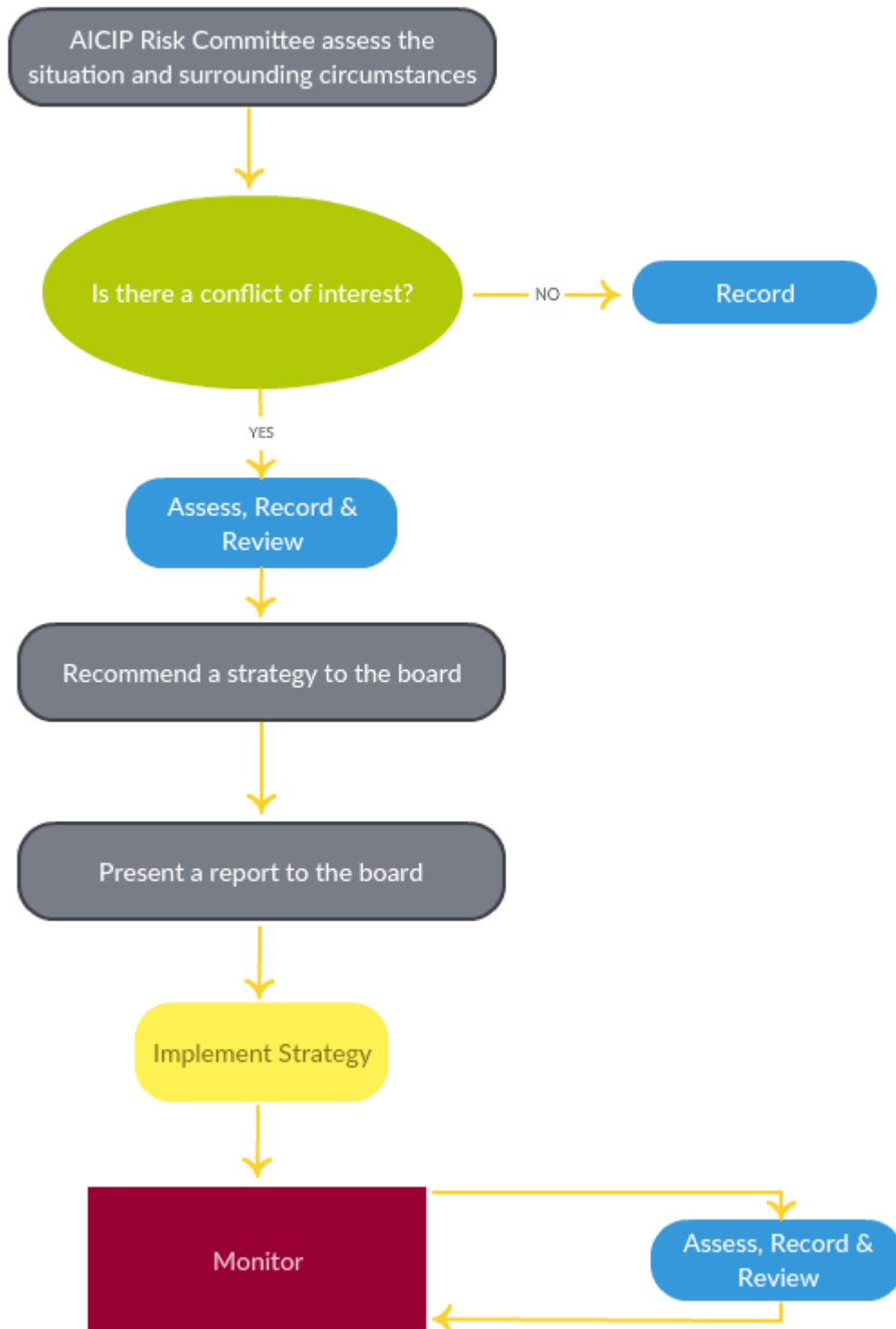


Figure 1. Conflict of Interest process