

## CONFLICT OF INTEREST - POLICY

### **PREAMBLE**

The following is the policy statement with regard to **conflict of interest**, insofar as it applies to members of 'committees' of the South Australia and Northern Territory District of the Lutheran Church of Australia.

In this statement:

- a) The term "conflict of interest" shall include conflict of duty;
- b) The word "committee" shall include committees, councils, standing committees, boards, schools, rest homes, auxiliaries and other bodies elected, appointed or created by the District or congregations of the District.
- c) The word "employee" shall include contractor;
- d) The word "congregation" shall include parish.

### **POLICY**

*"A basic principle of fairness – recognised in law and by the Church is that a person ought not to be in a position where the person has a conflict between that person's own interests and that person's duties to others or between two or more duties owed by the person. Thus "you cannot serve both God and mammon" - a purchasing officer cannot sell his own goods to his employer.*

*At a District Committee level this means that committee members may not be employees of the committee. Similarly, a committee member may not be a contractor for services supplied to the Church/District/Rest Home/School in matters where the committee decides or has influence on the selection of the contractor or prices or has to supervise or check the performance of the contract.*

*The reason for this is that a person who can benefit by the awarding of a contract has an interest which is quite inconsistent with a committee member's duty to decide that which is best for the Church or the committee or the congregation. Moreover, any assessment of whether a contract has been performed properly cannot be objectively achieved – achieved fairly – by a person whose actions are under assessment.*

*This does not mean that the Church ought not to benefit from the superior quality work which sincere Christian workers might provide in the secular world as a matter of Christian service and love for the Lord. However, to ensure that uncharitable suspicion does not cause unnecessary strife, committee members should scrupulously adhere to these guidelines.*

*For minor matters, withdrawal by the committee member from the room whenever the topic is discussed will be sufficient. For major matters, leave of absence or resignation from the committee is the only ethical course open."*

## **APPLICATION**

The application of the policy is to be as follows:-

1. No employee of the District or of a congregation (whether full-time, part-time or casual) may be a member of the committee to which the employee is answerable.
2. No spouse of a full-time employee of the District or of a congregation may be a member of a committee to which the employee is answerable.
3. No spouse of a part-time employee of the District or a congregation may be a member of the committee to which the person's spouse is answerable unless the committee expressly determines otherwise. In the case of a committee of the District such determination shall not take effect until ratified by the Church Council of the District. In the case of a committee of a congregation, such determination shall not take effect until ratified by the congregation.
4. No spouse of a full or part-time employee of the District or a congregation may be employed (full-time or part-time) by the District or the congregation if such employment or the performance thereof is to be supervised by the employee.
5. Points 1-4 may also be applicable in the case of children where the quality of the parent and child relationship is such as to raise a reasonable concern that a conflict of interest may arise.
6. A member of a committee who has a conflict of interest in relation to any matter before the committee shall declare such conflict to the committee and absent himself or herself from the decision making process of the committee in relation to that matter. This rule shall not operate so as to preclude the member from providing information to the committee in relation to the matter at its request.
7. No person who has a conflict of interest in respect of any matter of an ongoing nature for which the committee has responsibility may become a member of that committee. Having regard to the potential duration of an ongoing matter, a sitting member should either seek leave of absence or resign from the committee.
8. A person nominated for election or appointment to the committee whose election or appointment to the committee might create a conflict of interest for that person, shall present to the electing or appointing body prior to the election or decision to appoint, a written statement setting out the circumstances which might give rise to the conflict.
9. Any member of a committee who considers another member of the committee may have a conflict of interest in respect to any matter before the committee may raise the issue at that time. The issue shall, if necessary, then be debated and determined by the committee.
10. A declaration or determination of conflict of interest by a committee and the fact of the member's absence during the decision making process shall be recorded in the minutes of the meeting.