

CONFLICT OF INTEREST POLICY

1. REQUIREMENTS

- 1.1 A conflict of interest arises when the personal interests of the member may potentially interfere with the performance of his/her duties in GNCS. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interest of GNCS.
- 1.2 Members of the Centre have an obligation to act in the best interest of Centre. Hence, we need to avoid situations where there may be real, potential or perceived conflicts of interest, which may arise where a member's personal or family interest conflicts with those of Centre.
- 1.3 Such conflicts may create problems that may result in the following:
 - a) Cause damage to Centre's reputation which may lead to its inability to sustain operations;
 - b) Influence the members' judgment and compromise objectivity when conducting the Centre's affairs;
 - c) Restrict free discussion, thus resulting in decisions or actions that are not in the interests of the Centre; and
 - d) Risk the impression that the Centre has acted improperly.
- 1.4 This Policy aims to protect both the Centre and its members from any appearance of impropriety.

2. DEFINITIONS

- 2.1 "Member" refers to a Management Committee member, Sub-Committee member, Ordinary Membership person, staff member or volunteer member of GNCS.
- 2.2 "Policy" refers to the Conflict of Interest Policy.
- 2.3 "Interest" means any commitment, investment, relationship, obligation, or involvement, financial or otherwise that may influence a person's judgement. This would include:
 - a) Direct interest – ownership in the name of the member/staff;
 - b) Indirect interest – ownership beneficially held through another investment, estate, trust or other intermediary;
 - c) Vested interest – personal stake or involvement, which may or may not include an expectation of financial gain; and
 - d) Deemed interest – a member/staff is deemed to have an interest which his/her spouse/domestic partner holds an interest

- 2.4 A conflict of interest arises when the personal interests of the member may potentially interfere with the performance of his/her duties in GNCS. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interest of GNCS.

3. DECLARATION OF INTERESTS

- 3.1 The Conflict of Interest Policy shall be read and Conflict of Interest Disclosure Statement signed by each member upon appointment, acceptance of membership, hiring or enlisting as volunteer as an acknowledgement of having understood the policy and that he/she will fully disclose to the Management Committee when a conflict of interest situation arises. Such conflict of interests situations include but not limited to the following:

a) Contract with vendors

Where member have personal interest in business transactions or contracts that GNCS may enter into, there should be a policy requiring a declaration of such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation by the board or relevant approving authority in arriving at the final decision on the transaction/contract should always be well documented.

b) Vested interest in other organisations that have dealings/relationship with GNCS

Where member who have vested interest in other organisations that have dealings/relationship with GNCS, and when matters involving the interests of both GNCS and the other organisation are discussed, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on such matters.

c) Joint Ventures

The Management Committee's approval should be sought before GNCS enters into any joint venture with external parties. Where members have interest in such ventures, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on the matter.

d) Recruitment of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current member should go through the established human resource procedures for recruitment. The member should make a declaration of such relationships and should refrain from influencing decision on the recruitment.

e) Remuneration

Board members and volunteers should serve without remuneration for their voluntary service to GNCS so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, GNCS may reimburse board members or volunteers for out-of-pocket expenses directly related to the service.

f) Paid staff on board

Paid staff, including the executive head and senior staff employed by the GNCS, should not serve as a member of the Management Committee as it can pose issues of conflict of interest and role conflicts, and may raise doubts on the integrity of board decisions. The executive head and senior staff can attend board meetings, ex-officio, to provide information and facilitate necessary discussion but should not take part in the decision-making of the Management Committee.

g) Major donors / representatives from major donor companies being on the GNCS's Management Committee.

Potentially conflicting situations may arise where a major donor sits on GNCS's board, such as the following:

i. Conflict of Loyalty

Management Committee member may not have the overall best interests of the charity due to their vested interests or priorities. This may influence decisions relating to allocation of resources or the setting the organisation's directions. (There may be particular programme areas where a Management Committee member is vested in and is biased towards.)

ii. Use of information to influence donor decisions

Information accessible to Management Committee members may be used to influence donors' decision on allocations or the corporation they represent. This may result in staff not highlighting certain issues for fear that the donation may be affected. Issues of transparency and disclosure can arise.

iii. Pressure to release additional information to donor

Management Committee member may expect additional information from staff on how donations were used and the details of users.

iv. Personal benefit / gain / recognition

Management Committee member may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this board member in case the donor relationship is threatened.

h) Others

- i. A Management Committee member's organisation receives grant funding from the organisation he/she is serving.
- ii. Prohibition on gifts, entertainment and other favours from any persons or entities which do or seek business with the organisation.

3.2 Where any conflict of interest arises at a Board meeting, the Board member concerned shall neither vote on the matter nor participate in discussions. He or she will be secluded from the meeting. The reason to how a final decision was made on the transaction or contract shall be recorded in the minutes of the meeting.

4. DISCLOSURE POLICY AND PROCEDURE

- 4.1 Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - a) The conflicting interest is fully disclosed;
 - b) The person with the conflict of interest is excluded from the discussion and approval of such transaction;
 - c) A competitive bid or comparable valuation exists; and
 - d) The Management Committee has determined that the transaction is in the best interest of GNCS.
- 4.2 Disclosure involving Management Committee members should be made to the President (or if he/she is the one with the conflict, then to the Vice-President) who shall bring these matters to the Management Committee.
- 4.3 The Management Committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorised as just, fair and reasonable to GNCS. The decision of the Management Committee on these matters will rest in their sole discretion, and their concern must be the welfare of GNCS and the advancement of its purpose.
- 4.4 All decisions made by the Management Committee on such matters shall be minuted and filed.
- 4.5 Any disclosure of interest made by members where they may be involved in a potentially conflicting situation(s), must be recorded, filed and updated appropriately by all specified parties.
- 4.6 All members shall complete a Conflict of Interest Disclosure Statement at the end of each financial year for review by the Management Committee.