

	Conflict of Interest and Related Party Transactions Policy and Procedure	
	Type: Policy/Procedure	Approval Date: 20.04.26
	Document Owner: Governance	Version: 4.0
	Document No: ORH-29	Review History: 18.05.16, 25.07.16, 23.06.19, 08.02.23, 19.05.25, 20.04.26
	Approved By: Board	

1.0 INTRODUCTION

Our Rainbow House is committed to maintaining the highest standards of integrity, accountability, and transparency in all aspects of our work, both in Australia and internationally. We recognise that actual, potential, or perceived conflicts of interest—and related party transactions—can arise and must be appropriately identified, disclosed, managed, and resolved.

This policy provides a framework for managing conflicts of interest and related party transactions to ensure that personal, professional, or financial interests do not compromise, or appear to compromise, the independence, fairness, or integrity of Our Rainbow House decision-making. It also supports ethical and transparent procurement and financial practices and helps safeguard the trust placed in us by our stakeholders, donors, regulators, and the communities we serve.

2.0 REFERENCE

Associations Incorporation Act 1981 (Qld)
Australian Accounting Standards Board Standard (AASB 124 – Related Party Disclosures)
Australian Charities and Not-for-profits Commission Act 2012 (Cth)
Australian Charities and Not-for-profits Commission (ACNC) External Conduct Standards
Australian Charities and Not-for-profits Commission (ACNC) Governance Standards (Governance Standard 5 – Duties of Responsible Persons)
Australian Council for International Development (ACFID) Code of Conduct
Our Rainbow House Ethical Procurement Policy and Procedure
Our Rainbow House Partnership Agreement Template
Our Rainbow House Partnership Policy and Procedure
Our Rainbow House Prevention of Financial Wrongdoing Policy and Procedure
Our Rainbow House Register of Interests and Related Party Transactions

3.0 DEFINITIONS

Arms-length terms means the transaction occurs on normal commercial terms as if the parties were unrelated, without preferential treatment or influence arising from their relationship with Our Rainbow House.

Board Member a volunteer elected to the governing body at an Annual General Meeting of Our Rainbow House.

Conflict of Interest occurs when an individual's personal, professional, financial or other interests could improperly influence (or be perceived to influence) their duty to act in the best interests of Our Rainbow House. Conflicts can be:

Actual – a real conflict exists now.

Potential – a conflict may arise in the future.

Perceived – it appears that a conflict may exist, even if it does not.

This includes situations where an individual could gain an improper advantage for themselves, their family, friends, or associates due to their position within the organisation such as:

- personal or family relationships affecting hiring, procurement, or partnership decisions.
- financial interest in a company engaged by Our Rainbow House or its partners.
- involvement in outside activities or organisations that conflict with the objectives or impartiality of Our Rainbow House.

Related Party is a person or organisation that is connected to Our Rainbow House and has significant influence over the charity. This includes (but is not limited to) Board Members and their close family members, Senior staff and their close family members, and entities controlled or significantly influenced by any of the above. For clarity, “close family members” includes spouses, domestic partners, children, parents, siblings and any person who may be expected to influence, or be influenced by, the related person in their dealings with the organisation.

Related Party Transaction A related party transaction is any transfer of resources, services, or obligations between our organisation and related parties. It does not have to include financial payment. A related party transaction can include:

- purchases, sales or donations
- receiving goods, services or property
- leases
- transferring property, including intellectual property
- loans
- guarantees
- a Board Member providing professional services (for example, accounting or legal services) at a discounted rate or for free.

Reportable Incidents includes situations where the breach results in:

- Serious wrongdoing (e.g. fraud, corruption, misuse of funds)
- Significant financial loss or risk
- Harm to beneficiaries or the public
- Criminal activity
- Systemic governance failure (e.g. board knowingly ignoring conflicts)

Representative shall mean any board member, staff member, volunteer, student placement, apprentice, contractor, sub-contractor or any other person who is caused to undertake tasks or duties on behalf of Our Rainbow House.

Stakeholder means a person or group having an interest in the performance or success of our organisation.

4.0 SCOPE

This policy applies to:

- all representatives and third-party partners (including implementing organisations, suppliers, and service providers) engaged by, or acting on behalf of, Our Rainbow House, both in Australia and in Zambia.

5.0 PURPOSE

The purpose of this policy is to:

- protect the integrity, accountability, and transparency of Our Rainbow House.
- set out how Our Rainbow House identifies, discloses, manages and records actual, potential, or perceived conflicts of interest and related party transactions.
- ensure that decisions are made in the best interest of our organisation and the communities we serve and are in line with all legal and regulatory requirements.

6.0 RESPONSIBILITIES

6.1 The Board

The Board is ultimately responsible for ensuring effective governance of conflicts of interest and related party transactions.

The Board will:

- promote a culture of integrity, transparency and accountability across our organisation.
- ensure compliance with legal and regulatory requirements.
- establish and maintain systems for identifying, disclosing, recording and managing conflicts of interest and related party transactions.
- ensure that conflicts of interest are declared at the beginning of each Board and Business meeting and recorded in the minutes.
- determine appropriate management actions for declared conflicts.
- ensure that conflicted Board Members do not participate in discussion or decision-making regarding matters in which they have a conflict.
- formally approve or decline significant related party transactions by resolution.
- ensure that any related party transaction is demonstrably in the best interests of Our Rainbow House and on arm's-length terms.
- ensure all conflicts of interest and related party transactions are recorded accurately in the *Register of Interests and Related Party Transactions*, and that this document is reviewed at least annually.
- ensure appropriate financial statement disclosure of related party transactions where required.
- periodically reviewing procurement and partnership decisions to ensure fairness, transparency and compliance with this policy.
- review this policy at least every two years, or sooner if required by legislative or operational changes.

6.2 The Chair

The Chair is responsible for:

- ensuring conflicts of interest are declared at Board and Business meetings.
- determining, in consultation with the Board, how declared conflicts will be managed.
- ensuring conflicted Board Members are excluded from discussions and decisions where required.
- ensuring declarations and management actions are accurately recorded in meeting minutes.
- declaring and managing their own conflicts through another non-conflicted Board Member.

6.3 The Director

The Director, or a designated representative (e.g. staff member), is responsible for the operational implementation of this policy and will:

- ensure all staff, volunteers and relevant third parties are aware of and understand this policy and their disclosure obligations.
- require disclosure of conflicts of interest at commencement of engagement and whenever circumstances change.
- assess disclosed conflicts relating to staff and volunteers.
- escalate significant or complex conflicts to the Chair and/or Board.
- ensure procurement and partnership processes comply with arm's-length and competitive principles.
- support financial reporting obligations relating to related party disclosures.
- declaring and managing their own conflicts through the Chair or another non-conflicted Board Member.

6.4 All Representatives

All Representatives (as defined above) are individually responsible for:

- acting in good faith and in the best interests of Our Rainbow House at all times.
- exercising reasonable care and diligence.
- avoiding improper use of their position or information.
- proactively disclosing actual, potential, or perceived conflicts at the earliest opportunity.
- updating disclosures when circumstances change.
- complying with management actions determined under this policy.
- refraining from influencing decisions where they have a declared conflict.

6.5 Third-Party Partners, Contractors and Suppliers

Third-party partners, contractors and suppliers engaged by Our Rainbow House must:

- disclose any conflicts of interest relevant to their engagement.
- avoid situations that create actual or perceived conflicts.
- comply with conflict management requirements outlined in contracts or partnership agreements.
- cooperate with reasonable requests for information regarding related party dealings.

7.0 POLICY STATEMENT

Conflicts of interest and related party transactions will be managed in a manner that protects the independence, integrity and reputation of Our Rainbow House.

Our Rainbow House commits to:

- acting in the best interests of our organisation at all times.
- transparency and accountability in decision-making.
- managing conflicts fairly, transparently and consistently.
- ensuring related party transactions occur only where justified and on terms that are no more favourable than those available to or from an unrelated third party.
- complying with all legal and regulatory requirements.

To uphold the integrity of Our Rainbow House's operations, conflicts of interest and related party transactions (and their potential impact) will be prevented where possible, managed transparently and remedied effectively in order to avoid real or perceived bias or misconduct. This includes ensuring the fair procurement of goods and services.

8.0 PROCEDURE

8.1 CONFLICTS OF INTEREST

Our Rainbow House will implement internal controls to prevent and minimise the risk of conflicts of interest occurring, such as:

- clear role definitions and segregation of duties.
- oversight in procurement and recruitment decisions.
- due diligence and screening of third parties (e.g., partners, vendors).
- procurement and contracting processes which follow open, fair, and documented procedures, with competitive selection and justification for sole-source contracts.

Disclosure of conflicts of interest

Initial and Ongoing Disclosure

All Board Members, senior staff, and relevant representatives must complete a *Conflict-of-Interest Declaration* upon commencement of their role and update this declaration annually.

Individuals must also update their disclosure whenever circumstances change or a new conflict arises.

Meeting-Based Disclosure

At the start of each Board or Business meeting, members must declare any actual, potential or perceived conflicts relating to agenda items.

Conflicts must be disclosed immediately upon arising and reported to:

- The Chair or Director (for Board members)
- The Director (for staff and volunteers)
- The contract manager or relevant liaison (for third-party organisations)

All disclosures must be recorded in the meeting minutes and the *Register of Interests and Related Party Transactions*.

Managing Conflicts of Interest

Once disclosed the conflict will be assessed by the appropriate person (e.g., Director, Chair).

Depending on the nature of the conflict, and whether a conflict has resulted in undue influence, personal gain, or harm to Our Rainbow House's integrity or stakeholders, management strategies may include:

- No action required (minor or immaterial conflict).
- Declaration only.
- The person abstaining from relevant discussion and decision-making.
- Independent review or approval.
- The person being reassigned to alternative duties or subject to contractual or procedural adjustments.
- Terminating or revising contracts or decisions made under conflict.
- Disciplinary action for representatives.
- Reporting to regulators, donors, or relevant stakeholders where required.

The Chair (or Director where the Chair has a conflict), in consultation with the Board, is responsible for determining the appropriate management approach.

Quorum Requirements

Board Members must determine whether they have sufficient members without a conflict to form a quorum for decision-making. Where a quorum cannot be formed due to conflicts of interest, the Board will determine an appropriate alternative process, such as seeking independent advice or deferring the decision.

8.2 RELATED PARTY TRANSACTIONS

Related party transactions should be avoided wherever possible.

Where a related party transaction is proposed, the following requirements apply:

1. Disclosure Prior to Commitment

The related party relationship and nature of the transaction must be fully disclosed to the Board before any commitment is made.

2. Assessment of Best Interests

The Board must determine that the transaction:

- Is demonstrably in the best interests of Our Rainbow House;
- supports the charitable purpose of our organisation;
- does not result in private benefit beyond what is reasonable and proportionate; and
- is fair and reasonable to our organisation.

3. Arms-Length Terms

The transaction must be conducted on terms that are no more favourable than those available to or from an unrelated third party (arms-length basis).

Where appropriate, this should be supported by:

- competitive quotes;
- market comparison; or
- independent advice.

4. Exclusion from Decision-Making

The conflicted person must:

- not participate in discussions relating to the transaction;
- not vote on the matter; and
- leave the meeting while the matter is being considered (unless the Board determines otherwise for factual clarification only).

5. Approval

Transactions of a **material value or strategic significance** must be approved by the Board.

Transactions below \$1000 may be approved by the Director, provided the transaction:

- complies with procurement procedures
- is conducted on arm's-length terms
- is reported to the Board at the next Board meeting.

6. Documentation

All related party transactions must be:

- documented in the minutes of a Board or Business meeting;
- recorded in the *Register of Interests and Related Party Transactions*; and
- disclosed in financial reports where required by accounting standards.

7. Prohibited Transactions

Unless exceptional circumstances apply and are fully documented and approved by the Board:

- Our Rainbow House will not provide personal loans to Board Members or staff.

- The organisation will not enter into arrangements that provide private benefit beyond reasonable remuneration or reimbursement.

Failure to follow this process may render the transaction invalid and may constitute a breach of duties.

8.3 REGISTERS AND RECORDS

Our Rainbow House will maintain a *Register of Interests and Related Party Transactions*, recording declared actual, potential and perceived conflicts and all related party dealings.

This register will:

- be updated as disclosures are made;
- be reviewed by the Board at least annually;
- support financial statement disclosures; and
- be made available to Board Members, auditors or regulators upon request. (The register is a confidential governance document and will not be publicly released unless required by law).

8.4 REPORTING AND TRANSPARENCY

Where required:

- related party transactions will be disclosed in financial statements.
- transactions will be reported accurately in the ACNC Annual Information Statement.
- serious breaches of this policy resulting in reportable incidents (as defined above) will be reported to the ACNC immediately.
- records will be retained in line with legal and regulatory requirements.

8.5 BREACHES

Failure by representatives of Our Rainbow House, or third-party organisations, to disclose or appropriately manage a conflict of interest or related party transaction may result in disciplinary action or termination of employment, contract, or partnership.

8.6 TRAINING AND AWARENESS

All representatives will be provided with this policy as part of their initial induction. Third-party partners will be made aware of this policy through *Partnership Agreements* and required to comply as a condition of partnership. The policy will be publicly available on the Our Rainbow House website.

9.0 REVIEW

Date of next review: 20/04/2028 or earlier if required by changes to legislation, regulatory requirements or after any serious incident, to determine if the policy and associated procedure has been effective.