

## Compliance Assessment Guidance Note October 2018

### Conflict of Interest Management

The Registrar of Community housing is initiating a campaign to improve better practice behaviour in the management of conflict of interests (COI) in the Community Housing Sector. To support this campaign, the registrar is seeking information on current COI practices through a deep dive.

The intent of this guidance note is to clarify for registered Tier 1 and 2 Community Housing Providers (CHPs) what the Registrar will be looking for as part of the 2018-2019 standard compliance program.

This Campaign is motivated by the 2017-18 compliance assessment round which saw 35% of Tier 1 and 2 providers given recommendations to address COI weaknesses around the quality of their policies and 11% provided with suggested improvement opportunities regarding a disconnect between policy and practice of COI management.

These figures triggered a need to further understand current practices and to determine how best practice in COI management can be achieved in the community housing sector.

The data collected will contribute to a report informing and providing guidance on good practice behaviours regarding COI management.

### Regulatory Requirements

#### *Evidence Guidelines*

In order to maintain compliance, CHPs must demonstrate a high level of COI management and practices.

This requirement falls under the assessment of Performance Outcome 4: Governance (PO4) and Performance Outcome 5: Probity (PO5).

Under PO4, the CHP must produce evidence that demonstrates the existence of effective, transparent and accountable arrangements

and controls for operational and strategic decision making. Under PO5, the CHP is required to establish and administer a code of conduct designed to ensure it maintains high standards of probity including in relation to COI.

#### *Community Housing Providers (Adoption of National Law) Act 2012 (NSW)*

As per the requirements of registration, under section 15 (2) of the National Law, registered CHPs must provide any information, including a copy of any document or record specified in the request by the primary Registrar with respect to the exercise of the provider's functions.

#### **The Registrar is seeking evidence demonstrating that the organisation:**

- Has a policy that clearly guides relevant stakeholders through the organisation's procedure to identify, declare, mitigate, and manage COI. This includes any actions taken as a result of declarations.
- Has a system for reporting and monitoring actual, potential and perceived COI declarations
- Has a review process to ensure that the COI policy is current and compliant with legal requirements and relevant government policies
- Has a communication strategy to inform staff and other appropriate stakeholders of updates to the COI policy and procedure
- Utilises the information from the COI register to inform other aspects of governance and probity (e.g. risk assessment, mitigation strategies etc.)

### Regulatory Impact

In initiating this campaign, the Registrar has formed a view that this area of focus is of benefit to improving confidence in the sector and is a necessary response to identified patterns of risk. Requested information conforms to existing evidence guidelines. The information collection component of the campaign has been stylised to be of least impact to providers. If any provider views any requirement as disproportionate or overly burdensome, they should advise the Registrar.