



Northcote Rental Housing Co-operative

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1.307-1 CODE OF ETHICS DECLARATION

PURPOSE OF THIS DECLARATION

To ensure that all Members of NRHC, Directors, Committee/Working Group Members, paid staff and other volunteers act with integrity in everything they do for and with NRHC.

As a Member, staff person or volunteer with NRHC I agree that I will act in the following ways at all times in my involvement with NRHC:

Showing Commitment to our Co-operative by:

- understanding NRHC's Mission and Values Statements
- being committed to the overall aims of NRHC
- acting within the Rules of NRHC and the law
- working within NRHC's policies and principles
- supporting NRHC achieve its vision and mission

Acting with Personal Integrity by

- treating all persons with honesty, courtesy and respect
- being responsible and accountable
- respecting the confidentiality of all Members, staff and others involved in NRHC
- carrying out my responsibilities / tasks to the best of my ability

Acting Co-operatively with fellow Members, staff and volunteers by

- maintaining a shared purpose
- appreciating individual difference
- giving and receiving constructive feedback
- solving problems collaboratively

Member's Signature

Date/...../.....

Member's Name

Date/...../.....

Signature of Chairperson

Date/...../.....

1.307-1 CODE OF ETHICAL CONDUCT

As a Director and Member of the Board for Northcote Rental Housing Cooperative (NRHC) you must:

- Act in accordance with the '**International Principles of Co-operation**'
- **Act with honesty and integrity**
Be open and transparent in your dealings; use your position responsibly; do not place yourself in a position of conflict of interest; strive to earn and sustain trust of a high level.
- **Act in good faith in the best interests of NRHC**
Demonstrate accountability for your actions; accept responsibility for your decisions; do not engage in activities that may bring you or NRHC into disrepute.
- **Act fairly and impartially**
Avoid bias, discrimination, caprice or self-interest; demonstrate respect for others by acting in a professional and courteous manner.
- **Use information appropriately**
Ensure information gained as a Director is only applied to proper purposes and is kept confidential.
- **Use your position appropriately**
Do not use your position as a Director to seek an undue advantage for yourself, family Members or associates, or to cause detriment to NRHC; ensure that you decline gifts or favours that may cast doubt on your ability to apply independent judgement as a Board Member of NRHC.
- **Act in a financially responsible manner**
Understand financial reports, audit reports and other financial material that comes before the Board; actively inquire into this material.
- **Exercise due care, diligence and skill**
Ascertain all relevant information; make reasonable enquiries; understand the financial, strategic and other implications of decisions.
- **Comply with the establishing legislation, or its equivalent**
Act within the powers and for the functions set out in NRHC's establishing legislation and the housing provider framework.
- **Demonstrate leadership and stewardship**
Promote and support the application of NRHC values; act in accordance with the Directors' Code.

See the following pages for further background and explanations of the Code and Duties.

▪ **DUTY TO ACT WITH HONESTY AND INTEGRITY**

Honesty is concerned with being open and transparent.

- Express genuine views clearly and without ambiguity
- Respect laws, policies and generally accepted standards of behaviour
- Explain reasons for views, including disclosing what information or considerations were relied on
- Be truthful
- Speak up when a decision or advice is being considered that may be detrimental to the interests of NRHC

Board Members should act and advise with honesty and integrity in all aspects of their official duties.

If a Director believes an aspect of government or NRHC policy or administration may have unforeseen consequences or requires review, he or she should bring it to the attention of the Board.

Examples of behaviours that may breach the Code:

- Failing to express a view or ask a pertinent question because of feeling unsure about expressing that view;
- Using NRHC's assets to provide benefits for other Board Members. For instance financing a social outing for Members from NRHC's resources without Board agreement; &
- Not providing crucial information to other Board Members and allowing them to proceed on a course of action that will be detrimental to NRHC. Abstaining from voting may be a breach of honesty in this case.

Integrity is concerned with motive, and being consistent with espoused values

- Avoid actual and perceived conflicts of interest
- Declare any outside interests annually (Declaration of Private Interests) when they arise (e.g., new appointments; new commercial interests) prior to consideration of particular matters
- Withdraw from Board deliberations where an actual or apparent (perceived) conflict of interest arises
- Withdraw, or record a minority view, where a matter of conscience arises
- Do not be rushed into making decisions without time for proper consideration
- Ensure that the minutes of the meeting record actions to declare conflicts

The duty to act with integrity overlaps with a Member's other duties to act honestly and in good faith in the best interests of NRHC.

A Member should be:

- Honest, open and transparent in all dealings and acts in the public interest; and
- Committed to high standards of professionalism, service to the community and ethics.

Board Members need to participate actively in the work of the Board.

• DUTY TO ACT IN GOOD FAITH IN NRHC BEST INTERESTS

Good faith is concerned with being cooperative and reasonable

'In the best interests of NRHC' is about proper purpose and reputation

- Commit to be an active Member of the Board before accepting a role on that Board
- Be professional and positive in all dealings with fellow Board Members
- Exercise powers responsibly and in the best interests of NRHC
- Be aware that gifts and favours of any kind, whether for Board Members or for Members of their families, may influence – or be perceived to influence – decision making
- Be mindful that your conduct in all aspects of your life can reflect on your standing as a Board Member and the reputation of NRHC

Board Members should be sufficiently independent to provide balanced advice to the Board.

They are more likely to make effective decisions if they pay close attention to making sure that each decision is made based on the best information available at the time and in the best interests of NRHC.

An independent Board Member is not connected personally, financially, commercially or professionally with NRHC's staff or with any other business or relationship that could interfere with their independent judgement.

• DUTY TO ACT FAIRLY AND IMPARTIALLY

Fairness and impartiality is concerned with being objective and acting with balance and justice

- Advise and behave in a manner that is free of favouritism, self-interest and preference
- Consider all relevant facts objectively when implementing policy and programs to ensure equitable outcomes
- Act in accordance with anti-discrimination legislation
- Respect human dignity and foster a culture that is free of intimidation and bullying

Judgement of Board Members should be formed on the basis of evidence without discrimination against any person or body.

That is, Members should act in accordance with anti-discrimination legislation which protects people from discrimination on the grounds of their sex; gender identity; sexual orientation; lawful sexual activity; marital, parental or carer status; pregnancy; breastfeeding; age; physical features; impairment; race; political or religious belief or activity; and industrial activity.

The Board should ensure there is a process for resolution of grievances from Board Members themselves and from persons not on the Board such as employees, NRHC Membership, contractors, and community groups that ensures fairness and gives confidence to Members, that, where a problem is identified, it will be dealt with in an appropriate manner.

• DUTY TO USE INFORMATION APPROPRIATELY

Using information appropriately is concerned with respecting confidentiality and using discretion, prudence and good judgement

- Only use information gained as a Board Member for purposes intended by the Board and for purposes that are in the interests of NRHC as judged by the Board
- Be conscious that Board Members hold privileged information and that strict rules of confidentiality apply to that information
- Be well informed about Victorian privacy and whistleblower legislation
- Never communicate official information for other than official purposes without the Board's permission.
- This includes leaking information to the media, Members of NRHC or to stakeholders

Board Members must use information appropriately by ensuring it is only applied to proper purposes, maintaining confidentiality and not seeking to gain undue benefit for any party.

Boards should ensure that all Members are aware of requirements of the *Information Privacy Act 2000* and (if relevant) the *Health Records Act 2001*.

Board Members must not take improper advantage of any information, including commercially sensitive information, gained in the course of their Board duties.

They may disclose official information that is normally given to Members seeking that information or when given proper authority. Comments should be confined to facts and Directors should not express personal opinion on official policy or practice.

Examples of behaviours that may breach their Code:

- A Board Member is on the Maintenance Committee which is seeking a new tradesman for maintenance works.
The Board Member uses information gained in the process to assist a relative in applying his/her own business.
- A Board Member has access to information provided to tradespeople as part of a selection process.
The Board Member uses this information to help his/her relative in being awarded the work.
- Where a Board Member believes that 'improper conduct involving public officers is occurring within NRHC, they should use the procedures and mechanisms provided for in the *Whistleblowers Protection Act 2001*.

(See the Guide module on *Whistleblowers Protection Act 2001*.)

• DUTY TO USE YOUR POSITION APPROPRIATELY

Using your position appropriately is concerned with not abusing the influence or access to information that your role provides

- Do not misuse or abuse those powers for personal gain or some other motive
- Do not take decisions with any intention of malice
- Do not join a Board as a favour to a friend, or where you consider that the impartiality of your decisions may be compromised or would reasonably be perceived to be compromised
- Never seek to gain undue benefit for any party from information gained as a Board Member

A Board Member who improperly uses their position to gain an advantage for themselves or someone else or to cause detriment to the entity will be liable for their actions under both civil and criminal law.

Example: The Board of NRHC is developing a tender for grounds maintenance services.

A Director's friend says that their son-in-law will be starting a gardening business in two months and how good it would be if the tender were to be advertised after the business has started.

The young man who has a young family has just been retrenched.

The Director argues against advertising the tender immediately but does not declare their conversation with their friend.

The Director knows the tender will be advertised and that the selection process will be thorough, and considers that holding off advertising to widen the field may be good for NRHC and would only provide a minor advantage to the friend's son-in-law or none at all if he does not win the tender.

The Director should have declared their conversation to the Board and abstained from any discussion around or decision on the tender.

• **DUTY TO ACT IN A FINANCIALLY RESPONSIBLE MANNER**

Financial responsibility is concerned with being accountable, vigilant, prudent and acting legally

- Understand NRHC's financial accounts and financial position
- Ensure that NRHC's financial staff system is adequate and designed to minimise processes which can lead to errors
- Ensure that there are clear, consistent financial reports from the Finance Worker and take an active interest in the work of the audit Committee
- Request financial reports to the Board that are clear and concise, using graphs and techniques to assist Members to understand reports where appropriate
- Ask staff for trend analysis and benchmarking data to assist the Board to constantly reassess the financial health of NRHC
- Do not support a Board resolution that has financial implications that you consider imprudent
- Record your disagreement, or abstain from voting, if you do not believe financial implications are sufficiently clear
- Raise questions if uncertain about any aspects of financial reports

Board Members must become familiar with the business of NRHC and understand its financial accountability arrangements.

They must exercise care in relation to public funds and assets.

A Board Member must be able to understand financial reports and the financial justifications for decisions taken by the Board.

A Board Member who needs training should ask to attend an appropriate course or training should be offered as part of the induction process.

Board Members should actively inquire about the financial material put before the Board if that material is unclear or raises matters that may be of concern from a financial perspective.

A Board Member may ask for reports from the Finance Worker from time to time.

The Board should have a protocol in place to direct such requests through the WLC, as a matter of good governance.

NRHC's Finance Committee will also report on a regular basis.

• DUTY TO EXERCISE DUE CARE, DILIGENCE AND SKILL

Due care, diligence and skill is concerned with being prudent, having commitment, and acting responsibly and professionally

- Get to know the business of NRHC and the way the Board operates
- Read Board papers and be prepared to ask questions about matters before the Board
- Attend Board meetings and be focused on the work under consideration
- Consider issues completely, taking account of all relevant evidence
- Understand the strengths, weaknesses, opportunities and threats facing NRHC. Ask staff for detailed briefings and/or familiarisation tours of the detail of NRHC's business and operations before strategic planning takes place
- Do not simply rubber stamp recommendations put by a Committee or individual
- Ensure full compliance with the legal, ethical and policy obligations of NRHC
- Ensure you can guide and monitor staff of NRHC. To do this
 - monitor the affairs and practices of NRHC
 - review NRHC's financial statements and reports regularly
 - demand that Board papers are prepared thoroughly and sent well in advance of Board meetings
 - where appropriate, demand evidence-based documentation and seek further information if necessary to ensure that the Board's decisions are based on the best available information
 - Take an interest in the qualifications and experience of candidates for staff positions in NRHC

Board Members must exercise powers and discharge duties with the degree of care and diligence of an 'ordinary prudent' person.

The Board usually delegates detailed consideration of issues to staff of NRHC, individual Members of the Board or to Committees.

The individual or Committee who is delegated to consider a matter cannot lawfully delegate that power or function to any other individual or body.

The Board will be held to account for the actions of its delegates and Committees.

NRHC, including the Board and its Members, may be vulnerable to criticism or legal action if NRHC gets into difficulties - this may happen if:

- There have been very few Board meetings;
- Directors have failed to come to grips with the business of NRHC;
- Directors have not taken steps to ensure proper financial statements and records are kept;
- The Board has not ensured that there is a proper audit and control system to detect and prevent fraud by Members and employees; and
- The Board has exercised its powers inconsistently with policy.

A Board Member who has any special skills, for example a legal or accounting qualification, is expected to use them in working on the Board.

• **DUTY TO COMPLY WITH ESTABLISHING LEGISLATION**

Complying with establishing legislation is concerned with having the power and authority to act and with having respect for boundaries

- Carry out duties in good faith and for a proper purpose as described in the entity's establishing Act constitution or terms of reference document
- Ensure you have ready access to up-to-date copies of the establishing documents during Board meetings
- Ensure Board papers refer to relevant sections in the establishing legislation, and any relevant government policies and inform Members of the powers under which they are acting
- Understand whether a decision is within NRHC's power and ask questions if you do not understand
- Be conscious that necessary delegations are in place, and that matters reserved for the Board are clearly identified
- Be aware of NRHC policies and priorities and of any directions from the Government that affect NRHC

Board Members should be clear that if the Board wishes to do something not authorised under its establishing legislation, but in the public interest or consistent with the objectives of NRHC, it should be raised with the Housing Registrar or DHHS for consideration.

The Housing Registrar may be able to issue directions to facilitate the action or a legislative change may be considered.

• DUTY TO DEMONSTRATE LEADERSHIP AND STEWARDSHIP

Leadership and stewardship are concerned with having foresight, providing an example and achieving sustainability

- Understand the importance that strategic direction plays in ensuring that NRHC fulfils its purpose for its Members and other stakeholders
- Be conscious of, and value, the assets that belong to NRHC
- Assist in developing and promulgating the organisational culture the Board wishes for NRHC
- Behave in a way that exemplifies NRHC values
- Ensure the Board schedules time to focus on strategic matters and reflection, and for proper consideration of programmable work
- Watch for signs that the Board or NRHC is not performing well. These might include
 - getting bad news late
 - a poor accountability culture in NRHC
 - Board decisions not implemented quickly, decisions made without Board approval or by individuals lacking delegated powers
 - uncooperative, evasive or aggressive staff, Director or Members
 - inadequate auditing of past mistakes
 - inadequate or ineffective control systems

Stewardship is the careful and responsible management of something entrusted to one's care. The core roles of oversight and leadership played by the Board are critical to good governance and require each Member to exercise independent judgement and goodwill.

The Board of a NRHC exercises its stewardship on behalf of NRHC Members should see their stewardship duty as being responsible for NRHC's tangible and intangible assets.

Intangible assets include NRHC's:

- Reputation;
- Intellectual capital;
- Integrity and commitment to values;
- Goodwill resulting from working with other stewards such as the Department, ORHA;
- Experience and corporate memory derived from product delivery; and
- Program outcomes over time.

Board Members must always be conscious that their behaviour sets an example for others and can influence the way in which NRHC and the community housing sector more broadly, are viewed.

They must also ensure that the actions of NRHC as a whole are consistent with relevant standards.



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1.308-1 DECLARATION OF CONFLICT OF INTEREST CODE

I have declared to the relevant Chairperson all known areas which may result in a potential, perceived or actual, conflict of interest for me as a Member of the

Board of Directors / NRHC Committee or Working Group / Staff person

(Circle the appropriate category)

If any other potential perceived or actual conflicts of interest arise I will declare these to the Board or relevant NRHC Committee as soon as I become aware of the conflict.

I will also declare to the relevant Chairperson my financial or personal interest in any item to be discussed at the meeting of the Board or any Committee or Working Group of NRHC.

Member's Signature Date/...../.....

Member's Name Date/...../.....

Board / C'tee Chairperson Signature Date/...../.....

Board / C'tee Chairperson Name Date/...../.....

FROM THE GOVERNANCE POLICY

1.308-1 CONFLICT OF INTEREST POLICY

POLICY DOCUMENT INFORMATION

Policy Name:	CONFLICT OF INTEREST POLICY:
Committee Responsible	Governance C'tee
Policy Number	1.308-1
Date Approved by the Board	26/11/2018 and replaces all Conflict of Interest Policies previously in effect
Effective Implementation Date:	26/11/2018
Scheduled Review Date:	1/10/2019
Scope of Policy	This Policy applies to all NRHC Directors, C'tee Members, Working Group Members etc. & Staff

PURPOSE

The purpose of the Conflict of Interest Policy is to ensure that:

1. Ethical standards are upheld at all times;
2. All conflicts of interest are declared, noted and acted upon.

REVIEW OF POLICY

The Board of Directors will review this Policy at least every 2 years.

NRHC Governance C'tee would review the Policy at least every 12 months to examine any changes required due to:

- New or changed community or operating standards;
- Changes to legislation and / or the performance standards;
- Relevant changes in other NRHC Policies; and
- Any other recommendations for changes in operational requirements or improvement.

RESPONSIBILITY

The Board of Directors has overall responsibility for ensuring that NRHC maintains its ethical standards in all its activities and that the Conflict of Interest is adhered to.

EXPLANATION

A conflict of interest arises when a person or persons or a Member/s of their family stand to, or may be perceived to stand to, gain or lose personally or financially out of any aspect of the operation of NRHC, including through employment, contracts, maintenance, use of facilities or any other aspect of NRHC.

POLICY

The Board of Directors will establish a NRHC Declaration of Conflict of Interest Code and a Conflict of Interest Register to record all declared Conflicts of Interest.

Member of the Board of Directors and /or a NRHC Committee/Working Group or any other formal NRHC group established by the Board of Directors

All such Members will sign NRHC Declaration of Conflict of Interest Code as approved from time to time at the first meeting after their election or appointment or otherwise as soon as possible.

Where a conflict of interest occurs, (whether it may be a perceived or actual) the:

- Member must declare their conflict of interest at the commencement of any meeting where the business of that meeting has any relation to that conflict of interest;
- Declared conflict of interest must be noted in the Minutes of that meeting and will be added to the 'Conflict of Interest' Register as soon as possible after the meeting;
- Person declaring the conflict of interest may have to abstain from any decision-making/formal vote relating to that conflict of interest depending on the nature of the interest;

Or

- If the person's presence may influence the decision-making process they will leave the Meeting room for that item and/or may be requested to leave the Meeting room by the Chairperson of the meeting or by majority vote of the voting Members present.

Exception to these requirements:

An exception may be provided to the:

- Board of Directors and Members of the Tenancy and Property Management Committee when making decisions regarding NRHC Annual Asset Management Plan as, whilst the Plan may involve maintenance on the Member's property, these works will have been identified through the independent property inspection process;
- Board of Directors and Members of the Finance Committee when making decisions regarding NRHC's Annual Budget which includes decisions regarding the NRHC Maximum Rent and the Capped Rent Increase as these figures potentially apply to all Members; and
- Board of Directors when all Directors effectively have a conflict of interest in a matter.

Perceived Conflict of Interest

A Director or C'tee Member who believes another Director or C'tee Member has an undeclared conflict of interest should specify in writing the basis of this potential conflict.

This would be provided to the Chairperson or, if the Chairperson is conflicted in the matter, to an 'unconflicted' Governance & Staffing C'tee Director Member.

If a Member alleges that another Member has a conflict of interest, whether existing or potential, and if the Board Chairperson cannot resolve this allegation to the satisfaction of both parties the matter shall be referred to the Governance & Staffing C'tee.

This C'tee will make a recommendation to the Board as to what action shall be taken and the Board will vote on this recommendation.

If the Member making the allegations and/or the Member with the alleged conflict of interest are Directors then they will take no part in the debate or vote on the recommendation but will be offered the opportunity to put their case to the Board prior to the vote.

Staff Members or Volunteers

All Staff and volunteers will sign the NRHC Declaration of Conflict of Interest Code as approved from time to time as soon as possible after their employment, appointment or involvement with NRHC.

Where a conflict of interest occurs, (may be perceived as well as actual) the:

- Person must notify the Chairperson of the Board and the Chairperson of the Governance & Staffing Committee in the case of a staff person and/or the Chairperson of the relevant Committee/Working Group in the case of a volunteer;
- Chairperson/s will ensure that the conflict of interest and the action taken is noted in the Minutes of the relevant meeting and that this note is reported to the next meeting of the Board and included in the Minutes of the Board meeting.
- Relevant Committee must ensure that the conflict of interest does not affect or can be perceived to affect the ethical, financial, employment or legal responsibilities of NRHC.