

CONFLICT OF INTEREST POLICY

What is a conflict of interest?

A conflict of interest is any situation in which a trustee's personal interests, or interests which they owe to another body, and those of the charity arise simultaneously or appear to clash.

It is inevitable that conflicts of interest occur. The issue is not the integrity of the person concerned, but the management of any potential to profit from a person's position or to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully.

The need to declare and manage conflicts of interest does not just apply to the charity. The Committee on Standards in Public Life (the Wicks Committee) - www.public-standards.gov.uk, set up by the Government with the aim of ensuring the highest standards of propriety in public life, acknowledged the need to declare and manage conflicts of interest, in its "Seven Principles of Public Life", which it believes should apply to everyone who holds a public office. These principles state that holders of public office should declare any private interests relating to their public duties and should take steps to resolve any conflicts in a way which protects the public interest.

Conflict of interest and the law

The law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so. "Benefit" includes any property, goods or services which have a monetary value, as well as money. This legal authority will come either from a clause in the charity's governing document or, where there is no adequate clause in the governing document, from us or the Court.

The rule that a trustee cannot receive any benefit from his or her charity without explicit authority is based on the principle that trustees should not be in a position where their personal interests and their duty to the charity conflict, unless the possibility of personal benefit from which the conflict of interest arises is transparent. Transparency is achieved by requiring explicit authorisation of the benefit, and by ensuring that any particular conflict of interest is properly and openly managed.

It is the potential, rather than the actual, benefit from which the conflict of interest arises which requires authority. In order to avoid a breach of trust and to ensure transparency, authority is required where there is a possibility of benefit. This will avoid accusations of impropriety, which could in turn have a damaging effect on the charity's reputation.

Not all benefits enjoyed by trustees need to be authorised by the governing document, the Commission or the Courts. It is perfectly acceptable to repay reasonable out of pocket

expenses to trustees. Any costs that are necessary to allow a trustee to carry out his or her duties as a trustee can be classed as expenses and recovered from the charity or met directly by the charity. This may include travel costs and the cost of providing care for a dependent whilst attending a trustee meeting or when undertaking trustee business. It may also include the cost of providing documents in Braille or on audio tape for a trustee who is blind, or providing special transport, equipment or facilities for any trustee with a disability

In the event of an expected Conflict of Interest

Any Trustee who believes they are subject to a Conflict of Interest due to a personal or business involvement, or in their opinion a 'Difficult Situation' they should inform the Chair of Trustees in the first instance stating their reasons. This may result in them being withdrawn from further discussions on the matter, or partially removed depending on the details. It may mean that they are not involved or provided with any voting rights but they may be called to provide additional information ie witness information or other reasons to enable the Board members dealing with the matter to be fully informed. It is the Chair's decision as to whether the other Board members are informed of the reasons for the withdrawal of the Trustee member as it may be pertinent to the situation.

In the event that the Conflict of Interest involves the Chair, another member of the Board would be nominated to engage with the Chair in the first instance. Following this the above would be followed.

At every Trustee Meeting the Agenda should state at the start of the meeting any Conflict of Interest to be declared by any Trustee and if declared this must be placed in the minutes. The matter of concern would then be dealt with according to its issue. ie Complaint which would follow the required course of action and placed in the Trustee minutes accordingly

POLICY STATEMENT

All Policies and Procedures held by Age Concern Petersfield & District are regularly reviewed and may be amended from time to time to reflect any changes in Legislation, regulatory guidance or internal policy decisions, as well as for any other reasons determined by the Board of Trustees. The latest versions will always be reflected on our website.