



**Policy No: 2**

**Version: 2**

# **Conflict of Interest & Register of Interests Policy**

Date first approved	December 2016
Approved by	Board of Trustees
Next review date	April 2022

## Contents

Section	Page
1. Introduction	3
2. Conflicts of interest	3
3. Declaration of interests	4
4. Register of interests	4
5. Data protection	4
6. What to do if you face a conflict of interest	5
7. Further information	5
8. Review of policy	5
 Appendices	
Appendix 1 – Definition of “connected person”	6
Appendix 2 – Declaration of interest form	7
Appendix 3 – Register of interests	8

### Version control

Version	Approved/amended date	Written by	By	Issue
1	December 2016	Andy White	Board of Trustees	New policy
1	December 2018	AW/SN	Board of Trustees	Version 1
2	6 April 2020	SN/AW	Board of Trustees	CIO Version 2

# Conflict of Interest Policy for Trustees and Register of Interests

## 1. Introduction

Trustees have a duty under common law to act in the best interests of the Charities they serve. Trustees generally should not benefit from the Charity and should not be influenced by their wider interests when making decisions affecting the Charity.

A conflict of interest can be defined as “any situation in which a trustee’s personal interests or responsibilities they owe to another body may or may appear to influence the trustee’s decision making.”

Conflicts of interest arise when the interests of trustees, or “connected persons” (see appendix 1) are incompatible or in competition with the interests of the charity. Such situations present a risk that trustees will make decisions based on these external influences, rather than the best interests of the charity

## 2. Conflicts of interest

The most common types of conflict include:

Direct financial interest – when a trustee obtains a direct financial benefit via:

- The payment of a salary to a trustee by the charity
- The award of a contract to a company with which a trustee is involved
- The sale of property at below market value to a trustee’

Indirect financial interest – this arises when a close relative of a trustee benefits from the Charity:

- The awarding of an employment contract to a trustee’s spouse
- Making a grant to a trustee’s dependent child.

Non-financial or personal conflicts - occur where trustees receive no financial benefit but are influenced by external factors:

- To gain some other intangible benefit or kudos
- Awarding contracts to friends

Conflicts of loyalties – trustees may have competing loyalties between the charity to which they owe a primary duty and some other person or entity.

It is, therefore, essential that all trustees are fully aware of their duties and responsibilities and that when acting as a trustee, they must act in the best interests of the charity alone.

### **3. Declaration of interests**

Potential and new trustees will be expected to declare their interests on appointment and subsequently when they arise. They will be provided with a copy of this “Conflicts of Interest” policy before appointment. If the potential trustee is concerned about a possible conflict of interest, they should discuss the matter with the Honorary Secretary before taking up the position.

On appointment, trustees will be asked to complete a declaration of interests (see appendix 2).

Trustees will declare any material changes which occur and the declarations of interest will be reviewed on an annual basis.

Trustees should declare:

- Employment, business and personal interests and those of their spouse, partner, family and close relatives i.e. connected persons – see appendix 1 for definition. (Consider employment or any previous employment in which the trustee still has financial or other interest)
- any other appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals
- professional and organisational membership and membership of any special interest groups
- investments in unlisted companies, partnerships and other forms of business
- gifts or hospitality offered to a trustee by external bodies and whether this was declined or accepted
- any contractual relationship between the trustee or a connected person and the charity

(Note: Organisations will need to find a balance between accountability and unwarranted intrusion into the affairs of their trustees).

### **4. Register of interests**

The completed declarations of interest will be returned to the Honorary Secretary, who is responsible for keeping the register of interests up to date. Appendix 3 shows the register of interests. The register of interests will be available on the Gdrive and the FOYH website. It will also be made available to anyone upon receipt of a written request.

### **5. Data protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998 and the General Data Protection Regulations 2018. Data will be processed only to ensure that trustees and staff act in the best interests of the FOYH. The information provided will not be used for any other purpose.

## **6. What to do if you face a conflict of interests**

If a trustee believes they have a perceived or real conflict of interest he/she should:

- declare the interest at the earliest opportunity
- withdraw from discussion and decisions relating to the conflict (that trustee will not be counted in the quorum for that part of the meeting and must withdraw from the meeting during any vote on the conflicted item)

All decisions under a conflict of interest will be recorded by the Honorary Secretary and reported in the minutes of the meeting.

All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report.

Where a member of staff is connected to a party involved in the supply of a service or product to the charity, this information will be fully disclosed in the annual report and accounts.

## **6. Further information**

For more detailed information see [www.gov.uk](http://www.gov.uk) Conflicts of Interest: A guide for Charity Trustees and ICSA (Institute of Chartered Secretaries and Administrators "Specimen conflict of interest policy, declaration form and register of interests for charity trustees"

## **7. Review of policy**

This policy will be reviewed every 2 years or sooner in the event of changes in guidance or legislation.

**Definition of connected person**

**Extract from CIO constitution**

**Section 30 - Interpretation**

**“connected person”** means:

- (a) a child, parent, grandchild, grandparent, brother or sister of the charity trustee;
- (b) the spouse or civil partner of the charity trustee or of any person falling within sub-clause (a) above;
- (c) a person carrying on business in partnership with the charity trustee or with any person falling within sub-clause (a) or (b) above;
- (d) an institution which is controlled –
  - (i) by the charity trustee or any connected person falling within sub-clause (a), (b), or (c) above; or
  - (ii) by two or more persons falling within sub-clause (d) (i), when taken together
- (e) a body corporate in which –
  - (i) the charity trustee or any connected person falling within sub-clauses (a) to (c) has a substantial interest; or
  - (ii) two or more persons falling within sub-clause (e) (i) who, when taken together, have a substantial interest.”

## Declaration on interests

Category	Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise), e.g. trusteeships, directorships, local authority membership, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings (e.g. more than 1% or 5% of issued capital) and beneficial interests.	
Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Any contractual relationship with the charity	
Any other conflicts that are not covered by the above.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:

### Register of interests for Charity Trustees Examples

Name of trustee	Description of interest	Does the interest relate to the trustee or a person closely connected to the Trustee (describe)?	Is the interest current?
Mr T Smith	Joint owner of catering company Member of the local authority	Trustee, other joint owner is the Trustee's daughter Trustee	Current
Mrs A Jones	Employee of ABC charity with similar aims and objectives working in the same area	Trustee	No, Trustee resigned post in 1999
Mr A Wright	Trustee of xyz charity	Trustee	Current
Miss R Clifford	Was bought lunch to the value of £40 by representative of a printing company	Trustee	Current