

Northmoor Community Association



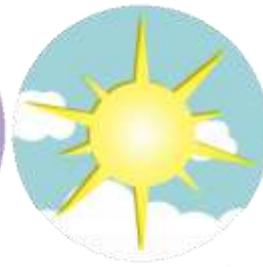
Advancing Skills
and Learning



Relieving Poverty



Promoting Health
and Wellbeing



Quality of Life

CONFLICTS OF INTEREST POLICY

1.0 INTRODUCTION

Northmoor Community Association (NCA) Trustees have a legal obligation to act in the best interests of the organisation, and in accordance with its governing document, and to avoid situations where there may be a potential conflict of interest. Staff and volunteers have similar obligations.

A conflict of interests may arise where the objective of the organisation and the interests of trustees or employees or volunteers do not coincide. Such conflicts may create problems. They can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the NCA
- risk the impression that NCA has acted improperly

NCA recognises that conflicts of interest are bound to occur; the existence of a conflict of interest should not reflect negatively on the person involved, so long as the situation is properly identified and the conflict is addressed. Even the appearance of conflicts of interest can damage NCA's reputation, so any conflicts need to be managed appropriately. All trustees, staff and volunteers need to be alert to possible conflicts of interest and a key strategy to minimise the effects is to be open and transparent.

A code of conduct cannot cover every eventuality, but it is a means through which the NCA's intentions are made clear and provides guidance on what standards of behaviour are expected. The aim of this policy is to protect both the NCA and the individuals involved from any appearance of impropriety.

2.0 DEFINITION

A conflict of interest is when a personal interest or interest in another body or person, and those of the organisation arise simultaneously or appear to clash. A conflict of interest has the potential to undermine the impartiality of a person.

3.0 WHAT IS A CONFLICT OF INTEREST

Conflicts of interest may come in a number of different forms.

Direct financial gain or benefit, such as:

- Award of a contract to another organisation in which an individual has an interest and/or from which they will receive a financial benefit.
- Payment to a trustee for services provided to the charity.
- The employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the post.

Indirect financial gain, such as

- Employment by the charity of a spouse or partner of the trustee, staff member or volunteer, where their finances are interdependent.

Non-financial gain, such as

- A conflict of loyalties when an individual's loyalty to the charity conflicts with a loyalty to another body or to a member of their family. For example where the trustee is appointed by the local authority, or by another charity as a trustee, or where a friend or family member applies for a job or is employed by the charity.

The key to identifying conflicts of interest and the subsequent action required is the size and nature of the proposed transaction or conflict in relation to the number of people who will benefit; i.e. whether the decision to be taken will confer a direct tangible benefit to a specific trustee, member of staff, volunteer, their spouse, partner, family or close relative/s, which is exclusive to him/her/them and which is not shared with others.

The situation is made more complicated by trustees and employees being trustees of other voluntary organisations that might be competing with NCA. The irony is that on the one hand we are being encouraged to work in partnership and consortiums with other organisations, but we are also being scrutinised more closely. The answer is transparency; declare the relationships you have with other organisations.

4.0 WHAT IS A CONFLICT OF LOYALTIES?

Conflicts of loyalties generally affect trustees and should be borne in mind when dealing with the business of the organisation. Trustees have a legal duty to act in the best interests of the charity, however there may be situations in which a trustee's loyalty to the charity conflicts with their loyalty to another body or organisation, or a family member, etc. Such conflicts of loyalty will not stop anyone from being a trustee, but they can occasionally cause conflicts of interest and need to be identified and monitored appropriately.

5.0 IDENTIFYING AND MANAGING CONFLICT OF INTERESTS?

5.1 Trustees

It is a legal requirement that a trustee must declare any conflict of interest as soon as they are aware of any possibility that their personal or wider interests could influence their decision-making. Upon election to the Board, all trustees must complete a Trustee Conflict of Interest Disclosure Form (**Appendix 1**) and annually in November

thereafter. These disclosures will be scrutinised by the Company Secretary before being filed in the trustee's personnel file. Any conflict identified will be added to the Register of Interests by the Governance Officer who is the Centre Manager. The conflict will be raised with the Trustee in question within 10 days and the Board will be informed at the next Board meeting.

In addition, at the start of every Trustees Board meeting, trustees will have the opportunity to disclose any conflict of interest that has not previously been disclosed. Any new conflicts of interest will be noted in the minutes of the meeting and subsequently added to the Register of Interests. When a conflict of interest is identified but the individual will not receive a material benefit as a result, the trustee in question will be asked to remove themselves from the decision-making process by leaving the room when discussion concerning the interest in question occurs.

When a conflict of interest is identified and the trustee in question will receive a material benefit as a result of the conflict of interest, the benefit will be reported immediately to the Charities Commission for authorisation and guidance. It is a legal requirement that any payments or benefits received by a trustee (and/or people connected with them) will be disclosed in the annual report along with an explanation of why the payments were necessary and the legal authority you had to make them.

5.2 Staff and volunteers

It is essential that all employees and volunteers are aware that conflicts of interests may exist and, if a situation arises where a conflict may develop, this must be disclosed to the Centre Manager immediately, and in turn to the Board of Trustees (depending on the level of conflict and the potential gain to the person). In the case of the Centre Manager being subject to a conflict of interest, disclosure should be made directly to the Board of Trustees.

When a conflict of interest is identified, the Centre Manager will determine the best course of action, in consultation with the Chairperson if deemed appropriate. For example, it might be necessary for the person in question to remove themselves from the decision-making process when discussions concerning the interest occur, or the person may no longer be able to work on a particular project if the conflict will remain.

6.0 RESPONSIBILITIES

NCA is committed to developing and maintaining a culture of openness, honesty and accountability, and as such all trustees, employees and volunteers bear the responsibility of striving to be as transparent as possible. All individuals have the responsibility to inform the Centre Manager or their line manager as soon as a conflict of interest or loyalties is identified.

In addition, it should be noted that all trustees have a personal legal responsibility to act in the best interests of the charity at all times and therefore to declare conflicts of interest which affect them. The whistleblowing policy is in place for any individual within the organisation to use, should they feel there is no other way to disclose a conflict of interest or loyalty affecting them or someone else.

7.0 FURTHER READING

Managing Conflicts of Interest – The Charity Commission: <https://www.gov.uk/manage-a-conflict-of-interest-in-your-charity>

8.0 LINKED POLICIES

- Whistle blowing Policy & Procedure
- Code of Conduct Policy
- Declaration of Conflicts Form (Appendix 1)

9.0 REVIEWED AND POLICY REVISIONS

This policy will be reviewed and amended every three years or as necessary, to reflect best practice and/or changes in legislation. All staff or volunteers should pass suggestions or recommendations for the revision of any aspect of the policy through normal channels to the Centre Manager or Chairperson of the Board of Trustees.

Policy Ref: GP 9	Approved: 28/02/2017
Last Revision: 16/02/2017	Next Review: February 2020
Signature: (Chairperson of NCA Board)	

Appendix 1

Acknowledgement Form regarding Conflicts of Interest

I have read and understood the Conflict of Interest Policy. I acknowledge that my conduct must at all material times be consistent with this document in carrying out my duties on behalf of Northmoor Community Association.

In order to avoid actual, perceived or apparent and potential conflicts of interest, I will:

- Declare in writing to the Board/management committee any private (including a pecuniary or non-pecuniary) interest that conflicts with the discharge of my responsibilities as an officer, employee or volunteer in a matter in which the organisation has an interest or which is under consideration by the organisation; and
- Act as directed by the Board management committee in resolving any conflict of interest, which may include being excluded from receiving papers and documents in all forms or taking part in discussions and decisions in matters where an actual, perceived or apparent, or potential conflict of interest exists.

Signed: _____ Date: _____

Full Name of Declarant:

Declaration of Conflict of Interest

I wish to declare the following private interest that conflicts or may conflict with the discharge of my responsibilities as a Trustee, Officer, employee or volunteer in a matter in which the organisation has an interest or which is under consideration by the organisation.

Signed: _____ Date: _____

Full Name of Declarant:

This declaration was tabled and minuted at the
NCA meeting at (place) and (day) of (month) (year).

Course of action directed by Board/management committee to resolve conflict of interest:

Signed: _____ Date: _____

Chairperson: _____