

Conflict Of Interest Policy

Compass Disability Services
Unit 11-12 Belvedere Trading Estate
Taunton TA1 1BH

October 2014

Date for review: October 2019

Introduction

We recognise 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 the organisation'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.

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.

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.

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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.

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 trustees' 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.

Identifying and managing conflict of interests:

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 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. 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

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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.

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 CEO 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 CEO 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 CEO will determine the best course of action, in consultation with senior management team 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.

Responsibilities

Compass Disability Services 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 CEO 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.

Policy Revisions

This policy will be reviewed every five years and amended as necessary, or earlier in accordance with any forthcoming legislation. All employees should pass suggestions or recommendations for the revision of any aspect of this policy through normal channels to the Chief Executive.

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Associated documents:

- Compass Disability Conflict of Interest Disclosure Form
- Trustee Conflict of Interest Disclosure Form
- Register of Interests (for Trustees)
- Whistleblowing Policy

Further reading:

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

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