

## **One25 Trustee and Staff conflict of interest policy**

### **Why we have a policy**

Trustees and Staff have a legal obligation to act in the best interests of One25 and in accordance with One25's governing document, and to avoid situations where there may be a potential conflict of interest.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

### **The declaration of interests**

Prospective trustees are asked to declare potential conflicts of interest to the Chair of Trustees and CEO. Where prospective trustees are likely to be subject to serious or frequent conflicts of interest, the trustees should seriously consider whether that trustee should be appointed.

We ask all trustees and staff to declare their interest, and any gifts or hospitality received in conjunction with their role in One25. A declaration of interest form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur.

### **What is a conflict of interest?**

A conflict of interest is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent the trustee from making a decision only in the best interests of the charity.

A conflict of interest exists even where there is the possibility that a trustee's personal interests could influence a trustee's decision making. Even the perception that there is a conflict of interest can damage the charity.

Where the perception is not accurate because there is not conflict of interest, the trustees should always be able to respond appropriately to the situation by managing the risks to the charity and being prepared to explain how they have made their decisions only in the best interests of the charity.

Interests and gifts will be recorded on the charity's register of interests, which will be maintained by the company secretary. The register will be available to all trustees and staffs.

### **Conflicts of interest usually arise where either:**

**A) There is a potential financial or measureable benefit directly to a trustee, or indirectly through a connected person for example:**

- Sell, loan or lease charity assets to a charity trustee
- Acquire, borrow or lease assets from a trustee for the charity
- Pay a trustee for carrying out their trustee role
- Pay a trustee for carrying out a separate paid post within a charity, even if that trustee has recently resigned as a trustee
- Pay a trustee for carrying out a separate paid post as a director or employee of the charity's subsidiary trading company
- Pay a trustee, or a person or company closely connected to a trustee, for providing a service to the charity. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the charity's premises, or other maintenance work
- Employ a trustee's spouse or other close relative at the charity
- Make a grant to a service user trustee, or to a service user who is a close relative of a trustee
- Allow a service user trustee to influence service provision to their exclusive advantage

**B) A trustee's duty to the charity may compete with a duty or loyalty they owe to another organisation or person for example:**

- The body that appointed them to the charity
- The membership or section of the charity that appointed them to trusteeship
- Another organisation such as their employer
- Another charity of which they are a trustee
- A member of their family
- Another connected person or organisation

A test is always that there is a conflict of interest if the trustee's other interest could, or could be seen to, interfere with the trustee's ability to decide the issue only in the best interests of the charity.

**What to do if you face a conflict of interest**

You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion. If you fail to declare an interest that is known to the company secretary and / or chair, they will declare that interest.

**Decisions taken where a trustee has an interest**

In the event of the board having to decide upon a question in which a trustee has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested board members may not vote on matters affecting their own interests.

All decisions under a conflict of interest will be recorded by the minutes secretary and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict
- An outline of the discussion

- The actions taken to manage the conflict

Where a trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP.

All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **Managing conflicts**

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

Please refer to the Volunteer Policy in relation to conflict of interests for volunteers.

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