

AGE UK EXETER

Controlled Document

Document Name: Conflicts of Interest Policy & Procedures

Document Version Number: 8

Agreed by Risk and Quality Committee: 24.03.26

Approved by Board of Trustees on: 28.04.26

Review Schedule: Every three years

Next review due: April 2029

Owner (Responsibility): CEO

Pass amendments to: Governance Lead

Revision History: See end of document

Document Location: www.ageuk.org.uk/exeter/about-us/policiesandguidelines

Document Description

This policy identifies what a conflict of interest is and how to ensure that Age UK Exeter's (AUKE's) staff, volunteers, and trustees diligently identify, declare, and manage any conflicts of interest and are aware of conflicts that would bar them from engagement with the charity.

Implementation & Quality Assurance

Implementation is immediate and this policy shall stay in force until any alterations are formally agreed.

The policy will be reviewed every three years by the Board of Trustees, sooner if legislation, best practice, or other circumstances indicate this is necessary.

All aspects of this policy shall be open to review at any time. If you have any comments or suggestions on the content of this policy please contact the CEO on info@ageukexeter.org.uk or at Age UK Exeter, The Sycamores, Mount Pleasant Road, Exeter, EX4 7AE, 01392 202092.

Conflicts of Interest Policy and Procedures

1. Definition

A conflict of interest is any situation in which the personal interests or interests owed to another body, of a trustee, employee, or volunteer run counter to those of the charity Age UK Exeter (AUKE).

Conflicts of interest occur in those situations where an individual trustee, employee or volunteer stands to gain directly or indirectly through engagement in activities which may potentially affect the charity adversely. It will also occur if that individual is engaged with an organisation which has aims incompatible to those of the charity.

2. Trustees

Conflicts of interest can lead to decisions that are not in the best interests of the charity, and which are invalid or should be open to challenge. Conflicts of interest can also damage a charity's reputation or public trust and confidence in charities generally. These harmful effects can be prevented by trustees correctly identifying conflicts of interest and the trustee body acting as one to ensure that conflicts do not affect decision making.

**All trustees have a legal duty to act only in the best interests of the charity. In this context, best interests relate to the fiduciary duties that can be expected of all trustees.*

3. Identifying conflicts of interest

There are two common types of conflict of interest: financial and loyalty conflicts.

Financial: These conflicts happen when a trustee, person or organisation connected to them, could get money or something else of value from a trustee decision. They do not include trustee's expenses (for example, travel costs for going to a charity conference).

Trustees can be paid for services under the Charities Act if certain conditions are met. These are:

- There is a written agreement between the charity and the trustee or connected person who is to be paid.
- The agreement sets out the maximum amount to be paid.
- The trustee concerned may not take part in decisions made by the trustee board about the making of the agreement or about the acceptability of the goods or services provided.
- The payment is reasonable in relation to the goods or services to be provided.
- The trustees are satisfied that the payment is in the best interests of the charity.
- The trustee board follows the 'duty of care' set out in the 2000 Act.
- The total number of trustees who are either receiving payment or who are connected to someone receiving payment are in a minority.
- There is no prohibition against payment of a trustee.

- The trustee must also be able to show that they are aware of this guidance; in making a decision where this guidance is relevant, they have taken it into account and, if they decide to depart from this guidance, they have a good reason for doing so.
- The trustee cannot be paid for auditing services as a trustee cannot legally act as an auditor for their charity.

AUKE's Governing Document also allows for this provision under clause 9.3.

Loyalty: These conflicts are not about money or benefits. They happen when, for other reasons, a trustee, employee or volunteer might not be able to make decisions in the best interests of the charity.

Common examples would be:

- When a trustee is a trustee for another similar or partner charity.
- When a decision involves a person or organisation linked to the trustee, employee or volunteer.

NB: There can be a conflict when a trustee's responsibility to another organisation competes with their responsibility to AUKE.

Conflicts can affect all charities, but we at AUKE must identify and deal with them properly to meet our legal requirements and to act in the charity's best interests.

4. Procedures

Declare conflict of interest

Conflicts of interest must be declared. If a trustee, staff member or volunteer is unsure whether something is a conflict of interest, they should discuss with another member of staff or trustee before a meeting or service progresses.

Declarations of interest should be identified at the start of every meeting as a standard agenda item. Staff and volunteers should declare conflicts of interest on appointment and inform the Governance Lead if they need to update their declaration. The Trustees, Senior Management Team and Information and Advice Lead should update their declarations annually. This conflicts of interest policy should be kept up to date and reviewed by the Board every three years. Conflict of interest decisions should be communicated effectively with trustees.

Consider removing conflict of interest

Trustees must take action to ensure conflicts of interest do not affect their decision making. It must be considered whether it is in the best interests of AUKE to remove the conflict (particularly if it is serious conflict). This could be where a majority have a conflict, or where a single trustee has a commercial interest in a decision. The Charity Commission has detailed guidance on conflicts of interest for complex or serious cases. If trustees decide

not to remove the conflict, it must be prevented from affecting decision making and managed as detailed below.

Managing Conflicts of Interest

The charity must always check that any trustee payments or benefits are authorised. A trustee or organisation/person connected to them must not benefit from the charity unless it is allowed by rules stipulated in the Governing Document, the Law, the Charity Commission or Court.

AUKE should always follow specific rules on managing conflicts. We should check and follow the Governing Document, directions from the Charity Commission and other legal advice expressed to the charity.

As a minimum, if trustees have a conflict they should, leave discussions, not take part in a decision, or vote and not be counted towards the quorum.

5. Recording protocol

AUKE has an up-to-date conflicts of interest register that covers trustees, staff and volunteers. It has a reason for declaration and is signed and dated. Staff and volunteers are asked whether they need to update their declaration annually.

6. Managing conflicts of interest on the client level

If a new client seeks information and advice, Charitylog (our electronic database) would be checked to see that no conflict of interest exists with another client, staff member, trustee, or volunteer.

If a conflict of interest arises or becomes apparent during delivery of service, the situation should be discussed with the CEO or Chair of the Board and AUKE should consider ceasing to advise both parties. A record of all decisions should be kept with the client file on Charitylog under conflicts of interest. Examples of this could be:

- If a client has a housing problem, but the landlord is a member of staff or Board member.
- If a client wishes to access or make a complaint about a solicitor or external service provider who is a spouse or relative of a member of staff.

In these instances, the client would be advised to seek impartial advice, such as from the Citizens Advice Bureau.

AUKE will always seek to give impartial and independent advice where no conflicts of interest exist. If an information and advice officer or other staff member becomes aware that they have a financial or loyalty conflict of interest in an issue or service being discussed, they should refer the enquiry to another member of staff or volunteer at their earliest opportunity.

In the event that there has been a serious conflict of interest, the CEO and Chair of the Risk and Quality committee should be informed and the Charity Commission contacted for guidance.

7. Where a conflict exists between the interests of the clients and the interests of the charity

Where a conflict of interest exists or becomes apparent between the interests of the clients/beneficiaries and the interests of the charity, due diligence should be followed and in-depth discussions should take place at the Risk and Quality committee and Board level, as well as consultations with relevant service leads and staff. An impact assessment should be completed and risk management protocols considered with reference to the risk register and budget. An example of this could be:

- Where a publicly funded contract does not cover Age UK Exeter costs to deliver the service. This may adversely affect clients if a service is altered, but due diligence and budget constraints and detailed forward planning may mean that is the only possible action.

Revision History

| Revision date | Summary of Changes | Other Comments |
|----------------------|--------------------------------------------------------------------------------------------------|----------------------------------------|
| 4.9.15 | Routine review by Standards Committee | |
| 15.9.15 | Approved by Board of Trustees | Next review due June 2017 |
| 4.9.17 | Routine Review by Standards Committee. No changes made | Recommended for approval. |
| 12.9.17 | Approved by Board of Trustees | Next review due September 2019 |
| 8.1.18 | Reviewed by Standards Committee. Amended to reflect current guidance from the Charity Commission | Recommended to the Board for approval. |
| 9.1.18 | Approved by the Board of Trustees | Next review due January 2020 |
| 6.1.20 | Routine review by Standards Committee. Amended to reflect that Devonwide Trading is ceasing | Recommended to the Board for approval. |
| 14.1.20 | Reviewed and approved by the Board of Trustees | Next review due January 2022 |
| 26.04.2021 | Amendments made to reflect change in services and relocation | |
| 24.01.23 | Update to reflect current best practice | Approved by Board 14.02.23 |

| | | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 15.01.26 | Small updates to reflect current processes and change to recording protocol whereby staff and volunteers are asked to inform the Governance Lead if their declaration needs to change. Also gave more detail about trustees being paid for services under section 3. | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|