

## CONFLICT OF INTEREST POLICY

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### POLICY STATEMENT

All staff, volunteers, and Directors (Trustees) of Age UK Bournemouth, Poole & East Dorset will strive to avoid any conflict of interest between the interests of the Organisation on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest. Where a conflict or potential conflict arises this will be declared and recorded in the minutes of the relevant meeting(s) at which any decisions are taken on which the conflict in question may have an influence.

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 with those of the charity.

### PURPOSE

The purpose of this policy is to protect the integrity of the Organisation's decision-making process, to enable stakeholders to have confidence in the organisation's integrity, and to protect the integrity and reputation of volunteers, staff, and Directors.

This policy is based on the latest guidance issued by the Charity Commission and will be updated as both this and Company Law changes.

### 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, the best interests relate to the fiduciary duties that can be expected of all trustees.

## IDENTIFYING CONFLICTS OF INTERESTS

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 expenses (for example, travel costs for going to a charity conference).

Common examples would be:

- Paying a trustee for doing their trustee role.
- Employing a trustee or their relative for some work at the charity or its trading company.
- Selling, loaning, or leasing charity assets (or anything the charity owns) to a trustee.
- Buying goods from a business owned by a trustee. NB: It still counts as a conflict if the charity would benefit from receiving the service or goods.

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

Common examples would be:

- They are trustees for another charity.
- A decision involves a person or organisation linked to a trustee. NB: There can be a conflict when a trustee's responsibility to another organisation competes with their responsibility to Age UK BPED. Conflicts can affect all charities, but we must identify and deal with them properly to meet our legal requirements and to act in the charity's best interests.

Examples of conflicts of interest include:

- A Director, who is also a user, may be faced with a decision in a committee meeting regarding whether fees for users should be increased.
- A Director who is related\*\* to a member of staff and there is a decision to be taken on staff pay and/or conditions at a committee meeting.
- A Director who is also on the committee of another organisation that is competing for the same funding.
- A Director who has shares in a business may be awarded a contract to do work or provide services for the organisation or is a director, partner

- or employee or related to someone who is\*\*.
- A Director who is also a councilor or council officer and who has responsibility for an area of work which relates to charity, such as the awarding of contracts for work with older people or influence over the development of services.

## **PROCEDURE**

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 it 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 appointments and refresh declaration annually if required.

This conflict-of-interest policy should be kept up to date and reviewed by the Board every two 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 Age UK BPED to remove the conflict (particularly if it is serious conflict). This could be where the 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 charity unless it is allowed by rules stipulated in the Governing Document, the Law, the Charity Commission or Court.

We 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.

## **RECORDING PROTOCOL**

Age UK BPED has up-to-date conflicts of interest register that covers trustees, staff, and volunteers.

It has a reason for declaration and is signed and dated.

This is refreshed annually.

## **MANAGING CONFLICT ON INTERESTS ON THE CLIENT LEVEL**

If a new client seeks information and advice, the charity log (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 a service, the situation should be discussed with the CEO, COO or Chair of the Board and We should consider ceasing to advise both parties.

A record of all decisions should be kept with the client file on Charity log.

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.

We 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 to the enquiry to another member of staff at their earliest opportunity. If there has been a serious conflict of interest this may need to be referred to the Charity Commission

## **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 would be followed and in-depth discussions held at Board level, as well as consultations with relevant service managers and staff.

An impact assessment would also be completed and risk management protocols through the risk register, which is a working document. An example of this could be:

Where a publicly funded contract does not cover Age UK BPED 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.

Upon appointment each Director and senior staff member will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

This policy is meant to supplement good judgment, and staff, volunteers and Directors, staff and volunteers should respect its spirit as well as its wording.

A relative may be a child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Director or any person living with the Director as his or her partner.'