

# AGE UK EXETER

## Controlled Document

### Document Name: Conflicts of Interest Policy & Procedures

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Owner (Responsibility): CEO

Pass amendments to: Governance Officer

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Document Location: [www.ageuk.org.uk/exeter/about-us/policiesandguidelines](http://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 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](mailto: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.

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).

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 a trustee 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 Exeter.

Conflicts can affect all charities, but we at Age UK Exeter 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 refresh declaration annually if required.

This conflicts 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 Exeter 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.

Age UK Exeter 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**

Age UK Exeter 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. This is refreshed 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 a service, the situation should be discussed with the CEO or Chair of the Board and Age UK Exeter 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.

Age UK Exeter 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 at their earliest opportunity.

In the event that there has been a serious conflict of interest the Major Incident Communications Plan may need to be referred to 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 would be followed and in-depth discussions at the Risk and Quality Committee and 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 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