

Background

This policy applies to all persons involved with the CIO – Trustees and Volunteers.

What a Conflict of Interest is Not

It's very common, even at the mere mention of a "Conflict of Interest", for people to start thinking suspiciously of the individuals concerned having covert agendas and disreputable schemes for greedy selfish gains.

So we need to be absolutely clear that there's nothing immoral or illegal in Conflicts of Interest per se. On the contrary, they are absolutely normal and inevitable in individuals and groups who are enthusiastic, active and dynamic in their interests – exactly the kind of people who make good small CIO trustees and volunteers.

Impropriety and illegality only come in when what would otherwise be entirely legitimate 'Conflicts of Interest' are not properly declared, acknowledged and managed.

Why Conflicts of Interest Occur.

This can be due to deliberate exploitation of the situation by one party for their personal benefit. Fortunately this is relatively uncommon. By "deliberate exploitation" is meant that the party concerned KNOWS (or, at least, suspects) that what they are doing is wrong/immoral/illegal but carries on doing it anyway. Such deliberate exploitation is clearly totally unacceptable, is often illegal and must be stopped as soon as it is recognised and the individual "dealt with appropriately".

More commonly, it can be due to people being unaware of the legal environment in which they are operating and so act in an improper (perhaps even illegal) way under the misapprehension that they are doing the right thing in the best interests of the CIO. But "Ignorance of the law is no defence" is a widely held and accepted maxim.

Also very common is the assumption that a person is "very honest and respectable and therefore wouldn't do anything that wasn't in the best interests of the CIO" - ie: wouldn't have any Conflicts of Interests.

It is therefore vitally important that all trustees of the CIO take a very open approach to declaring any Conflicts of Interest that they think they might have ("If in doubt, declare it" is a good maxim) and are very accepting and supportive of the Conflicts of Interest declared by others (including other trustees and volunteers). A well-maintained *Register of Conflicts of Interest* (see below) is the best defence against suspicions or accusations of impropriety against individual trustees.

What a Conflict of Interest is.

A definition of Conflicts of Interest is: "any situation in which a director's or member's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the CIO."

Examples of Conflicts of Interest include (but there are others, too):

Direct financial gain or benefit to the director or member, such as:

- payment to a director/member for services provided to the CIO
- the award of a contract to another organisation in which a director or member has an interest and from which a director or member will receive a financial benefit.

Why We Have a Policy

Trustees have a legal obligation to act in the best interests of the CIO and to avoid situations where there may be a potential conflict of interest. Where Conflicts of Interest occur and are not properly acknowledged and managed they can:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of the CIO; and
- risk the impression that the CIO has acted improperly.

The aim of this policy is to support honesty and integrity through the open declaration of such Conflicts of Interest that may arise and, thereby, to protect both the organisation and the individuals involved from any appearance of impropriety should such interests not be declared.

Policy

The Declaration of Interests

All trustees are required to declare their interests, and any payments (including, but not limited to, benefits in kind such as gifts, hospitality shopping/travel concessions, preferential treatment, etc) received in connection with their role in CCA where such interests would, or might, conflict with, or otherwise influence their decision-making in respect of the CIO's activities.

As the nature and issues involved in Conflicts of Interest can vary considerably there is no prescribed form for declaring a Conflict of Interest.

What To Do if You Face a Conflict of Interest

If you have, or think you might have, a Conflict of Interest, as described in the section above you **MUST** inform the other trustees and declare your Conflict of Interest or involvement at the earliest opportunity.

If you are not sure what to declare, or whether/when an earlier declaration needs to be updated, please err on the side of caution.

Remember: declaring a Conflict of Interest is NOT, per se, a declaration of any impropriety on your part or by anyone else. It's only **FAILING TO DECLARE** a Conflict of Interest which carries with it a significant risk of impropriety, particularly if the Conflict of Interest were to result in a failure to comply properly with CIO law.

If a director or member of the CIO becomes aware that you have, or might have, a Conflict of Interest they are obliged to report it to the trustees even if you do not.

When a Conflict of Interest is declared.

All declarations of Conflicts of Interest will be treated with appropriate confidentiality.

All declarations of Conflicts of Interest will be considered by the trustees to assess the level of risk to the CIO and what actions need to be put in place to eliminate or, at least, mitigate the risk. In more complex cases, the trustees may appoint one (or more) of their number to look into the matter in more detail. If it is felt that more information is required to assess the Conflict of Interest more fully the director leading the assessment will contact the individuals involved.

All declarations of Conflicts of Interest will be recorded in the CIO's **Register of Conflicts of Interest**, even if, having considered the declaration, the trustees conclude that the declared Conflict of Interest presents no significant risk to the CIO. *For further details of the Register see the section "Register of Conflicts of Interest" below.*

Any director or member who is implicated in a Conflict of Interest, whether directly or as a connected person, may not participate in the assessment of the risk but may be called by the Director(s) undertaking the assessment to provide further details or answer specific questions.

trustees may, however, participate in general discussions from which they may indirectly benefit, for example, where the benefits are universal to all users, or where the benefit is minimal to an individual director or member.

Data Protection

The information provided will be processed in accordance with data protection principles as set out in the current Data Protection legislation. Data will be processed only to ensure that trustees act in the best interests of CCA. The information provided will not be used for any other purpose.

Decisions taken where a Trustee has an Interest

In the event of the trustees having to decide upon a question in which a director or member 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. Any person, whether or not a director or member will not be counted when deciding whether the meeting is quorate and may not vote on matters affecting their own interests.

All decisions where there is a Conflict of Interest will be recorded in the minutes of the meeting. The report will record:

1. the persons involved;
2. the nature and extent of the Conflict(s) of Interest;
3. an outline of the discussion;
4. the actions taken to manage the Conflict(s) of Interest.

Where it is determined that a Director or Member with a Conflict of Interest may nevertheless legitimately benefit from the decision, this will be reported in the annual report and accounts.

All payments or benefits in kind to directors or members will be reported in the CIO's Annual Report and Statement of Financial Activity.

Where a member of CCA's directors or members are connected to a party involved in the supply of a service or product to the CIO, this information will also be fully disclosed in the Annual Report and Statement of Financial Activity.

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

Managing Contracts

Where a director or member has a Conflict of Interest, he/she must not be involved in managing or monitoring a contract in which he/she has 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.

Register of Conflicts of Interest

The CIO will maintain a Register of all reported Conflicts of Interest which will contain, as a minimum, the following information.

a) The date on which the Conflict of Interest (CoI) was first reported, supplemented where appropriate by the dates on which any changes to the Conflict of Interest were reported, including the date on which the Conflict of Interest ceased to be an issue.

Note: once reported, a Conflict of Interest will remain "on the record" for a minimum of 3 complete reporting years after the Conflict of Interest ceases to exist (eg: if the individual concerned, or any connected persons, ceases to be involved with the CIO);

- b) The name of the individual involved and, in the case of a Conflict of Interest involving one or more connected persons, the names of those connected persons and their relationships;
- c) The position/role/responsibilities within the CIO of the individual involved;
- d) The type of Conflict of Interest (eg: personal benefits, family involvement, business involvement, other);
- e) Details of the Conflict of Interest, including its potential impact on the CIO;
- f) Mitigation of the Conflict of Interest - ie: the steps taken by the trustees to ensure that the Conflict of Interest does not adversely influence the activities of the CIO.

This register of interests shall also be used to record all gifts of a value over £20 received by the directors or members.

The register will be accessible to all the trustees of CCA.

Although CCA is not governed by the Freedom of Information Act, the register will also be accessible to the members of CCA under the same principles as apply to requests under the Freedom of Information Act, namely:

1. the trustees reserve the right not to disclose details of declared Conflicts of Interest where such disclosure would compromise the right to privacy of the individual(s) concerned;
2. the trustees reserve the right not to disclose details of declared Conflicts of Interest which involve commercially sensitive information;
3. requests must be for specific information in pursuit of a legitimate concern and not casual enquiries just to see what the register contains.

Date agreed by Trustees: August 2021