



## **Conflict of Interest Policy**

### **Purpose**

The purpose of this policy is to protect the integrity of Impetus' decision-making process, so stakeholders can have confidence in the organisation's integrity, and to protect both Impetus and individuals involved in its work from any impropriety or appearance of impropriety.

### **Scope**

This policy applies to trustees, staff and volunteers of Impetus.

### **Context / Background**

Conflicts of interest may inhibit free discussion or result in decisions or actions that are not in the interest of Impetus. Even the appearance of a conflict of interest can damage Impetus' reputation.

The trustees of Impetus, as its directors, have a legal duty to avoid conflicts of interest under section 175 of the Companies Act 2006. The Charity Commission provides guidance on conflicts of interest, including a recommendation that charities have a policy on how they will deal with any conflicts. As best practice, Impetus follows Charity Commission guidance.

Impetus also expects staff and volunteers to act in the best interests of the organisation. It is accepted that staff and volunteers may legitimately have roles, interests and contacts outside Impetus, which are beneficial to the organisation. The intention of this policy is not to discourage such outside interests, but to bring potential conflicts into the open and manage them appropriately.

### **Identifying Conflicts of Interest**

A conflict of interest is any situation in which an individual's personal interests and / or loyalties, or interests that they owe to another body, may (or may appear to) influence or affect their decision making in their role with Impetus.

Conflicts of interest may include:

- Direct financial gain or benefit, such as payment for services provided to Impetus; or the award by Impetus of a contract to another organisation in which an individual has an interest and from which s/he will receive a financial benefit;
- Indirect financial gain, such as employment by Impetus of a spouse or partner;
- Non-financial gain, such as when a user of Impetus' services is also a trustee, member of staff or volunteer;

- Conflict of loyalties, such as where a friend of a trustee is employed by Impetus.

### **Declaration of Interests**

In order to manage potential conflicts of interest, staff, trustees and other volunteers are asked to declare any interest which may conflict with their Impetus role. They are asked to do so when they join Impetus and when relevant changes occur. In addition, staff, trustees and Steering Group members, but not other volunteers, are asked to make an annual declaration, even if no change has occurred.

If trustees, members of staff and volunteers are not sure what to declare, or whether/when their declaration needs to be updated, they are asked to be as open as possible.

Interests will be recorded in Impetus' register of interests, which will be maintained by an individual designated by the CEO and will be accessible to all trustees.

### **Gifts and hospitality**

Trustees, staff and members of Steering Groups are also asked to declare any gifts or hospitality worth more than £10 received in connection with their role at Impetus. They should do so as soon as possible after the gift or hospitality has been received by notifying the person designated to maintain Impetus' register of interests.

### **Managing a Conflict of Interest**

Anyone taking a decision in which they face a conflict of interest should declare that interest at the earliest opportunity and manage the conflict by withdrawing from any subsequent discussion.

On occasion the trustees or CEO may decide that despite the conflict of interest, it would be in the best interest of Impetus to include an individual in discussions. In such cases the nature of the conflict must be explained at the start of the discussion, and any decision making must exclude the individual who has a conflict of interest.

In the event of the trustees having to decide a question in which a trustee or closely connected party has an interest, the matter will be dealt with as prescribed in the Articles of Association (reproduced in Appendix A).

Where a trustee benefits from a decision, or there is a related party transaction, this will be reported in the Annual Report and Accounts in accordance with SORP 2005.

If the matter is raised at a Board meeting, the interest should be declared at the earliest opportunity and be recorded in the minutes. If the matter is raised

at other than at a Board meeting, the interest should be declared at the time and be restated at the start of the next Board meeting and be recorded in the minutes.

Trustees, members of staff or volunteers may, however, participate in discussions from which they (or other parties that they are associated with) may indirectly benefit, for example where the benefits are universal to all users, or where the benefit is minimal.

### **Managing Contracts**

Trustees, members of staff and volunteers must not be involved in specifying, letting, managing or monitoring a contract in which they have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contracts if the relationship is unsatisfactory.

### **Applied Procedures**

- Declaration of interests form
- Register of interests

### **Governing Documents**

- Section 175 of the Companies Act 2006
- Charity Commission guidance on conflicts of interest
- Articles of Association
- SORP 2005

**Date approved by Board: 31<sup>st</sup> July 2012**

**Next Review Date: August 2014**

## **Appendix A: Extract from Articles of Association**

5.4 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee the Trustee concerned must:

- 5.4.1 declare an interest at or before the discussion begins on the matter
- 5.4.2 withdraw from the meeting for that item unless expressly invited to remain in order to provide information
- 5.4.3 not be counted in the quorum for that part of the meeting
- 5.4.4 withdraw during the vote and have no vote on the matter