**Sample conflict of interest policy**

Committee members should all be aware of conflicts of interest, what they could mean for the organisation and how conflicts of interest should be managed to protect the organisation. To ensure consistency, organisations should have a conflict of interest policy which should include a code of conduct for committee members, a register of interests, and a written procedure for identifying conflicts, for withdrawing from discussions if a conflict arises and for recording this process.

**Sample:**

**[Organisation] CONFLICT OF INTEREST POLICY**

This policy applies to all **[The board of trustees]** **[Executive] [Management] [Committee] [Board]**members.

Why we have a policy

The **[board of trustees has]**[**Executive] [Management] [Committee members have] [Board members have]** ultimate responsibility for all actions carried out by staff and committees throughout **[Organisation’s]** activities. **[The board of trustees has] [Executive] [Management] [Committee members have] [Board members have]**a legal obligation to act in the best interests of **[Organisation]**and in accordance with **[Organisation’s]**governing document.

Conflicts of interest may arise where an individual’s personal or family interests and/or loyalties to some other individual or group conflicts with those of **[Organisation].**Such conflicts may create problems. They can:

* inhibit free discussion
* result in decisions or actions that are not in the interests of **[Organisation]**
* risk the impression that **[Organisation]**has acted improperly.

The purpose of this policy is to protect both **[Organisation]**and its **[Trustees][Executive][Management] [Committee members] [Board members]** from any appearance of impropriety.

The declaration of interests

Accordingly, we are asking **[Trustees] [Executive] [Management] [Committee members] [Board members]** to declare their interests, and any gifts or hospitality received in connection with their role in **[Organisation].**They have a personal responsibility to declare conflicts of interest in order to fulfil their legal duty to act only in the best interests of the charity.

A declaration of interests form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur. If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution.

If you would like to discuss this issue, please contact the **[company]**secretary or the chairperson for confidential guidance. Interests will be recorded on **[Organisation]**’s register of interests, which will be maintained by the **[company]**secretary. The register will be accessible by **[Trustees] [Executive] [Management]** **[Committee members] [Board members]** and the **[company]**secretary.

Recording decisions

Decisions taken where an **[a Trustee] [Executive] [Management] [Committee member] [Board member]** has an interest:

In the event of the **[Executive] [Management] [Committee] [Board]**having to decide upon a question in which an **[a Trustee] [Executive] [Management] [Committee member] [Board 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. Interested parties will not be counted when deciding whether the meeting is quorate. Interested **[Trustees] [Executive] [Management] [Committee member] [Board member]** may not vote on matters affecting their own interests.

All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting.

The report will record:

* the nature and extent of the conflict
* an outline of the discussion
* the actions taken to manage the conflict.

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

Data Protection

The information provided will be processed in accordance with data protection principles.. Data will be processed only to ensure that **[Trustees] [Executive] [Management] [Committee]** **[Board] [members]** act in the best interests of **[Organisation]**. The information provided will not be used for any other purpose.

What to do if you face a conflict of interest

All conflicts of interest, whether actual or potential, should be declared promptly at the earliest possible opportunity:

* Any **[Trustee][Executive] [Management] [Committee member] [Board member]**who has a financial interest in a matter under discussion should declare the nature of their interest and withdraw from the room, unless they have dispensation to speak.
* If an **[a Trustee][Executive] [Management] [Committee member] [Board member]** has any interest in the matter under discussion, which creates a real danger of bias, that is, the interest affects the organisation which they represent, or a member of their household, more than the generality affected by the decision, they should declare the nature of the interest and withdraw from the room, unless they have dispensation to speak.
* If an **[a Trustee] [Executive] [Management] [Committee member] [Board member]** has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if they wish.
* If an **[a Trustee]** **[Executive] [Management] [Committee member] [Board member]** is in any doubt about the application of these rules, they should consult with the chairperson.
* If you fail to declare an interest that is known to the **[company secretary or the]**chairperson, the chairperson will declare that interest. It is recommended that **[Trustees'] [Executive] [Management] [Committee members'] [Board members']**interests are listed in a register, an example of which is given below:

Sample Register of Interests

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Board Member** | **Description of interest** | **Does the interest relate to the board member or a person closely connected to the board member?** | **Is the interest current?** |
| Mr James Smyth | Owner of consultancy firm | Spouse of board member | Current |
| Ms Jane Rowan | Board member of a development group | Board member | Former committee member, retired in February 2004 |
| Mr Roland Brown | Owner of events management company | Spouse of board member | Current |
|  |  |  |  |