

Conflict of Interest Policy Statement & Procedure



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Related Procedure:

- The Financial Regulations /Delegation
- Guide to becoming a Director for Aspire
- Declaration of Outside Interests for Employees
- Conflicts of interest: A Guide for Charity Trustees
- Professional Code of Conduct

Policy Statement from the Board

We aim to behave and be able to demonstrate the highest standards in all our governance processes including how we deal with conflicts of interest.

We will follow the procedures set out below that are based on best practice, ensure transparency and ensure that we are compliant with our individual and collective legal duties to only act in the best interest of the organisation.

Purpose:

Conflicts of interest affect all types and sizes of organisations, they can lead to decisions that are not in the best interests or which are invalid or open to challenge. Conflicts of interest can also damage reputation or public trust and confidence generally.

Aspire recognises that Trustees' personal and professional connections can bring benefits. However, they can also give rise to conflicts of interest to which the trustees must respond effectively. The existence of a conflict of interest does not reflect on the integrity of the affected trustee, so long as it is properly addressed.

Aspire governing documents at Section 9 states:

- A Board member shall declare an interest in any contract arrangement or matter in which he, she or their spouse or partner or a family member has a personal or financial interest, whether directly or indirectly, and shall not vote in respect of such a contract or matter.
- Board members shall be reimbursed all reasonable and proper expenses incurred by them in attending meetings of the Board or General Meetings of the Society or in connection with the business of the Society.
- Board members may receive remuneration for their services. A Board member shall withdraw from any meeting whilst his or her appointment, remuneration or other terms of employment are being discussed.

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Person to Review: **Governance Manager**
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Accountability:

All staff must ensure that they **ALWAYS:**

- **Work in a person centred way;**
- **Follow the specific guidance and instructions that are in customers individual support plans and risk assessments;**
- **Challenge behaviour and speak up if you witness anything that could cause harm of injury to our customers, colleagues or others;**
- **Speak up and challenge behaviour that discriminates against an individual you are supporting;**
- **Act in the best interests of Aspire.**

Guidance

What is a conflict of interest?

If there's a decision to be made where a trustee [their spouse or family member] has a personal or other interest, this is a conflict of interest and you won't be able to comply with your duty unless you follow certain steps, so for example as a trustee, you would have a conflict of interest if Aspire was thinking of making a decision that would mean:

1. You/personal family member could benefit financially or otherwise from it, either directly or indirectly through someone you're connected to.
2. Your duty to Aspire competes with a duty or loyalty you have to another organisation or person.

Conflicting interest is not uncommon and having a conflict of interest doesn't mean you've done something wrong. But you need to act to prevent it/them from interfering with your ability to make a decision only in the best interests of the Aspire.

Where and how do conflicts of interest arise?

Conflicts of interest usually arise where either there is a potential financial or measurable benefit directly to a trustee, or indirectly through a connected person; or where a trustee's duty to the organisation may compete with a duty or loyalty they owe to another organisation or person

There are times when Trustees can benefit from Aspire but this is where there is an explicit authority in place before any decision conferring trustee benefit is made for example may include;

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- pay a trustee for carrying out their trustee role
- pay a trustee for carrying out a separate paid post within the organisation, even if that trustee has recently resigned as a trustee
- pay a trustee for carrying out a separate paid post as a director or employee of Aspire's subsidiary trading company
- pay a trustee, or a person or company closely connected to a trustee, for providing a service to Aspire. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the premises, or any other maintenance work
- employ a trustee's spouse or other close relative at Aspire or its subsidiary trading company
- make a grant to a service user trustee, or a service user who is a close relative of a trustee
- allow a service user trustee to influence service provision to their exclusive advantage

What to do when you have a conflict of Interest?

So that you are able to comply with your duty and avoid a conflict on interest Aspire has a 3 step approach;

- Identify
- Prevent
- Record

Identifying, preventing and recording of conflicts of interest means that;

- Decision making is transparent and can't be overturned
- Reputation and organisational integrity is maintained
- Avoid individual liability where unauthorised payments are made.

Where a trustee identifies a conflict of interest

In preventing the conflict of interest from affecting a decision Trustees must make their decisions only in the best interests of Aspire. This means that you must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated and how you do this may depend on a number of issues;

- Impact of the decision under consideration
- What are the associated risks & liabilities
- What would be the potential for reputational damage

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What individual trustees must do

Trustees must comply with their legal duty so where a trustee has a conflict of interest they must;

- Declare any conflicts of interest to the organisation in writing
- Declare interests at the beginning of each meeting (where agenda items might conflict)
- Remove self from any decision making influence or process or
- Take advice from the Board

What the organisation must do

- Record trustee interests in the organisations “Register of Declared Interests”.
- Consider removing the trustee concerned from the decision making or influencing process.
- Ensure the trustee leaves the room or abstains from influencing or voting in relation to a decision.
- Record details of the discussions and decisions made.
- Be widely communicated and understood within the organisation.
- Be part of a wider policy framework, e.g. Trustee handbook/Governance framework.

In cases of serious conflicts of interest it may mean the trustees deciding to remove the conflict by:

- not pursuing a course of action or
- proceeding with the issue in a different way so that a conflict of interest does not arise or
- not appointing a particular trustee or
- securing a trustee resignation

If a decision is taken against removal of the conflict of interest it must be prevented from affecting the decision in a different way;

- The Board must follow specific requirements in the law or the Aspire’s governing Rules which deal with conflicts of interest and how they should be managed

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- May in exceptional circumstances, seek the authority of the Charity Commission or Financial Conduct Authority where the conflict of interest is so acute or extensive that following these options will not allow the trustees to demonstrate that they have acted in the best interests of Aspire.

Appointed trustees

Where a trustee is elected, or appointed, by a connected organisation or other third party, he or she must act only in the best interests of Aspire in carrying out their trustee role.

Prior to election or appointment potential trustees will be fully trained in their responsibilities as trustees and the appointing body i.e. Aspire Board will also be made aware of these responsibilities.

Review

The Governance Manager will review this policy annually.

More information can be found at:

Financial Conduct Authority <https://www.fca.org.uk/>

The Charity Commission <https://www.gov.uk/government/organisations/charity-commission>

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