

Conflict of Interest Policy

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 CANDI.

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 CANDI adversely. It will also occur if that individual is engaged with an organisation which has aims incompatible to those of CANDI.

Trustees

Conflicts of interest can lead to decisions that are not in the best interests of CANDI and which are invalid or 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 where individual trustees can identify conflicts of interest, and the trustee body can act to prevent them from affecting their decision making.

All trustees have a legal duty to act only in the best interests of their charity.

Trustees' personal and professional connections can bring benefits to the work of a charity, and they often form part of the reason why an individual has been asked to join the trustee body. However, they can 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.

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
- a trustee's duty to CANDI may compete with a duty or loyalty they owe to another organisation or person

In practice this means that trustees cannot receive any benefit from CANDI in return for the service they provide to CANDI, unless they have express legal authority to do so.

The test is always that there is a conflict of interest if the trustee's other interest could, or could be seen to, interfere with the trustee's ability to decide the issue only in the best interests of CANDI.

Declaring conflicts of interest from affecting decision making

Declaration of interest is to be a standard agenda item at the beginning of each Board and Management Team meeting to allow the opportunity for declaration of any actual or potential interest in any of the items on that agenda.

Trustees and management should declare any interest which he or she has in an item to be discussed, at the earliest possible opportunity and certainly before any discussion of the item itself.

If anyone is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other meeting participants.

If anyone is aware of an undeclared conflict of interest affecting another participant, they should notify the other participants or the chair.

- Any participant 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 a dispensation to speak.
- If a participant 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 in doubt about the application of these rules, the Chair should be consulted.

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Record the conflict of interest

The Commission expects CANDI's written records to document any conflicts of interest and how the trustees have dealt with them. The usual way to record the trustees' decisions is in the minutes of their meetings.

Where there is a conflict of interest, the trustees should ensure that the written record of the decision shows:

- the nature of the conflict
- which trustee or trustees were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the trustees took the decision in the best interests of CANDI

Recording decisions in this way helps trustees to show that they have acted properly and complied with their duties.

Staff and Volunteers

Staff and volunteers need to be mindful of potential conflicts of interest. These can occur if people use their position with CANDI to:

- further their own financial interests e.g. by taking on private work with a client
- benefit a third party with whom they are associated e.g. recommend a tradesperson to whom they are related
- discriminate against a service user due to their political or religious views or allegiances
- refer people to agencies with whom they have a connection e.g. to a particular charity with whom you have an involvement
- unfairly benefit a service user to whom they are related e.g. by applying a reduced charge for a service

OR

- are employed or engaged by an organisation in competition with CANDI
- are involved with groups whose values are in conflict with those of CANDI.

This list is not intended to be exclusive but is indicative of the kind of issues that can arise.

Staff and volunteers who have an interest that potentially could be in conflict with their position with CANDI should bring it to the attention of their line manager who will pass it onto the Personnel Working Group for consideration.

Most conflicts of interest can be successfully managed if they are known and out in the open. Staff and volunteer's interests outside of their role with CANDI, providing they are transparent, should not necessarily prevent them from continuing in that role.

Where it is deemed that a member of staff or volunteer acted in their own interests to the potential detriment of others or CANDI disciplinary action will be taken.

Document control

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