

BACK ON TRACK

Helping Injured Veterans

Registered Charity Number 1169764

CONFLICT OF INTEREST POLICY

Reviewed by: Trustees

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1. Statement of Intent

1.1 This policy sets out the framework for ensuring that the decisions and decision-making processes at The Back On Track Charity are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the charity.

1.2 Trustees have an obligation to act in the best interests of the charity in order to avoid situations where there may be a potential conflict of interest.

1.3 Situations may arise where family interests or loyalties conflict with those of the charity. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the charity and risk the impression that the charity has acted improperly.

1.4 The Back On Track Charity therefore intends to:

- Ensure that every Trustee and staff member understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of the charity.

2. Legal Framework

2.1 This policy takes its legal framework from the following legislation and statutory guidance:

- Conflicts of Interest: A Guide for Charity Trustees.

3. Definition

3.1 The Back On Track Charity adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a Trustee's /employee's personal interests or loyalties could, or could be seen, to prevent the Trustee/ employee from making a decision in the best interests of the charity.

4. Identifying Conflicts of Interest

4.1 The Back On Track Charity expects individual Trustees/employees to be able to identify any conflicts of interest at an early stage.

4.2 Individual Trustees/employees who fail to identify and declare any conflicts of interest will also fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interest of the charity and its beneficiaries.

4.3 The Trustees must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the charity and its beneficiaries.

5. Interests which should be declared

5.1 Trustees/ employees will be expected to declare the following interests:

- Being an employee, advisor or trustee/volunteer of another charity or not for profit organisation.

- Pursuing an opportunity that could bring the charity into disrepute
- Having a beneficial interest in another charity.
- Being a spouse, partner, relative or close friend of someone who has one of these interests.

6. Register of Interests

6.1 Trustees should keep an updated record of any conflicts of interest in the Charity's register of interests, which is maintained by the Clerk to the Trustees. This is stored electronically on the charity computer and hard copies which are signed are kept in the charity HQ safe.

7. Declaring Interests

7.1 Trustees should have a standard agenda item at the beginning of each meeting to declare any *actual* or *potential*, conflicts of interest.

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

7.3 If a Trustee is uncertain whether or not he / she is conflicted, he / she should declare the issue and discuss it with the other Trustees.

7.4 If a Trustee is aware of an undeclared conflict of interest affecting another Trustee/ employee, then he / she should notify the other Trustees or the Chair.

8. Removing Conflicts of Interest

8.1 Trustees must consider the conflict of interest so that any potential effect on decision-making is eliminated.

8.2 Trustees must follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, decide that removing the conflict of interest itself is the most effective way of preventing it from affecting their decision-making. Serious conflicts of interest include, but are not limited to, those which:

- Are so acute and extensive that the Trustees are unable to make their decisions in the best interest of the charity and its beneficiaries, or could be seen to be unable to do so.
- Are present in significant or high risk decisions of the Trustees.
- Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
- Are associated with inappropriate Trustee/employee benefit.

9. Withdrawing from decision-making

9.1 Where there is a proposed financial transaction between a Trustee and the charity, or any transaction of arrangement involving Trustee benefit:

- The benefit must be authorised in advance by the Finance Committee. If there is no Finance Committee meeting planned within the time frame of authorisation being required, then the Chair of the Finance Committee and one other finance Trustee can be contacted to authorise the benefit. If the person affected is the Chair of the Finance Committee, then the Chair of the Trustees plus one other finance Trustee must authorise the benefit.
- The Trustees expect the affected Trustee to be absent from any part of any meeting where the issue is discussed or decided.
- The affected individual should not vote or be counted in deciding whether a meeting is quorate.

9.2 Where there is a conflict of loyalty and the affected Trustee does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected Trustee should declare the interest.

9.3 The remainder of the board of trustees must then decide what level of participation, if any, is acceptable on the part of the conflicted Trustee. The options might include, but are not limited to, deciding whether the conflicted Trustee:

- Having registered and fully declared the interest, can otherwise participate in the decision.
- Can stay in the meetings where the decision is discussed and made, but not participate.
- Should withdraw from the decision-making process in the way described above.

9.4 In deciding which course of action to take regarding a conflict of interest, Trustees:

- Must always make their decisions only in the best interest of the charity and its beneficiaries.
- Should always protect the charity's reputation and be aware of the impression that their actions and decisions may have on those outside the charity.
- Should always be able to demonstrate that they have made decisions in the best interests of the charity and its beneficiaries, and independently of any competing interest.
- Should require the withdrawal of the affected Trustee from any decisions where the Trustee's other interest is relevant to a high risk or controversial Trustee decision or could, or be seen to, significantly affect the Trustee's decision-making at the charity.
- Can allow a Trustee to participate where the existence of his / her other interest poses a low risk to decision-making in the charity's interest, or is likely to have only an insignificant bearing on his / her approach to an issue.
- Should be aware that the presence of a conflicted Trustee can affect trust between Trustees, could inhibit free discussion, and might influence decision-making in some way.

9.5 Trustees can, before their discussion, ask a Trustee who is withdrawing, to provide any information necessary to help make the decision in the best interests of the charity and its beneficiaries.

10. Records of proceedings

10.1 Trustees should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.

11. Confidentiality

11.1 Trustees cannot use information obtained at the charity for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial or personal sensitivity.

12. Monitoring and Enforcement

12.1 The Trustees of The Back On Track charity will carry out continuous monitoring of its activities and members to ensure that any conflicts of interest are identified and mitigated as soon as possible.

12.2 Trustees/Employees who fail to declare an interest and are found to be in conflict with the best interests of the charity will be expected to explain to the Trustees his / her reasons for their omission.

12.3 Trustees may decide to contact the Charity Commission to seek to terminate the membership of a relevant Trustee, if he / she is found to have knowingly and deliberately failed to declare an interest and has brought the charity into disrepute.

13. Policy Circulation

13.1 This policy will be circulated to every Trustee who shall annually sign a statement which affirms that he / she has:

- Received a copy of the policy.
- Has read and understood the policy.
- Has agreed to comply with the policy.
- Trustees will be issued the policy on commencement of trustee-ship as part of the charity's induction procedure

13.2 This policy will be included on the charity's website and will be made available to the public.