

Conflict of Interest

Trustees are legally required to act in the best interests of their charity. So decisions made by a diocesan trustee board must be in the best interests of Mothers' Union and not influenced by outside interests. Most of the time, this requirement is easily met, but on occasions, a conflict of interest may occur.

What is a conflict of interest?

A conflict of interest arises when a trustee (or a member of their family or household) has external interests which may influence them in making decisions in the best interests of Mothers' Union.

Conflicts of interest can occur in different ways:

- **Receiving payment** from the charity through payment for the provision of goods or services. For example, a trustee (or a member of their family or household) is the director of a coach firm providing coaches to transport members to a Mothers' Union event.
- **Receiving a benefit** from the charity. For example, a trustee (or a member of their family or household) is offered a family holiday through the AFIA scheme.
- **Having a conflict of loyalty** because of a trustee's involvement with organisation or charity. For example, a trustee who is a member of a community hall management committee could have a conflict of loyalty if Mothers' Union were considering using the venue for an event and paying a hire charge.

Managing conflicts of interest

Conflicts of interest cannot be avoided, but they can be managed effectively so that decisions are made in the best interests of Mothers' Union. There is a simple three step approach to managing conflicts of interest. The procedures for managing conflicts of interest should be agreed at the start of the triennium so that it is in place before any conflict of interest situations occur.

1 Identifying and declaring a potential conflict

A trustee is legally required to declare a potential conflict of interest, before discussions take place and decisions are made. So it is good practice for a trustee board to:

- Have a written conflict of interest policy which sets out how trustees should identify and disclose conflicts of interest in a register of interests.

- Have a standard agenda item at the start of each trustee meeting to allow trustees to declare actual or potential conflicts of interest.

Conflicts of interest are more common than people realise. Do not ignore something that might be a conflict for you. Talk to the other trustees if you are unsure. If you think that one of your fellow trustees appears to have a conflict of financial interest or loyalty, don't be afraid to say so. You aren't accusing them of doing anything wrong.

2 Dealing with a conflict of interest

There may be requirements in your governing document which trustees have to follow in dealing with conflicts of interest. If this is not the case, your conflict of interest policy should include the procedure to be followed when a conflict is declared.

As a minimum, a trustee who declares a conflict of interest should:

- be asked to leave the related discussions
- not take part in the decision or vote
- not be counted in the quorum for that part of the meeting

3 Recording a conflict of interest

In any instance of conflict of interest, a written record should be kept in the minutes of the meeting to show that the trustee board has acted correctly. This should include:

- What the conflict was
- The trustee(s) affected
- How the conflict was declared
- Those who withdrew from the discussion, or any other limitation on an individual's participation
- How the decision was made by the trustees in the best interests of the charity.

Conflict of Interest policy

The trustees of Mothers' Union in the Diocese of Coventry will strive to avoid any conflict of interest between the interests of Mothers' Union in the diocese on the one hand, and personal, professional and business interests on the other.

The purpose of this policy is to protect the reputation of Mothers' Union in the diocese and to enable our members, donors and beneficiaries to have confidence in the integrity of the decision-making process in the diocese.

Trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the charity.

On appointment, each trustee will be required to notify the diocesan secretary, in writing, of any employment, voluntary appointments or business interests they, or a member of the family or household, have which may result in them benefitting from decisions taken by the trustee board, or which may result in a conflict of loyalty between Mothers' Union and another voluntary organisation.

At the beginning of each meeting, trustees will disclose any interests in a transaction or decision where there may be conflict between the Mothers' Union's best interests and the best interests either of the trustee, any member of their family or household or any other organisation with which the trustee is involved.

After disclosure, the trustee(s) concerned will be asked to leave the room for the discussion and will not take part in the decision. Any such disclosure and the subsequent actions taken will be noted in the minutes.

Date adopted:.....