

Conflict of Interest and Reporting of Gifts

The purpose of this policy is to protect Conciliation Resources, its employees, volunteers and board members from any conflict of interest or the appearance of any conflict of interest.

The aim is to protect the integrity of Conciliation Resources decision-making process, to enable stakeholders to have confidence in its integrity, and to protect the integrity and reputation of the employees, volunteers and board members.

What is a conflict of interest and what issues does it raise?

Employees, volunteers and board members must put the interests of Conciliation Resources first when representing Conciliation Resources. A conflict of interest or appearance of a conflict of interest may arise where the objectives or interests of Conciliation Resources and the personal objectives or interests of a board member or employee or volunteer appear to, or do, fundamentally diverge.

To avoid any damage to Conciliation Resources' reputation, any perceived or real conflict of interest needs to be managed carefully and with transparency.

A real or perceived conflict of interest may:

- Inhibit free discussion.
- Result in decisions being taken or actions occurring that are not in the interests of Conciliation Resources.
- Risk the impression that Conciliation Resources has acted improperly.

Conciliation Resources is keen to ensure that its employees, volunteers and board members are able to carry out complementary activities alongside their work for Conciliation Resources. However any real or perceived conflict of interest that may arise out of these engagements must be managed in such a way as to ensure that employees, volunteers and board members or their friends and family are not favoured especially in terms of service, employment or funding from Conciliation Resources.

Real or perceived conflicts of interest may come in a number of different forms:

- For board members
 - Direct financial gain or benefit to a Conciliation Resources board member, such as payment to that board member for services provided to Conciliation Resources or
 - The award of a contract to another organisation in which a board member of Conciliation Resources has an interest and from which that board member may receive a financial benefit; or
 - The employment of a board member of Conciliation Resources in a separate post within Conciliation Resources, even when that board member has resigned in order to take up that employment; or
 - Where a board member of Conciliation Resources is also a trustee, member, employee or director of another organisation that is competing for funding from the same source as Conciliation Resources.

- Indirect financial gain, such as employment by Conciliation Resources of a relation¹ or friend of an employee, volunteer or board member; or
- Seeking external funding for personal interests on the basis of the applicant's link with Conciliation Resources; or
- Non-financial gain, such as when a user of Conciliation Resources services is also a board member of Conciliation Resources.

The Declaration of Interests

Upon appointment each employee, volunteer or board member should complete a Conflict of Interest form, see [appendix 1](#), in connection with their role at Conciliation Resources. This should be updated at least annually or when any changes occur which may give rise to an actual or perceived conflict of interest, if this is sooner. The Operations Team will send out annual reminders to all employees, volunteers and board members.

In addition the board will be reminded of their obligation to declare any conflicts of interest annually at the first board meeting of the year. Charity Commission guidance states 'It is good practice at the beginning of a meeting for every charity trustee to declare any private interest which he or she has in an item to be discussed, and certainly before any discussion of the item itself. Simply declaring that a conflict exists and withdrawing from the discussion and any decision making will be all that is required if the trustee is not receiving any material benefit as a result of the conflict of interest. However, if a trustee is receiving a material benefit this will need authority.'

Failure by an employee to declare an interest may lead to disciplinary action being taken. Failure by a board member of Conciliation Resources to declare an interest may lead to censure by other board members of Conciliation Resources.

If anyone is not sure what to declare, or whether/when their declaration needs to be updated, they should err on the side of caution. If anyone would like to discuss a potential conflict of interest they should contact their line manager or the Director of Operations for confidential guidance.

If a board member of Conciliation Resources would like to discuss a potential conflict of interest they should contact the Director of Operations in the capacity of Company Secretary, in the first instance.

Interests will be recorded in Conciliation Resources' register of interests, with the paper copies being held by the Director of Operations and a scanned copy held on the Shared Drive. The register is an internal document and will be accessible to anyone at Conciliation Resources. The register of other directorships of board members is a public document and will be available to anyone who may request to see it within 24 hours of receiving a written request under the Freedom of Information Act 2000. (This information is also publicly available from Companies House).

Data Protection

The information held in the register of interests will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that employees, volunteers and board members act in the best interests of Conciliation Resources. The information provided will not be used for any other purpose.

¹ Relation may be child, grandchild, grandparent, brother, sister, spouse, civil partner.

What to do when faced with a potential conflict of interest

All employees, volunteers and board members have a responsibility to assess any situation where a conflict of interest might occur, and, where they have a direct or perceived conflict of interest, to declare this at the earliest opportunity. Further involvement with any discussions will be in line with the rule detailed below.

- A simple majority of non interested parties is needed in deciding whether the interested party
 - Can remain in the meeting and listen to the discussion; or,
 - Can remain in the meeting and contribute to the discussion; or
 - Recluses themselves from the meeting for the duration of the discussion.

A person may, however, participate in discussions from which they may indirectly benefit, for example where the benefits are universal to all users.

If anyone fails to declare an interest that is known to either the Executive Director or the Director of Operations or the Chair of the Conciliation Resources Board, the Executive Director or the Director of Operations or the Chair will declare that interest at the appropriate time during any discussion.

Decisions taken where a conflict of interest has arisen

In the event of a meeting, including a meeting of the board or sub-committee of the board, having to make a decision in which a board member of Conciliation Resources or the Executive Director or employee or volunteer has declared a potential conflict of interest the following rules will apply:

- All decisions by non-interested parties will be made by vote of those attending the meeting, with a simple majority required.
- A quorum, as detailed in any Terms of Reference for that meeting, must be present for the discussion and decision.
- Interested parties will not be counted when deciding whether the meeting is quorate.
- Interested parties may not under any circumstances vote on matters affecting their own interests.

Examples of Conflicts of Interest and how they should be handled

- Any employee, volunteer or board member who has a financial interest in a matter under discussion, should declare the nature of their interest and withdraw from the meeting, unless the meeting has agreed they can contribute to the discussion.
- If an employee, volunteer or board member has any interest in the matter under discussion, which creates a real danger of bias, that is, the interest affects them, or a member of their family or household, more than the generality affected by the decision, should declare the nature of the interest and withdraw from the meeting, unless the meeting has agreed they can contribute to the discussion.
- If an employee, volunteer or 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 meeting, and if the meeting agrees can contribute to the discussion.

If there is any doubt about the application of these rules those involved should consult with the chair of the meeting.

Any employee or volunteer who also has such conflicts of interest when applying for funding or contracts

should also declare the interest and the matter be discussed with the Director of Operations (unless the employee is the Director of Operations in which case the matter should be raised with the Executive Director).

All decisions under a conflict of interest will be recorded by the Director of Operations and also reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict of interest;
- An outline of the discussion;
- The actions taken to manage the potential conflict of interest.
- Where further advice is sought, this should be recorded in the minutes and the actions taken as a result of the advice received.

Where a board member of Conciliation Resources benefits from any decision taken by the board, this will be reported in the annual report and accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2015).

Declaring Gifts

If an employee or volunteer, in the course of their work, receives or is offered a gift or gifts from a current or potential supplier, partner, consultant or any other entity, this should be declared to your line manager, using the form at [appendix 2](#). In the event the true or deemed value is £50 (or local currency equivalent) or more, either singularly or in aggregate, wherever possible the gift will be the property of Conciliation Resources and should be sent to the Director of Operations. The Executive Management Committee will have the ultimate decision making responsibility regarding the use of a gift.

For the avoidance of doubt, any gift of cash or voucher/s² which is/are the equivalent of cash, is/are not to be accepted and should be refused or politely returned. Acceptance of a cash or cash equivalent gift that is not declared will lead to disciplinary action and could lead to dismissal.

In all instances a declaration of gift form should be completed and given to the Director of Operations who will retain it with the register of interests and an electronic copy held on the Shared File. Courtesy gifts³ of a nominal value are excluded from the need to be reported.

What does UK law say about conflicts of interest regarding trustees?

The Companies Act 2006 states that charity trustees (board members) may not receive any benefit from their charity in return for any service they provide unless they have express legal authority to do so. This legal authority will come either from a clause in the charity's governing document or, where there is no adequate clause in the governing document, from the Charity Commission or the Court.

It is acceptable to repay reasonable out of pocket expenses to trustees. Any costs that are necessary to allow a trustee to carry out his or her duties as a trustee can be classed as expenses and recovered from Conciliation Resources or met directly by Conciliation Resources. This may include travel costs and the cost

² Frequent flyer points or air miles that earned by Conciliation Resources' staff whilst travelling on behalf of Conciliation Resources will accrue to the individual and not be counted as a gift.

³ These are items such as a box of chocolates, a single bottle of wine etc.

of providing care for a dependent whilst attending a trustee meeting or when undertaking trustee business.

Clauses 5 and 6 of Conciliation Resources' Articles of Association set out the specific situations where trustees can receive payment from Conciliation Resources. These Articles have been approved by the Charity Commission.

In brief it states that trustees may receive remuneration for:

- a) Services rendered.
- b) The usual professional charges for business done by any trustee who is a solicitor or accountant or other professional as long as no more than 50% of trustees are engaged in work for the charity and any individual withdraws from any meeting where their work, or the work of anyone they are related to, is discussed.
- c) Conciliation Resources related expert work as long as this work is subject to a peer review (see section below on peer review) no more than 50% of trustees are engaged in work for the charity and any individual withdraws from any meeting where their remuneration is discussed.

The full text of Clauses 5 and 6 can be read at [appendix 3](#).

Peer review

When a board member has carried out expert work for Conciliation Resources, the relevant staff member will review the output, usually the Programme Director for whom the work was done, who will give feedback to the board member. If it is a piece of written work, this may be sent for comments to other external experts. This process will be considered to be the peer review process as stipulated in Clause 5 of CR' Memorandum of Association.

September 2016

Conciliation Resources Declaration of Interests Form

I _____ as a Board/Staff/Volunteer (delete as appropriate) Member of Conciliation Resources have set out below my interests in accordance with the organisation's conflicts of interest policy.

Category	<i>Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection</i>
Do you have current employment or any previous employment in which you continue to have a financial interest in?	
Do you hold any other appointments (voluntary or otherwise) e.g. trusteeships, directorships, political or local authority appointments, tribunals etc.?	
Are you, or any member of your immediate family ¹ , a member of any professional bodies, special interest groups or mutual support organisations that could conflict with your role at Conciliation Resources?	
Have you or any member of your immediate family performed consultancy work or engaged in any other paid work since last completing a Declaration of Interest form other than that which has been pre-approved by the Treasurer or Chair of Conciliation Resources?	
Do you, or any member of your immediate family, have any investments in unlisted companies, partnerships and other forms of business, major shareholdings and beneficial interests, hold any position or appointment as a Director (executive or non-executive) or Company Secretary in any company whether or not they do business with Conciliation Resources that could conflict with your role at Conciliation Resources?	

To the best of my knowledge, the above information is complete and correct. I undertake to update as

¹ An immediate family member is as defined in Article 6.1.11 of the Articles of Association

necessary the information provided, and to review the accuracy of the information on an annual basis or sooner as the case maybe. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed:

Position:

Date:

Conciliation Resources – Declaration of Gift

Trustee / Employee / Volunteer

[Please delete as appropriate]

Description of gift or hospitality provided	
Value/Estimated value of gift or hospitality	
Date of offer and date of receipt of gift or hospitality	
Person / body offering/providing the gift or hospitality:	
Person or body receiving the gift or hospitality (other than/as well as you)	
Any relationship (including potential future relationship) which you or Conciliation Resources has with the person or body offering the gift or hospitality	
Why accepting it was in CR' interests:	
For gifts (including items such as tickets): do you seek permission to retain / use it yourself, or will you pass / have you passed the gift to the Company Secretary or other Director within Conciliation Resources to be dealt with in an appropriate way?	
For hospitality or gifts already enjoyed, used or consumed: Why was prior approval not sought?	

Signed:

Dated:

Entered in Register of Interests:

Dated:

Reviewed by the Director of Operations:

CONCILIATION RESOURCES Articles of Association – 18 May 2016

5. Use of income and property

- 5.1 The income and property of the Charity shall be applied solely towards the promotion of the Objects and no part of it shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to members of the Charity or Trustees, and no Trustee may be appointed to any office of the Charity paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Charity except as permitted by law or by the Charity Commission or as permitted below under 'Allowed Payments' and then only after complying with any requirements of the Act and the Charities Act, PROVIDED this shall not prevent a member of the Charity or a Trustee receiving any benefit as a beneficiary.

6. Allowed Payments

- 6.1 The Charity may pay:-

- 6.1.1 reasonable and proper payment to any member, officer, servant, employee, professional or other adviser of the Charity who is not a Trustee for any goods or services supplied to the Charity;

Payments for services and goods connected to those services

- 6.1.2 reasonable and proper remuneration of a Trustee for services actually rendered to the Charity or a subsidiary of the Charity (save for services rendered in his capacity as a Trustee) and for goods that are supplied in connection with the provision of those services, PROVIDED THAT:-

- (a) the number of Trustees so remunerated in any accounting period shall not exceed a minority of the Board of Trustees;
- (b) no resolution to approve such remuneration to a Trustee shall be effective unless it is passed at a meeting of the Board of Trustees;
- (c) such Trustee shall not vote on any resolutions relating to his engagement by the Charity or a subsidiary (as defined in the Act) of the Charity;
- (d) the remuneration or maximum remuneration payable to the Trustee shall be set out either in the resolution approving such remuneration or in a written agreement between the Trustee and the Charity;
- (e) that in the event that the services provided by a Trustee are in respect of training or mediation on behalf of the Charity or research conducted on behalf of the Charity, the Trustee is chosen to provide these services because such training, mediation or research was calculated to be more effective to be delivered by the Trustee due to that Trustee's specialist skills and knowledge, and such training, mediation or research is

subjected to an independent review of peers in the field in which that Trustee shall not participate; and

- (f) the Trustees are satisfied it is in the best interests of the Charity for the services to be provided by that Trustee to the Charity or on behalf of the Charity for the remuneration or maximum remuneration agreed.

Payments for goods not supplied in connection with services

6.1.3 reasonable and proper payment for goods supplied by a Trustee that are not supplied in connection with services actually rendered to the Charity or a subsidiary of the Charity PROVIDED THAT:-

- (a) the amount or maximum amount of the payment for the goods is set out in a written agreement between the relevant Trustee and the Charity under which that Trustee is to supply the goods to or on behalf of the Charity;
- (b) the amount or maximum amount does not exceed what is reasonable in the circumstances for the supply of goods in question;
- (c) the other Trustees are satisfied it is in the best interests of the Charity to contract with that Trustee rather than with someone else who is not a Trustee. In reaching such a decision the Trustees must balance the advantage of contracting with a Trustee against the disadvantages of doing so;
- (d) the relevant Trustee is absent from the part of any meeting at which there is discussion of the proposal to enter into such a contract with that Trustee;
- (e) the relevant Trustee does not vote on any such matter and is not counted in the quorum for that decision; and
- (f) a majority of the Trustees then in office are not in receipt of remuneration or payments authorised in Articles 6.1.2, 6.1.3, 6.1.4, 6.1.7, 6.1.10, or 6.1.11.

6.1.4 reasonable interest on the money lent by any Trustee;

6.1.5 reasonable out-of-pocket expenses to any Trustee;

6.1.6 reasonable and proper payment to a company of which a member of the Charity or a Trustee holds not more than a hundredth of the capital;

6.1.7 reasonable and proper rent of premises demised or let by any Trustee;

6.1.8 to the extent permitted by law, reasonable and proper premiums in respect of any Trustee indemnity insurance policy taken out pursuant to Article 4.1.25 above;

6.1.9 any payment to a Trustee under the indemnity provisions in the Articles of Association;

6.1.10 a Trustee to be employed by, or receive any remuneration from the Charity which is not authorised in this Article 6, provided the remuneration is authorised by court or the Charity Commission; and

6.1.11 in exceptional cases other payments or benefits but only with the prior written approval of court or the Charity Commission.

PROVIDED THAT no Trustee shall vote on or be present during the discussion of or voting on any decision to borrow money from or pay rent or make a payment or give any remuneration or a benefit to that Trustee other than the approval of any permitted indemnity insurance or the payment of an indemnity where such payment is to be made to a majority of the Trustees.

For the purposes of this Article 6 Trustee shall include any child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Trustee or any person living with the Trustee as his partner.

A payment to a Trustee includes the payment to or the engagement of or remuneration of any firm or company in which the Trustee is: (i) a partner; (ii) an employee; (iii) a consultant; (iv) a director; or (v) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Trustee holds less than 1 per cent. of the issued capital.

End