

Conflict of Interest Policy

1. Purpose

The purpose of this policy is to help members of the board of SCHA to identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of SCHA and manage risk.

2. Objective

The SCHA board, (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of SCHA.

3. Scope

This policy applies to the board members of SCHA.

4. Definition of conflicts of interests

A conflict of interest occurs when personal interests would incline a trustee to a course of action incompatible with their responsibility to act in the best interests of the charity.

Personal interests include direct interests (such as obligations arising out of a contract of employment), as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

They also include conflicts between a board member's duty to SCHA and another duty that the board member has (for example, to another charity). A conflict of interest, including of loyalty, may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the organisation. These situations must be managed accordingly to ensure the interests of SCHA remain paramount.

5. Policy

It is the policy of SCHA, as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to SCHA.

SCHA will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches

5.1. Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

5.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into SCHA register of interests, which will then be recirculated to the board.

The register of interests must be maintained by the Secretary supported by a named Trustee with lead responsibility for Good Governance. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

5.3 Confidentiality of disclosures

The Secretary and a named member of the board with responsibility for Good Governance, will have access to all information disclosed.

A summary of the register, identifying key conflicts of interest, will be made publicly available on the organisation's website.

At each AGM, the register of conflicts and how any have been handled by the Board in the previous year, will be available to members on request.

6. Action required to manage conflicts of interest

6.1. Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted board members should:

- vote on the matter (this is a minimum),
- participate in any debate
- be present in the room during the debate and the voting
- participating in the debate subject to conditions

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

6.2. What should be considered when deciding what action to take

In deciding what approach to take, the board will consider:

- 1) the charity's objects and resources, and
- 2) whether the conflict will realistically impair the disclosing person's capacity impartially to participate in decision-making
- 3) the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity
- 4) whether the conflict needs to be avoided or simply documented
- 5) alternative options to avoid the conflict

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the organisation.

If a person suspects that a board member has failed to disclose a conflict of interest, they must notify the named Trustee, [insert email] responsible for assuring good governance.

Contacts

For questions about this policy, contact the board Secretary in by email.

Policy Agreed 2nd April 2021

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