



St Eval Area Community Action Forum CIC

Draft Conflict Of Interest Policy

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This policy applies to directors of SEACAF CIC

1. Why we have a policy

The Directors have a legal obligation to act in the best interests of SEACAF CIC, and in accordance with its governing document and to avoid situations where there may be a potential conflict of interest.

Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of SEACAF CIC. Such problems may create problems. They can:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of the company;
- risk the impression that the company has acted improperly

2. Potential conflicts of interest

Conflicts of interest may come in a number of different forms:

A. Direct financial gain or benefit to a director, such as:

- payment to a director for services provided to the company
- the award of a contract to another organisation in which a director has an interest and from which a director will receive a financial benefit or
- the employment of a director in a separate post within the company, even when the director has resigned in order to take up the employment

B. Indirect financial gain, such as:

- employment by the company of a spouse or partner of a director, where their finances are interdependent
- non-financial gain, such as when a user of the company's services is also a director and
- conflicts of loyalties, such as where a director is appointed by one of the company's funders, or where a friend of a director is employed by the company

3. The Declaration of Interests

Accordingly directors will complete a Declaration of Interest Form (see appendix 1) giving details of potential or actual conflicts of interest including:

- remunerated or unremunerated appointments e.g. trusteeships, directorships, local authority membership, tribunal or committee membership, paid or unpaid held in other organisations, charities or voluntary bodies;
- gifts (over the value of £10) or hospitality offered to directors by external bodies to SEACAF CIC and whether this was declined or accepted in the last 12 months;
- any other conflicts not covered with the above

The Declaration of Interest Form must be updated by the director concerned where there is any material change to the information provided.

The Declaration of Interest Form must be reviewed regularly but as least on an annual basis, usually on the anniversary of appointment as a director.

The Company Secretary is responsible for maintaining the Register of Interests for ensuring they are reviewed and updated at least annually.

Any potential director or appointed director unsure of what to declare should err on the side of caution and declare.

Directors may seek guidance from the Chair or Company Secretary on whether an Interest should be declared.

In addition to the Register of Interests maintained by the Company Secretary, the first item on the agenda of each directors meeting or other related sub-committee should be declaration of Interests by the directors present at the meeting.

The Register of Interests shall be accessible by the directors and any authorised person from a relevant statutory body.

4. Data Protection

The information provided by the directors 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 the directors act in the best interests of SEACAF CIC. The information provided will not be used for any other purpose.

5. What do you do if you face a Conflict of Interest

Directors should not be involved in discussions or decisions where there is a potential or actual conflict of interest for them or a connected person (see appendix 2).

Directors should declare their interest at the earliest opportunity, preferably at the start of the meeting at which the issue is going to be discussed or as soon as they realise that a potential or actual conflict exists, if it has not been done at the beginning of the meeting.

Conflicted directors should withdraw from any subsequent discussion and should leave the room to ensure that the potential conflict cannot affect the discussion and decisions of the remaining directors.

If a director fails to declare an interest that is known to the Chair of the Directors and/or the Company Secretary, it is their duty to declare that interest.

6. Decisions taken where a director has an interest

In the event of the board of directors having to decide upon a question in which a director has an interest, all decisions will be made by vote with a simple majority required. A quorum must be present for the discussion and decisions; interested parties must not be counted when deciding whether the meeting is quorate. Interested directors may not vote on matters affecting their own interests.

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

- the nature and extent of the conflict
- the discussion
- the actions taken to manage the conflict

Where director benefits from the decision, this will be reported in the annual report and accounts in accordance the company's SORP (Statement of Recommended Practice).

All payments or benefits in kind to directors will be reported in the company's accounts and annual report listed for the year in question.

Where a member of the company staff is connected to a party involved in the supply of a service or product to the company, this information will also be fully disclosed in the annual report and accounts.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

7. Managing contracts

Directors must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangement for such contracts will include provision for an independent challenge of the bills and invoices, and termination of the contract if the relationship is unsatisfactory.



Appendix 1 Declaration of Interests Form

This form is to be completed by all prospective and current directors prior to appointment and is to be updated on the anniversary of that appointment and where there is a change.

In all cases please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family or connected persons.

I, as a director of SEACAF CIC, have set out below my interests in accordance with the company's Conflicts of Interest Policy.

Nature of possible conflict of interest/s:

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflict of interest policy and no other purpose.

Signed

Date.....

Appendix 2

Definition of a connected person

- A director, their child, stepchild, parent, grandchild, grandparent, brother or sister;
- The spouse or civil partner of any of the above, including a person living with another as that person's husband or wife or a person living with another as if they were civil partners;
- A person carrying on business in partnership with any of the persons mentioned above;
- Any institution which is controlled either individually or by two or more people mentioned above. By this we mean they are able to secure that the affairs of the institution are conducted in accordance with their wishes and
- A body corporate in which any of the people mentioned above has a substantial interest, either solely, or between two or more people. By this we mean someone who a) has shares that have a nominal value of more than one-fifth of the share capital; or b) can control the exercise of more than one fifth of the voting power at any general meeting.