

# StepIn

*Supported Living Networks*

## Conflict of Interest/Loyalty Policy, & Register of Directors' Interests

Document reference number	SICOI1	Document developed by	Brian Feeney
Revision number	One	Document approved by	Board of directors
Approval date	January 25, 2017	Responsibility for implementation	Board of directors
Revision date	This policy will be reviewed at least every two years or immediately on changes of relevant legislation	Responsibility for review and audit	Board of directors

**Policy:** Designed to protect the organisation against conflicts of interest/loyalty which are: "applied to individuals when their different interests clash as a result of 'wearing more than one hat'; in particular where a personal or professional interest may get in the way of making a decision in the best interest of the organisation". [ 'Getting to Grips with Governance' (from The Wheel's Solid Foundations series of good practice guides), p.57]

**Register:** Used at the beginning of each Board meeting to record any conflicts of interest/loyalty which might arise in connection with the agenda items scheduled for that meeting. This is built up board meeting by board meeting, as outlined in the Conflicts of Interest/Loyalty Policy.

Any conflicts are carefully monitored and addressed if needed, in order to ensure decisions are *always* made in the best interest of the organisation, rather than those of individual/groups of board members.

## **StepIn Conflict of Interest and Conflict of Loyalty Policy**

**FINAL: Approved at board meeting on (date to be filled in)**

**1. Introduction:** This policy document has been drafted to address how StepIn's board will deal with conflicts of interest and conflicts of loyalty when they arise.

The purpose of this policy is to provide clarity to:

- individual board members about the behaviour expected of them on such occasions;
- the board as a whole, on how it should address any declared or perceived conflicts should they arise;
- the Chair as to his/her role in the process;
- members (and other stakeholders), because it provides information about how the board addresses these types of conflict.

In developing this policy, it is acknowledged that conflicts of interest and conflicts of loyalty will arise from time to time for board members and that this is normal. This policy has been developed to provide assurance for, and clarity to, all concerned and that there is a clear way of addressing them when they arise.

This policy is developed in conjunction with a 'Code of Conduct' for board members.

### **2. Definitions**

The following definitions for the two terms are provided in the Glossary to the Governance Code for Community, Voluntary and Charitable Organisations and this policy is based on those definitions:

*Conflict of interest:* A conflict of interest arises when your private interests compete with your professional duties. A conflict of interest may arise, for example, if a board member influences the awarding of a contract to a company owned by a family member. It is legal to award a contract to the best qualified company, even if that company is owned by a relative, but the board member could not be part of the decision-making process. This would be a conflict of interest, because their family would benefit financially from this position.

A conflict of interest can also happen in relation to connections the board member might have that are unrelated to family connections, but to do with others with whom he/she may have a business connection.

Conflict of Loyalty: is where a board member may be involved in board decisions and may be (or perceived to be) potentially influenced by considerations other than the best interests of the organisation. This might happen when the board member has come onto the board as a nominee of a particular group e.g. members in a particular county, a funding body, beneficiaries or staff. This situation may possibly cause the board member to think that they should act in the interests of the grouping that nominated them. However, in all cases, regardless of how they got on to the board of directors, all board members should act in the interests solely of the organisation on whose board they sit, rather than acting in the interests of the grouping that nominated them.

Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

### **3. Statement of Policy**

Conflicts of interest and conflicts of loyalty will arise from time to time and this is normal. When they arise, they are to be dealt with as outlined in this policy.

Each board member must familiarise themselves at their induction with the definitions of conflicts of interest and loyalty as provided for here and with this policy.

At a board meeting, each board member, and anyone else present, must say if they believe they have a conflict of interest on a matter to be decided at the meeting. Unless the board decides otherwise, they must leave the room when the board is discussing or deciding on that matter. The person concerned will subsequently be told what decision was made.

All conflicts of interest and the outcome will be recorded in the minutes for that meeting. They will also be recorded in the 'Register of Directors' Interests' which is maintained by the Company Secretary.

At a board meeting, each board member, and anyone else present, must say if they believe they have a conflict of loyalty on a matter to be decided at that meeting. If the board decides that this is sufficiently serious so as to be a conflict of interest, then it will be addressed as per the policy for conflict of interest which is outlined in this document. However, in most cases, the board will decide that the potential conflict of loyalty, as expressed by a board member, does not warrant the board member's absence, i.e. it is not serious enough to be a conflict of interest. In this case, the statement of the potential conflict of loyalty and the outcome of the brief discussion on it will be recorded in the 'Register of Directors' Interests'

The 'Register of Directors' Interests' will be circulated to all board members annually.

### **4. How the policy will be enacted**

At the start of every board meeting there will be an agenda item addressing potential conflicts of interest and loyalty with respect to items scheduled for discussion and decision at that meeting.

The Chair will ultimately decide on an appropriate action for dealing with any concerns expressed, up to and including asking the relevant person to leave the room for the relevant discussion/decision.

This policy will form part of a ‘Code of Conduct’ which will be explained to new board members at their induction and to which all board members must sign up to upon their election as board members.

## 5. Review of Policy

This policy will be reviewed as part of StepIn’s annual commitment to the Governance Code for Community, Voluntary and Charitable organisations

### Format for Register of Director’s interests

StepIn will record any conflicts of interest/loyalty which might arise in connection with the agenda items scheduled for that meeting. This is built up board meeting by board meeting, as outlined in the Conflicts of Interest/Loyalty Policy above. It is set out as shown in the example below.

*(Example of format)*

Date	Direct extract from relevant board minutes
Board meeting on (day/ month/ year)	<b>Example:</b> Person 'a' noted that his/her organisation had engaged in activities which may represent a conflict of interest in relation to agenda item 'b'. It was agreed that this did not represent a conflict of interest in terms of the discussion likely to take place at the meeting, and if that were to change, person 'a' would leave the room.
Board meeting on (day/ month/ year)	<b>Example:</b> Person 'x' noted that he/she had a conflict of interest in relation to agenda item 'y' and volunteered to leave the room during the discussion of this item. This was agreed and it happened.
Board meeting on (day/ month/ year)	
Board meeting on (day/ month/ year)	



## StepIn's register of Directors' interests

Date	Direct extract from relevant board minutes
StepIn board meeting November 19, 2015	

