



Conflicts of Interests Policy

Status	Approved
Consultation with staff	Monday 17 th November until Friday 28 th November 2014 at 12noon
Health Check by Lawyers	5th December 2014
Trustee Board Approval	11th December 2014
This policy replaces the former Register of Interests Policy.	

Conflicts of Interests Policy

1. What is a Conflict of Interest?

Trustees have a legal duty within the Charities and Trustee Investment (Scotland) Act 2005 to act only in the best interests of the charity. A **Conflict of Interest** is a situation in which a trustee's personal interests could, or could be seen to; prevent the trustee from making a decision only in the best interests of the charity. Charity trustees are expected to put the interests of the charity before their own interests or those of any other person or organisation.

Conflicts of interest can lead to decisions that are not in the best interests of the charity and which are invalid or open to challenge. Conflicts of interest can also damage a charity's reputation or public trust and confidence in charities generally. These harmful effects can be prevented where individual trustees can identify conflicts of interest, and trustees can act to prevent them from affecting their decision.

Even the perception that there is a conflict of interest can damage the charity. Where the perception is not accurate because there is no conflict of interest, the trustees should always be able to respond appropriately to the situation by managing the risks to the charity and being prepared to explain how they have made their decisions only in the best interests of the charity.

2. Procedure

2.1 Appointing Trustees

The Trustee Board Appointments Committee should consider conflicts of interests as a pre-appointment issue. Prospective trustees should be asked about their potential conflicts of interests and where prospective trustees are likely to be subject to serious or frequent conflict of interest, the trustees should seriously consider whether that trustee should be appointed.

2.2 Making the Declaration

Individuals will be requested to complete a Declaration on appointment to the Trustee Board or to a post within the Students' Association, where the post holder is able to control or influence the control of major resources or policy decisions. All Senior Managers are expected to fall within this definition and will be required to complete a Declaration. The Declaration will be kept by the Chief Executive under secure conditions.

The Trustee Board also needs to be aware of, and to consider, the potential for conflicts relating to other office holders, staff and volunteers. It is not proposed that these individuals be requested to complete a Declaration, but for them to be aware of this policy and to raise any potential conflict of interest as they arise.

2.3 Information to be provided

The general principle is that individuals should disclose anything, financial or otherwise, which is likely or would, if publicly known, be perceived as being likely to influence the exercise of independent judgement.

2.3.1 Employment

This covers both paid and voluntary employment. Name of employer, post held and the nature of the business should be stated for the last 3 years. In the case of employees, paid employment refers to employment other than by the Students' Association.

2.3.2 Appointments, Offices and Directorships

Name of the bodies in which a position of authority (whether remunerated or voluntary) is held and the nature of the office held, including:

- Trusteeships or participation in the management of charities and other voluntary bodies
- Public Appointments
- Elected Offices
- Appointments within other organisations whose decision-making could affect the Students' Association's interests and which could give rise to duality or conflict of interest
- Paid and unpaid directorships and non-executive directorships in companies which are likely, or are possibly seeking, to do business with the Students' Association

2.3.3 Kinship Relationship

Details of any kinship relationship with any member(s) of staff or members of the Students' Association should be provided. Individuals should indicate the area within the Students' Association or membership that the individual is working or is involved. The name of the individual is not required.

2.3.4 Membership of Trade Unions

Details on the membership of Trade Unions.

2.3.5 Businesses, Companies or Consultancies

Details on the businesses, companies or consultancies which the individual owns or partly owns.

2.2.7 Any Other Material Interest

Details should be disclosed of any other material interest which reasonably could be regarded as potentially prejudiced to the open and impartial discharge of the individual's role as a Trustee or member of staff.

Where a nil return is appropriate, the word “Nil” should be entered. The declaration should be signed and dated by the individual making it.

2.3 Maintenance

A reminder about the importance of updating entries will be sent out each year in August by the Chief Executive. Any failure to send or receive a reminder does not relieve the individual from their legal obligation to declare Conflicts of Interests.

2.4 Access

The Conflicts of Interests policy and a summarised register of interests will be available publically on the Students’ Association website. The completed register of interest forms will be held by the Chief Executive and will be available at any time for review by trustees and administrative staff involved in servicing the Trustee Board.

3. Declaration at Meetings

There is a standard agenda item at the beginning of each trustee meeting to declare any actual or potential conflict of interest. A trustee should declare any interest they have in the item to be discussed and certainly before any discussion of the item itself. If a trustee is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other trustees. If a trustee is aware of an undeclared conflict of interest affecting another trustee, they must notify the other trustees or the Chair; this is a legal requirement. The Chair of the meeting will be informed by the Clerk or Chief Executive if there is information within the Register which raises the possibility of a conflict of interest. Declarations made at meetings will be minuted.

4. Preventing Conflicts of Interests from Affecting Decision Making

Trustees’ personal or wider interests can generate conflicts of interest from time to time, some of which pose a minor risk to the charity and some of which are more serious. The trustees must decide whether this conflict poses no risk, low risk or a high risk to decision making in the best interests of the charity and if the affected trustee, having declared in their other interest, can participate in decision making.

The Office of the Scottish Charity Regulator (OSCR) has identified the most common conflicts of interests in ‘Guidance for Charity Trustees - Acting with Care and Diligence’. First, individual charity trustees should avoid circumstances in which there is a conflict between their personal interests and those of the charity. Secondly, where a charity trustee is faced with a conflict of interest between the interests of the charity and those of a person or organisation responsible for their appointment as a charity trustee, the interests of the charity must come first. The charity trustee must act in the interests of the charity to which they have been appointed, not in the interest of the person or organisation which appointed them. Thirdly, there may be the possibility of a conflict of interest between the concerns of two different organisations to which a charity trustee is affiliated.

The test is always that there is a conflict of interest if the trustee’s other interest could, or could be seen to; interfere with the trustee’s ability to decide the issue only in the best interest of the charity.

Trustees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. Trustees must decide whether identified conflicts of interest should be removed or can be managed. This may include not perusing a course of action, proceeding with the issue in a different way so that the conflict of interest does not arise or not appointing a particular trustee or securing a trustee resignation. Consideration should always be given to protect the charity's reputation and the impression that trustees actions and decisions may have.

The Trustee Board can allow a trustee to be present and/or participate in discussions where the existence of his or her other interest poses a low risk to decision making in the charity's interests. This may or may not include taking part in the decision making aspect, such as a vote. The Trustee Board should require the withdrawal of the affected trustee from any decisions where the trustee's other interest is relevant to a high risk or controversial trustee decision or could significantly affect, or could be seen to significantly affect, the trustee's decision making. Withdrawal from decision making means withdrawing from initial discussions and decisions take place, and from subsequent discussions or decision making on the issue. The trustees can, before the discussion, ask a trustee who is withdrawing to provide any information necessary to help make a decision in the best interests of the charity.

5. Recording of Conflict of Interests

Where there is a conflict of interest the trustees should ensure the decision is in the minutes of the meeting and show:

- The nature of the conflict
- Which trustee or trustees were affected
- Whether any conflicts of interest were declared in advance
- An outline of the discussion
- How the trustees took the decision in the best interests of the charity

Recording decisions in this way helps trustees to show that they have acted properly and complied with their legal duties.

6. Bribery, Business Gifts and Hospitality

The Students' Association Financial Policy and Procedures outlines the responsibility of each trustee, employee, member and others directly involved in delivering Students' Association business or acting on behalf of the Students' Association to comply with all relevant legislation countering bribery and corruption, in particular the Bribery Act 2010. The Policy also outlines guidance for the receipt of gifts and hospitality.

7. Discipline

Collectively the charity trustees must also take all reasonable steps to make sure that a trustee who has acted improperly in relation to a conflict of interest corrects the situation and does not repeat the offence. The Charities and Trustee Investment (Scotland) Act 2005 makes clear that if a charity trustee is in serious or persistent breach of these requirements, then it is

the responsibility of all the other charity trustees to initiate procedures for removing them from their position as trustee.

Where trustees don't identify or properly respond to a conflict of interest, there can be serious consequences for the affected trustee, the charity, and public trust and confidence in charities generally.

Employees that fail to comply with the Conflicts of Interests Policy could result in disciplinary action, up to and including dismissal, taken against them.

7. Review and Monitoring

This policy will be reviewed by the Chief Executive, as and when required, taking into account feedback from consultation with staff. This policy does not form part of any employee's contract of employment and can be amended at any time. The Trustee Board will approve any changes to this policy.

Register of Interests Declaration
Declaration by Trustees and Employees

Name	
Position	
Occupation	

Declared Interests

Employment (paid or unpaid) within the last 3 years	Name of Employer	Post Held	Nature of the Business
Appointments, Offices and Directorships			
Kinship Relationships			
Membership of and Trade Unions			
Business, Companies or Consultancies owned or partly owned			

Any Other Material Interest	

I confirm that I have read and understood the GCU Students' Association Conflicts of Interest policy and that I have completed the Declaration in accordance within this policy.

I confirm that I understand and agree to this information being held on the Register of Interests and made available on the Students' Association website.

Signed:

Date: