

BIRCHWOOD HIGHLAND CONFLICT OF INTEREST POLICY

OVERALL PURPOSE

This policy is based on the recommendations contained within the 'Code of Governance for the Voluntary and Community Sector', which reflects current leading best practice in the area of charity governance and aims to address the fundamental issues that arise from real and perceived conflicts of interest.

This policy applies to directors and all staff within Birchwood Highland.

WHY WE HAVE A POLICY

Directors have a legal obligation to act in the best interests of Birchwood Highland and in accordance with Birchwood Highland's governing document, its Memorandum and Articles of Association. Staff and volunteers have similar obligations.

Conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of Birchwood Highland. Such conflicts may create problems; they can:

- inhibit free discussions;
- result in decisions or actions that are not in the interests of Birchwood Highland; and
- risk the impression that Birchwood Highland has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety (further detailed guidance can be obtained from the Charity Commission's Operational Guidance A Guide to Conflicts of Interest for Charity Trustees and the ICASA's Best Practice Guide Conflicts of Interest in the Not-for-Profit Sector (Revised 2005).

THE DECLARATION OF INTERESTS

Accordingly, we are asking directors and all staff to declare their interests and any gifts or hospitality received in connection with their role in Birchwood Highland. A declaration of interests form is provided for this purpose, listing the types of interest you should declare. Birchwood Highland has a separate policy on the Acceptance of Hospitality and Gifts (January 2006).

To be effective, the declaration of interests needs to be updated at least annually, and also when changes occur.

If you are not sure what to declare, or whether when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the secretary to the board at Head Office or the operations manager for confidential guidance.

Interests will be recorded on Birchwood Highland's register of interests, which will be maintained by the Administrator. The register will be accessible for read only through the company secretary to the board, Val Cameron.

DATA PROTECTION

The information provided 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 directors and all staff act in the best interests of Birchwood Highland. The information provided will not be used for any other purpose.

WHAT TO DO IF YOU FACE A CONFLICT OF INTEREST

If you are a user of Birchwood Highland services, or the carer of someone who uses Birchwood Highland's services, you should not be involved in decisions that directly affect the service that you, or the person you care for, receive(s). You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion. The same applies if you face a conflict for any other reason.

You may, however, participate in discussions from which you may indirectly benefit, for example where the benefits are universal to all users, or where your benefit is minimal.

If you fail to declare an interest that is known to the secretary of the board and/or the chairman of the board, the board secretary or chairman will declare that interest.

DECISIONS TAKEN WHERE A DIRECTOR OR MEMBER OF STAFF HAS AN INTEREST

In the event of the board having to decide upon a question in which a director or member of staff has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the

discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested board members may not vote on matters affecting their own interests.

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

- the nature and extent of the conflict;
- an outline of the discussion;
- the actions taken to manage the conflict.

Where a director benefits from the decision, this will be reported in the annual report and accounts in accordance with **SORP 2000**.

A de minimis exemption applies to contracts less than **£_____ in** value. Random checks against the register of interest will be made on the award of contracts below this value. If the cumulative value of a series of small contracts exceeds **£_____**, the director will operate the policy used for individual contracts over that sum.

The de minimis exemption does not apply to contracts of employment with Birchwood Highland.

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

MANAGING CONTRACTS

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

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