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# CONFLICT OF INTEREST

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All fund trustees should be aware of the possibility of conflicts of interest, what they could mean for the parish and how they should be managed.

- Charity Name: COUNTY SLIGO CHURCH OF IRELAND FAMILY FUND
- Date Adopted: 07/09/2022
- Minute Reference: 07/09/2022

**FOR INCLUSION IN AGENDA AND MINUTES:**

“Any trustee of the County Sligo Church of Ireland Family Fund, or a sub-committee thereof, who has (or whose family trustee or business partner has) a pecuniary or other material interest in any matter which is the subject of consideration at a meeting at which the trustee is present, shall declare an interest in the matter and withdraw from the meeting for the duration of discussions or decision making on the matter. No sub-committee of the County Sligo Church of Ireland Family Fund shall, without the consent of the County Sligo Church of Ireland Family Fund, resolve that the County Sligo Church of Ireland Family Fund will enter into a contract with a trustee of the sub-committee or with any company of which that trustee is a partner, director or controlling shareholder provided that this shall not apply to any matter which is remote or insubstantial. Every declaration of interest shall be recorded in the minutes.”

## INTRODUCTION TO CONFLICTS OF INTEREST

Trustees of the fund are under a duty to act in the best interests of the charity. This duty must take precedence over an individual's interests. A conflict of interest arises when the personal, family or business interests of a trustee seem to conflict with those of the fund they serve. This interest can be direct or indirect, and can include the interests of people or organisations connected to the trustee.

Conflicts of interest may inhibit free discussion at fund meetings, resulting in decisions or actions that are not in the best interests of the fund or risk the impression that the fund has acted improperly. The purpose of this guidance is to protect the fund and its trustees from any appearance of impropriety.

### DIRECT OR INDIRECT INTEREST

An example of a direct interest would be where a trustee stands to benefit financially from a decision by the fund to contract with a company which the trustee controls to provide services to the fund. An indirect interest would be if the trustee did not control the company but had shares in it and stood to benefit indirectly from any profit made, or if the owner's spouse controlled the company.

- Family trustees
- Corporate bodies to which the trustee is connected or is a beneficiary
- A business partner.

It is unlikely that conflicts of interest can be completely avoided but any potential conflict should be identified and managed to avoid any adverse effects on the parish and to promote maximum accountability and transparency in the work of the fund. Even potential or perceived conflicts should be considered in order to protect the integrity and reputation of the fund.

### HOW TO DEAL WITH A CONFLICT OF INTEREST

Follow the steps below which set out declaring the interest, withdrawing from the meeting, deciding the impact of the interest and recording the decision.

#### STEP 1: DECLARE THE CONFLICT

Any trustee who has a potential or actual, financial or other interest in a matter under discussion should declare their interest at the earliest opportunity. Even where the interest creates a minimum risk of bias but might reasonably cause others to think it could influence that trustee's decisions, the nature of the interest should be declared.

If a trustee is in any doubt about whether they have a conflict of interest, they should consult with the chairperson.

If a trustee fails to declare an interest that is known to other trustees, another trustee may declare that interest at the meeting.

#### STEP 2: WITHDRAW FROM THE MEETING

Unless otherwise directed by the remaining trustees, the conflicted trustee should leave the meeting while the others decide on the impact of the interest and whether the conflicted trustee's absence is appropriate or necessary.

#### STEP 3: DECIDE ON THE IMPACT OF THE INTEREST

The remaining trustees should decide by a vote if the interest affects the conflicted trustee's ability to act in the best interests of the fund.

| CONFLICT LEVEL            | SUGGESTED ACTION   |
|---------------------------|--|
| No conflict               | Trustee can return to the meeting in their full capacity   |
| Deemed low level conflict | Potential conflict may be tolerated if certain actions are taken to protect the parish interests, e.g. exclude the conflicted trustee's vote from relevant decisions |
| Serious conflict          | A conflicted trustee should be excluded from the meeting and any decision making related to the conflict   |

## MAKING DECISIONS WHERE THERE MAY BE A CONFLICT

- All decisions should be made by vote, with a simple majority required
- A quorum must be present for the discussion and decision
- Conflicted trustees should not be counted when deciding whether the meeting is quorate
- Conflicted trustees may not vote on matters deemed to affect their own personal interests

## STEP 4: RECORDING THE DECISION

All decisions made about conflicts of interest and the matters concerned should be recorded in the minutes, noting the following:

- the trustee who has declared a conflict
- the nature and extent of the conflict
- a summary of the discussion
- the actions taken to manage the conflict

Best practice suggests that if a trustee shall receive personal benefit for any reason, even where the risk of a conflict of interest has been dismissed, this should be fully disclosed in the minutes. **KEEP A REGISTER OF INTERESTS**

It is good practice to keep a record of trustees' interests in a register, noting the following:

- Name of trustee
- Description of interest (whether direct or indirect and whether current or past)
- Whether the interest is deemed by the fund to be a risk to the best interests of the parish

## CONFIDENTIAL INFORMATION

Confidential information provided by fund trustees in the course of dealing with a conflict of interest should be kept confidential by the fund and not be disclosed or used for any other purpose.

## GIFTS & HOSPITALITY

Gifts and hospitality with nominal value may be accepted but only if gifts are not given or received with an expectation that an obligation is owed as a result of accepting the gift.

Gifts and hospitality intended to influence the fund's decision making should never be accepted.