



The King's Church, Prestwood

Policy Documents
Conflict of Interest Policy

KCP COI Policy 23rd October 2019

Date of next review September 2021

Policy

1. **Why do we need a conflict of interest policy.**

Dealing properly with conflicts of interest is important to secure public confidence in KCP as an organisation, and ensure we are seen to be doing things properly and transparently including when we make decisions. The consequences of failing to deal with conflicts of interest could have reputational implications for KCP.

2. **Who is it for.**

This policy draws from the guidance set out for charities in the Charity commission website, which states that trustees have a legal duty to act in the charity's best interests when making decisions as trustees. If there's a decision to be made where a trustee has a personal or other interest, this is a conflict of interest and a trustee won't be able to comply with their duty unless they follow certain steps.

For example, a trustee would have a conflict of interest if the charity is thinking of making a decision that would mean:

- they could benefit financially or otherwise from the charity, either directly or indirectly through someone you're connected to
- Their duty to the charity competes with a duty or loyalty you have to another organisation or person

A conflicts of interest policy should include how existing trustees should identify and disclose conflicts of interest, and help prospective trustees identify possible conflicts of interest before they're appointed.

3. **Managing conflict of interests**

Following a 3 step approach (identify, prevent, record) will enable trustees to comply with their duty and avoid:

- making decisions that could be overturned
- risking KCP charity's reputation
- having to repay KCP charity if unauthorised payments are made to trustees

The key stages of managing conflict are:

- identifying what constitutes an interest
- recognising when such an interest may represent a conflict;
- declaring conflicts when they arise; and
- acting appropriately in response to conflicts.

4. **How to identify a conflict of interest**

Legal requirement: Trustees will declare a conflict of interest immediately they are aware of any possibility that means personal or wider interests could influence their decision-making

Interests can be broken down into the following categories:

- **Direct financial interest**

The most easily recognisable form of conflict of interest arises when a trustee/employee obtains, or is perceived to obtain, a direct financial benefit over and above their remuneration

- **Non-financial personal interests**

These occur where trustees or employees receive no financial benefit, but are influenced by external factors, for instance awarding contracts to friends or personal business contacts.

It is for each individual to exercise their judgement in deciding whether to declare any interests that may be construed as a conflict.

5. How to deal with a conflict of interest

Once a conflict of interest is identified, preventing it from affecting decision-making will be by:

- finding an alternative way forward which doesn't involve the conflict of interest (particularly if the issue is serious)
- taking appropriate steps to manage the conflict (if it's less serious), which will usually mean that the person affected doesn't take part in discussions or voting about the issue

6. Recording a conflict of interest

Trustees and elders meetings will have a standard agenda item at the beginning of each meeting to allow trustees to declare any actual or potential conflicts of interest

Each Trustee will complete a declaration of interest proforma (see annex) on appointment, and KCP will keep a register of interests which will be updated if trustees' circumstances change and when new trustees are appointed.

Trustees and elders will keep a written record of the conflict of interest and how it was dealt with it in the minutes of the meetings. This will include

- what sort of conflict of interest it was
- which trustee or trustees were affected
- an outline of the discussion
- if anyone withdrew from the discussion

If KCP prepares accruals accounts, it is a legal requirement to include details of payments and benefits to your charity's trustees and people connected to them. You must say why the payments were necessary and the legal authority you had to make them

It's good practice to include details of trustee payments and benefits if you prepare receipts and payments accounts.