



CONFLICT OF INTEREST POLICY

Adopted: 22.09.2023

Purpose

The purpose of this policy is to help board members of the Culture, Heritage and Arts Assembly, Argyll and Isles (CHARTS), to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of CHARTS and manage risk.

Objective

The CHARTS board, (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of CHARTS.

Scope

- This policy applies to the board members of CHARTS.
- This policy applies to the board members of CHARTS and for specific reference to Board Appointments and undertaking of Office Bearing roles.
- This policy also applies to staff, those employed and commissioned and is to be considered within recruitment processes.
- This policy will be referenced in all staff contracts (employees and commissioned staff).

Definition of conflicts of interests

A conflict of interest occurs when personal interests would incline them to a course of action incompatible with their responsibility to act in the best interests of the charity.

Personal interests include direct interests (such as obligations arising out of a contract of employment), as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

They also include conflicts between a board member's duty to CHARTS and another duty that the board member has (for example, to another charity). A conflict of interest, including of loyalty, may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the charity.

Therefore, these situations must be managed accordingly to ensure the interests of CHARTS remain paramount.

Policy

This policy has been developed to address conflicts of interest affecting CHARTS.

Conflict of interest are common, and they do not need to present a problem to the charity as long as they are openly and effectively managed.

It is the policy of CHARTS, as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to CHARTS.

CHARTS will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches

Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into CHARTS register of interests, as well as being raised with the board.

Where several or all board members shares a conflict (for example through membership to arts and heritage organisations), the board should ensure that proper disclosure occurs with reference to https://www.oscr.org.uk/media/3621/v10_guidance-and-good-practice-for-charity-trustees.pdf

The register of interests will be maintained by the Secretary supported by named Trustee, Julian Forrester, with lead responsibility for Good Governance. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

Confidentiality of disclosures

The Secretary and Julian Forrester will have confidential access to all information disclosed. The lead staff member of the organisation will have access to information only where conflict of interest has the capacity to impact on the development and reputation of the organisation. In the case of staff being notified this will be discussed with board members concerned prior to information being shared.

A summary of the register, identifying key conflicts of interest, will be made publically available on the organisations website.

At each AGM, the register of conflicts and how these are handled by the Board, as appropriate, will be available to members on request.

Action required to manage conflicts of interest

Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted board members should:

- vote on the matter (this is a minimum)
- participate in any debate
- be present in the room during the debate and the voting
- participating in the debate subject to conditions
- In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

What should be considered when deciding what action to take

In deciding what approach to take, the board will consider:

- the charity's objects and resources, and
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity
- whether the conflict needs to be avoided or simply documented
- alternative options to avoid the conflict

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the charity.

If a person suspects that a board member has failed to disclose a conflict of interest, they must notify the named Trustee, responsible for assuring good governance.

Document version control

Version number	Change or update	Author or owner	Date
1.0	First version	CHARTS BOARD	22.03.24

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The Culture, Heritage and Arts Assembly, Argyll and Isles (CHARTS) is a SCIO registered in Scotland: SC049113

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