

# CONFLICT OF INTEREST POLICY



Version: 2.6

Version	By Author	Reason	Modification Date	Date Ratified
2.4	HB & TS	P2: amended wording P4: list related forms P4: list related legislation removal of form	July 2016	October 2016
2.5	HB/TS	Rebranding policy format Further info section added	July 2017	October 2017
2.6	HB/TS	Legal Requirements Statement Clarity of roles within Make Some Noise	July 2018	September 2018

**This policy applies to all members of the Make Some Noise team including Trustees, staff, volunteers, freelance workers, the carer of a beneficiary / or a beneficiary of Make Some Noise services.**

## Why have a policy?

Board Members have an obligation to act in the best interests of Make Some Noise, and in accordance with its memorandum and articles of association. Staff and volunteers have similar obligations. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of Make Some Noise.

Such conflicts may create problems; they can:

- Inhibit free discussion
- Result in decisions or actions that are not in the interests of Make Some Noise; and
- Risk the impression that Make Some Noise has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

There is a legal requirement to declare a conflict of interest immediately you become aware of any possibility that your personal or wider interests could influence your decision-making.

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## **How do I identify a conflict of interest?**

Conflicts of interest may come in a number of different forms:

- Direct financial gain or benefit to an individual, such as:
  - Payment to an individual for services provided to the charity
  - The award of a contract to another organisation in which an individual has an interest and from which an individual will receive financial benefit
  - The employment of an individual in a separate post within the charity, even when an individual has resigned in order to take up the employment
  - Secondary employment within the organisation, including freelance work
- Indirect financial gain, such as employment by the charity of a spouse or partner of an individual, where their finances are interdependent
- Non-financial gain, such as when a user of the charity's services is also a member of the Make Some Noise team
- Conflict of loyalties, such as where an individual is appointed by the local authority or by one of the charity's funders, or where a friend of an individual is employed by the charity.

Individuals should be able to identify conflicts of interest when they arise and to ensure, if they received a material benefit as a result of the conflict of interest, that the benefit is authorised. Authorised benefits can be seen in Section 5 of the Memorandum of Association of Make Some Noise.

### **The declaration of interests**

Accordingly, we are asking Trustees, members of staff, volunteers and freelance workers to complete the Make Some Noise Conflict of Interest Declaration Form showing their interests, and any gifts or hospitality received in connection with their role in Make Some Noise.

### **Trustees**

This form should be completed at the commencement of the Trustees involvement with Make Some Noise and should be updated annually and whenever a change occurs.

### **Other members of staff, volunteers and freelance workers**

Should complete the form as soon as a Conflict becomes apparent and should renew this annually and whenever a change occurs.

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 either the Company Secretary or the Chief Executive for confidential guidance. Interests will be recorded on the Make Some Noise register of interests, which will be maintained by the Company Secretary. The register will be accessible by the Board of Trustees and by the Chief Executive.

### **Data Protection**

The information provided will be processed in accordance with data protection principles as set out in current Data Protection legislation.. Data will be processed only to ensure that the Make Some Noise

team act in the best interests of Make Some Noise. 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 Make Some Noise services, or the carer of someone who uses Make Some Noise services, you should not be involved in decisions that directly affect the service that you, or the person you care for, receive(s). Similarly if you work for an organisation which could benefit directly from any decision made by Make Some Noise, or if you or a member of your family could directly benefit from such a decision, you should not be involved in making that decision.

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 Company Secretary, the Chair of the Board or The Chief Executive, then The Company Secretary, the Chair of the Board or The Chief Executive will declare that interest.

### **Decisions taken where a board member or member of staff has an interest**

In the event of the board having to decide upon a question in which a Board Member, member of staff, volunteer or freelance worker has an interest, all decisions will be made by vote, with a simple majority being 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. They must absent themselves from the discussion.

All decisions under a conflict of interest will be recorded by The Company Secretary 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.

A *de minimis* exemption applies to contracts less than £150 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 £750, the Board Member will operate the policy used for individual contracts over that sum.

Independent external moderation through an external arbitration service will be used where conflicts cannot be resolved through the usual procedures, through an EGM or AGM

### **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.

Where a member of staff is contracted on a freelance basis, this contract must be approved by the Chief Executive Officer, who must be able to give justification for this contracting, to ensure fairness and transparency in the contracting process. Where there is a potential conflict - oversight and supervision of contract/documentation/Invoices must not be identified member of staff. This responsibility will be allocated by the Chief Executive Officer.

### **Reporting Process**

The Chief Executive Officer will report on new Conflicts of Interest under the Declaration of Interest Agenda item as a standing item on the Agenda for Board Meetings.

### **Monitoring, Reporting and Review**

The Chief Executive Officer will ensure that Make Some Noise monitors the effectiveness of all Make Some Noise policies. This Conflict of Interest policy and procedures are subject to regular review according to the schedule agreed by the Board.

'Policy updates and comments' forms a standing item on the agenda of every general Board meeting. It should be noted that this may consist of a statement that there is nothing to report; the information, which enables Trustees to meet their responsibilities is nevertheless essential.

### **RELEVANT LEGISLATION**

- Companies Act 2006
- Charities Act 2011

### **FORMS REFERRED TO IN THIS POLICY**

- Conflicts of Interest Declaration Form

### **LINKED POLICIES**

- Data Protection Policy

### **FURTHER INFORMATION**

- Charities Commission
- Companies House