



# Girlguiding Hertfordshire's Policy on declaring and dealing with conflicts of business interests

## **1 Scope**

1.1 This policy is written for the county commissioner and trustees of the Guide Association – Hertfordshire County (hereinafter referred to as Girlguiding Hertfordshire), and chairs and members of the sub-committees. It describes the circumstances in which they should declare an interest that might conflict, or be perceived to conflict, with their duties and responsibilities to Girlguiding Hertfordshire.

## **2 What is a conflict of interest?**

2.1 Trustees and committee members should ideally not be in a position where their personal interests and their duty to Girlguiding Hertfordshire conflict. Where a conflict of interest arises, it must be properly managed. If those outside Girlguiding Hertfordshire gain the impression that trustees or committee members have acted in their own interests, this could damage Girlguiding Hertfordshire's reputation, affecting membership and fundraising and the confidence of staff and volunteers, and also diverting time and resources to defending Girlguiding Hertfordshire's decisions.

2.2 Conflicts of interest will include, but are not limited to:

- Direct financial gain, such as:
  - payment to a trustee or committee member for services provided to Girlguiding Hertfordshire;
  - the award of a contract to another organisation in which a trustee or committee member has an interest and from which they will receive a financial gain;
  - paid employment of a trustee or committee member by Girlguiding Hertfordshire.
- Indirect financial gain, such as employment by Girlguiding Hertfordshire of a trustee or committee member's spouse, partner or other family member where they have a degree of financial interdependence (for example, where they jointly contribute to household expenses).
- Conflict of loyalties, such as:
  - to another charity of which the trustee or committee member is also a trustee or an employee
  - when a Girlguiding Hertfordshire trustee or committee member is also a director of, or an employee of, another organisation which

may have, be perceived to have, interests which are in competition with those of Girlguiding Hertfordshire.

- 2.3 The law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have legal authority to do so. "Benefit" includes any property, goods or services which have a monetary value, as well as money. This authority must come either from a clause in the Charity's governing documents Royal Charter or by laws or by an approach to the Charity Commission.
- 2.4 Any costs necessarily incurred to allow a trustee or committee member to carry out their duties can be classed as expenses and are not a benefit that requires authorisation as defined by paragraph 2.3 above.
- 2.5 The declaration of personal family interests by a trustee or committee member will not be a bar to their appointment, but where this personal family interest may have a bearing on specific aspects of the work of the trustees, then the county commissioner or chair, as appropriate, will rule on whether the trustee should take any further part in any discussion of the issue in question.

### **3 Register of Interests**

- 3.1 Girlguiding Hertfordshire will establish and maintain a register of interests in which trustees and committee members should record all their other interests openly. This allows any actual or potential conflicts of interest to be identified. The register should be regularly updated. The county commissioner, chairs and other trustees and committee members must declare all categories of interests on appointment, and then annually. Nil returns are required and all declarations will be circulated with committee papers for the first Executive meeting of the business year. Only the names of organisations and the nature of the interest are required; the amount of any salary, fees shareholding, grant etc need not be disclosed.

### **4 Procedures for managing conflicts of interest**

- 4.1 The agenda for all Girlguiding Hertfordshire committee meetings will contain a statement requiring all trustees or committee members to inform the county commissioner or chair in advance of the meeting, of any interest that they have in an item to be discussed. At the beginning of the meeting the trustee or committee member should declare any such interest. Where a conflict of interest does arise, the situation will be managed by the county commissioner or chair as appropriate. It may be appropriate for the trustee or committee member concerned to withdraw from the discussion and decision making on that item. Where the county commissioner or chair declares a conflict of interest which requires them to withdraw, normal

deputising arrangements will apply to the chairing of the discussion of that item. Special care should be taken to record the discussions and the decisions made accurately so that the management of the conflict of interest is transparent.

- 4.2 Prospective new trustees or committee members should be asked to consider the question of possible conflicts of interest before they are appointed, especially where personal interests may be significant enough to inhibit the individual's contributions to the trustees' discussions and decisions.
- 4.3 To ensure that conflicts of interest are managed effectively, it is essential that trustees advise the chief commissioner or chair, as appropriate, of any actual or potential conflicts of interest of which they are aware as soon as they arise.

#### **Check list for trustees and committee members**

1. Have you identified a conflict of interest?
2. Have you declared the interest in the register of interests?
3. Does the conflict of interest apply to any issue for discussion at a meeting?

If so, have you declared it before the start of the meeting?

Have you withdrawn from further discussion of the issue?

If not, has the county commissioner or chair ruled that it is not necessary for you to withdraw?

4. Are you receiving a material benefit as a result of that conflict of interest?

If so, has the benefit been authorised? If so, have the trustees complied strictly with the terms of the authority contained in the governing documents?