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## CONFLICT OF INTEREST AND ANTI-BRIBERY POLICY

### INTRODUCTION

The purpose of this policy is to establish understanding and controls to ensure compliance with all applicable Conflict of Interest and Anti-Bribery regulations and set high standards of behaviour at every level of the organisation and ensure that the charity's business is conducted in a socially responsible manner.

Although the requirements regarding managing conflicts of interest and bribery primarily apply to trustees; all leaders, staff, volunteers, and members will strive to avoid any conflict of interest between the interests of the charity on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

The purposes of this policy are to protect the integrity of the charity decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of all of us.

### CONFLICTS OF INTEREST

#### Examples of conflicts of interest include:

1. A trustee who is related to a member of staff where there is decision to be taken in respect of that staff member.
2. A trustee or leader who has a relative, or connected person in a business, that may be awarded a contract to do work or provide services for the charity. A situation where there is a loyalty or other bond to another charity or organisation or individual. A close family member or a business colleague who stands to benefit from a situation means that there is a conflict of interest to be declared and managed.
3. A trustee might be selling an asset to the charity or provide services, or even join the staff.
4. Gifts or hospitality, or other favours, given to a trustee

These are examples and not intended to be a definitive list (see Appendix 1 for a detailed list). Each trustee is responsible for declaring actual or potential conflicts. If in any doubt the chair should be consulted involving the charity's professional advisor where necessary.

Upon appointment each trustee will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written

disclosure will be kept in the register of interests file, and will be updated as appropriate, and reviewed annually.

In the course of meetings or activities, trustees will disclose any interests in a transaction or decision where there may be a conflict between the charity's best interests and the trustee's (or other connected person's) best interests or a conflict between the best interests of two organisations that the trustee is involved with.

After disclosure the trustee should leave the room to enable the other trustees to decide how the conflict should be managed. It may be appropriate for the trustee to be absent during the part of the meeting where the matter is discussed, or the conflicted trustee may be allowed to take part in the discussion but not to vote.

Any such disclosure and the subsequent actions taken will be noted in the minutes.

This policy is meant to supplement good judgment, and staff, volunteers and trustees should respect its spirit as well as its wording.

Third Parties. Remember that the charity may be held liable for actions by third parties, i.e., agents, contractors, consultants. Appropriate due diligence is required before entering into any relationships, and there must be a clear rationale and proper documentation.

## BRIBERY

Under the Bribery Act 2010 bribery by individuals can attract a prison sentence of up to 10 years with unlimited fines. If the charity has taken part, or even lacks proper controls to prevent bribery it too can face an unlimited fine, with serious reputational issues.

**Bribery defined** the offering, giving, solicitation or acceptance of any bribe or corrupt inducement whether in cash or any other form, to gain any commercial, contractual or regulatory advantage. It does not include normal (proportionate) hospitality, where there is no agenda of seeking favours or benefits. Transparency is usually the key to whether a gift or hospitality is reasonable and proportionate. Refer to the chair if in any doubt.

**Whistleblowing.** Prevention, detection and reporting of bribery or lack of procedure in dealing with a conflict of interest is primarily the responsibility of the trustees but if anyone involved with the charity suspects any improper activity or conduct has a duty to report their concerns to the trustees in accordance with standard whistleblowing policy. Copyright © Advice for The Voluntary Sector 2018

**Gifts and Hospitality.** All gifts and hospitality should be declared and entered in the register of interests, loyalties and gifts. Full details should be shown including the estimated value. Gifts and hospitality with a value of under £100 can be accepted provided everyone understands there is no obligation or expectation placed on the charity thereby. A gift above this figure should be declined, or the gift could be given to the charity as a donation or another charity as appropriate. A trustee being wined and dined when there are contracts up for discussion must be avoided. Secrecy must be avoided.

**Reciprocal Agreements.** Such agreements are not in themselves wrong but there must be complete transparency. Any form of 'quid pro quo' is not acceptable unless properly documented and approved by the trustees.

**Proportionality.** All arrangements, understandings and actions must be viewed in the light of a common understanding of proportionality. *'Assessing the level of risk in any case, and deciding what a proportionate response should be, is not always easy. There is no magic*

*formula and no risk assessment tool will ever be able to identify every risk or determine how to approach every individual case. Each case requires an individual judgment to be made by the trustees in the light of the facts and circumstances of the situation.’ (Adapted from Charity Commission guidance notes.)* Common sense, transparency and integrity are the three watchwords that will ensure that the charity flourishes and stays safe.

## THE CUP TRUST

The Charity Commission has just released a lengthy and complex report on its 2 investigations into The Cup Trust, the second of which resulted in an interim manager being appointed to replace the trustees. The Commission came under a lot of criticism when the first report was published; I suspect there was a lot more going on behind the scenes than they let on at the time. What has emerged is a sad and sorry tale of unmitigated greed where people who should have known better wanted a charity to put money into their own pockets. They’ve been banned from holding trustee positions for 15 years which is something. What came up again and again in the report made by the Commission is the fact that proper management of the conflict of interest was completely lacking. Anyone taking the time to read the report will be treated to some solid and detailed instruction on the subject.

## TO SUM UP

Trustees have a legal duty to act in the best interests of the charity and in accordance with the governing document. A badly managed conflict of interest may prevent open discussion, result in poor decisions not in the best interests of the charity and bring discredit on the reputation of the trustees and the charity as a whole. Any action which can be construed as bribery and corruption can have serious consequences. Always remember too that trustees should share information with other trustees. Trustees must be transparent with one another, including the chair.

## REVIEW

This policy will be reviewed on an annual basis.

This **Conflict of Interest & Anti-bribery Policy** was agreed and minuted at a meeting of the Board of Trustees on

Date of last review:

Next review due:

## APPENDIX 1

Charities Act 2011 Section 188 Meaning of “connected person”

(1) For the purposes of sections 185 and 186, the following persons are connected with a charity trustee or trustee for a charity—

- (a) a child, parent, grandchild, grandparent, brother or sister of the trustee;
- (b) the spouse or civil partner of the trustee or of any person falling within paragraph (a);

(c) a person carrying on business in partnership with the trustee or with any person falling within paragraph (a) or (b);

(d) an institution which is controlled—

(i) by the trustee or by any person falling within paragraph (a), (b) or (c), or

(ii) by two or more persons falling within sub-paragraph (i), when taken together.

(e) a body corporate in which—

(i) the trustee or any connected person falling within any of paragraphs (a) to (c) has a substantial interest, or

(ii) two or more persons falling within sub-paragraph (i), when taken together, have a substantial interest.

(2) Sections 350 to 352 (meaning of child, spouse and civil partner, controlled institution and substantial interest) apply for the purposes of subsection (1)

## APPENDIX 2

### Government Guidance notes on Bribery Act 2010:

#### Principle 2: Top-level commitment

The top-level management of a commercial organisation (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

#### Principle 5: Communication and Training:

The commercial organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training, that is proportionate to the risks it faces.

**Daryl Martin – Revised Jan 2019**

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