**Conflict of Interest**

It is the legal duty of a trustee to act in the best interests of the charity, so decisions are made by a diocesan trustee board must be in the best interests of Mothers’ Union and not influenced by outside interests. Most of the time, this requirement is easily met, but on occasions, a conflict of interest may occur.

# What is a Conflict of Interest?

A conflict of interest occurs when a trustee is likely to benefit either financially or in kind from a decision made by the trustee board. This also applies to benefits received by a member of the trustee’s family or household.

Conflicts of interest can occur in different ways:

* Receiving payment for a professional service (for example, a trustee or family member is the director of a coach firm providing coaches to transport members to a Mothers’ Union event).
* Receiving a benefit from Mothers’ Union (for example, a trustee or family member is offered a family holiday through the AFIA scheme).
* Having a conflict of loyalty on a particular issue (for example, a trustee who is a member of a community hall management committee could have a conflict of loyalty if Mothers’ Union were considering using the venue for an event and paying a hire charge).

# How can conflicts of interest be managed effectively?

There is a three step approach to managing conflicts of interest:

* Identifying a potential conflict of interest
* Dealing with a potential conflict of interest to prevent it affecting decision making
* Recording a conflict of interest

## Identifying a potential conflict

A trustee is legally required to declare a potential conflict of interest if there is a possibility that her/his personal or wider interests could influence her/his decision-making. Therefore, it is good practice for a trustee board to:

* Have a written conflict of interest policy which sets out how trustees should identify and disclose conflicts of interest
* Have a standard agenda item at the start of each trustee meeting to allow trustees to declare actual or potential conflicts of interest.

A board may decide to keep a register of interests – but this needs to kept up to date with changes to trustees’ circumstances.

Conflicts of interest and conflicts of loyalty are more common than people think. If you think that one of your fellow trustees appears to have a conflict of interest or loyalty, don’t be afraid to say so. You aren’t accusing them of doing anything wrong.

## Dealing with a conflict of interest

There may be requirements in the law, or in the governing document, which trustees have to follow in dealing with conflicts of interest.

If this is not the case, the Charity Commission guidance is to take steps to manage the conflict. This usually means that the trustee with the potential to benefit from a decision doesn’t take part in discussions or vote on the issue. It may be considered appropriate for the trustee concerned to withdraw from the meeting for the duration of the item.

## Recording a conflict of interest

In any instance of a conflict of interest, a written record should be kept in the minutes of meetings. This should include:

* The nature of the conflict of interest
* The trustee(s) affected
* Any conflicts of interest declared in advance
* An outline of the discussion
* If anyone withdrew from the discussion or the limitation placed on an individual’s participation
* How the decision was made by the trustees in the best interests of the charity.

# Model Conflict of Interest policy

A model Conflict of Interest policy is included at the end of this document.

# Further information

More detailed information on how to manage a conflict of interest, especially if there is a high risk that decisions made could be overturned, or there is a risk to your charity’s reputation, can be found in *Conflicts of Interest: A guide for charity trustees* (CC29)

<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

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# Conflict of Interest: a model policy

Trustees of Mothers' Union in the diocese of ............................ will strive to avoid any conflict of interest between the interests of Mothers' Union in the diocese on the one hand, and personal, professional, and business interests on the other.

The purpose of this policy is to protect the reputation of Mothers' Union in the diocese, to enable our members, donors and beneficiaries to have confidence in the integrity of the decision-making process in the diocese.

Trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the charity.

*If your diocese keeps a register of interests, include the following paragraph:*

*On appointment each trustee will be required to notify the diocesan secretary, in writing, of any employment, voluntary appointments or business interests they, or member of their family or household, have which may result in them benefitting from decisions taken by the trustee board, or which may result in a conflict of loyalty between Mothers’ Union and another voluntary organisation.*

At the beginning of each meeting, trustees will disclose any interests in a transaction or decision where there may be a conflict between the Mothers' Union’s best interests and the best interests either of the trustee, any member of their family or household or any other organisation with which the trustee is involved.

After disclosure, the trustee(s) concerned will not take part in the decision and may be asked to leave the room for the discussion and voting. Any such disclosure and the subsequent actions taken will be noted in the minutes.

Date adopted: …………………………………………….