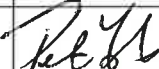




# Conflicts of Interest Policy

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Separate procedures are available to implement this policy

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## **1.0 Introduction**

- 1.1 The Board of Cill Dara Housing Association (CDHA) has a moral, social and legal responsibility to demonstrate that the organisation is controlled and managed in a way that protects CDHA's reputation and encourages public trust and confidence. The Board also has a fundamental duty to act in the best interests of CDHA.
- 1.2 The purpose of this policy is to protect the integrity of CDHA and ensure that the Board acts in the best interest of CDHA.
- 1.3 This policy sets out CDHA's approach to identifying, recording and managing any actual or perceived conflicts of interest.
- 1.4 For the avoidance of doubt, this policy applies to all Board Members, including people who are co-opted on the Board or CDHA Committees and all permanent and temporary employees.

## **2.0 Scope of Policy**

- 2.1 CDHA's Standing Orders includes a Code of Conduct for Board Members and sets out the arrangements for dealing with any conflicts of interest that may arise. This policy should be read in line with the Standing Orders as it is designed to strengthen CDHA's arrangements for managing conflicts.
- 2.2 This policy applies to all members of the CDHA Board, including members who are co-opted on the Board or any committees.
- 2.3 This policy also applies to all staff, including the Chief Executive. The Chief Executive is also responsible for ensuring that staff are aware of this policy so that employees avoid actual, potential or perceived conflicts of interest and declare any such issues in their routine operations.
- 2.4 All staff must disclose if they are in doubt about whether an activity could or might represent a conflict of interest.

## **3.0 Aims and Objectives**

- 3.1 A principal aim is to ensure that CDHA Board Members and staff are aware of their obligations to disclose any actual, potential or perceived conflicts of interest and to fully comply with this policy.

- 3.2 Our objectives are to manage conflicts of interest by:
- a) Avoiding conflicts of interest where possible.
  - b) Identifying and recording any conflicts of interest.
  - c) Carefully managing any declared or perceived conflicts of interest.
  - d) Following this policy and responding to any breaches in a proportionate manner.
  - e) Setting out process for disclosing and managing conflicts of interest.
  - f) Providing guidance to those responsible for managing Conflict of Interest
  - g) Assisting in the management of conflict of interest in order to protect CDHA.

#### **4.0 Policy Statement**

- 4.1 A conflict of interest is any situation in which a Board Member's or staff members' personal interests or loyalties could, or could be perceived to, prevent the individual from making decisions in the best interests of CDHA. A conflict of interest presents the risk that a person will or could make a decision based on or affected by such influences. The personal interest may be direct benefit or could indirectly benefit a person 'connected' to an individual or a group of Board Members. Even if CDHA does not suffer by a conflict of interest, the Board will ensure that it acts appropriately to deal with any perceived conflicts of interest.
- 4.2 We define 'connected persons' as relatives, friends or associates, including:
- a) Parent, brother, sister, spouse, grandparent or grandchild of the individual.
  - b) Child of the spouse of the individual.
  - c) Any person the individual is in a business or other financial partnership with.
  - d) Any person employed by under a contract of service with CDHA.
  - e) A body corporate if the Board Member has control of it, or if they and any of the above-mentioned connected persons together have control over it.
  - f) Close friends and associates.
- 4.3 Conflicts of interest can and do arise from time to time within organisations, charities and Approved Housing Bodies. The Charities Regulator recognises that, due to their funding structures, volunteer nature and trustee/Board Member recruitment practices, charities are more susceptible to conflicts of interests than other entities.
- 4.4 The Charities Regulator clarifies that the problem is not that conflicts of interest arise, but that if and when they arise, they are often not managed appropriately. Failing to effectively manage conflicts of interest can negatively impact the charity in terms of governance and associated reputational risk, where a conflict interferes with a charity

trustee's actual or perceived ability to comply with his or her duty to act in the best interests of the charity.

- 4.5 CDHA provides services to and works in collaboration with other social landlords, local authorities and voluntary/community agencies. CDHA Board Members and staff will always act independently and in the interests of CDHA. Where there are common directors between related parties, these directors will avoid conflicts of loyalty.

## **5.0 Equality and Diversity**

- 5.1 We will apply this policy consistently, fairly and with professionalism. It applies to all Board Members and staff of CDHA, regardless of their age, gender, disability, gender reassignment/transgender, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sexual orientation or any other matter that may cause a person to be treated with injustice.
- 5.2 When dealing with conflicts, the Board will be mindful of fairness and inclusion. A copy of this policy will be provided to all new Board or Committee Members as part of their induction training.

## **6.0 Data Protection and Confidentiality**

- 6.1 This policy will be operated in line with our Data Protection Policy.
- 6.2 All Board Members and staff must disclose conflicts as they arise. Board members will have the opportunity to disclose conflicts at every Board and Committee meeting. Minutes of meetings where conflicts are disclosed or recorded are confidential to CDHA. Minutes of meetings relating to specific issues or concerns about conflicts will be confidential to the Board and the Chief Executive. Where necessary, relevant documents will be shared in confidence with regulatory bodies and CDHA's legal advisors.
- 6.3 Board Members will be encouraged to speak in confidence with the Chair about any actual, potential or perceived conflicts of interest they might have, as soon as s/he becomes aware of this. In the event of the Chair needing to declare such conflicts s/he will speak with the Company Secretary. The Chair and Company Secretary will discuss each case, make any urgent decisions and report at the next meeting of the Board. The Company Secretary will update the Conflicts Register after each disclosure.
- 6.4 The Register of Conflicts of Interest will be confidential to the Board and the Chief Executive.

- 6.5 In the event of serious conflict of interest, the Chair or Company Secretary may call a special Board meeting where the final decision will be made. The affected Board Member will not participate in such meetings nor will they receive relevant confidential papers or minutes of meetings without the Board's approval.

## **7.0 Complaints**

- 7.1 If a Board Member is dissatisfied with the way this policy is implemented or have reason to believe that a person subject to this policy has failed to comply with it, they must take the following steps:
- a) Raise their concern with the Chair or Company Secretary, explaining their reasons for dissatisfaction and setting out how CDHA has breached this policy. The Chair and the Company Secretary will investigate the circumstances and respond to the complainant at the earliest opportunity.
  - b) If the complainant remains dissatisfied with the Chair or Company Secretary's response, they can write to the CDHA Board via the Chief Executive.
  - c) The Board's decision will be final.

## **8.0 Compliance**

- 8.1 We have developed this policy and associated procedures with due regard to Regulatory requirements and key legislation.
- 8.2 As a registered Tier 2 Approved Housing Body, we work hard to ensure that we are fully compliant with the requirements of the Approved Housing Bodies Regulatory Authority. A key principle of the Governance Code for Approved Housing Bodies is for the Board to conduct CDHA's affairs with honesty and integrity, and with a commitment to openness, transparency and accountability. We have a duty to meet the highest standards of conduct and probity and promote and maintain high ethical standards. The Board will act on a fully informed and ethical basis, in good faith, with diligence and care.
- 8.3 The Governance Standard also requires Approved Housing Bodies to ensure that no individual is elected or appointed as a director or trustee of an organisation, or retain such a position, where s/he has any direct material interest of significance in relation to the income or any other benefit derived from any commercial contract or other arrangements for the construction of houses for the approved housing body, or in the supply of goods and services to the approved housing body.
- 8.4 Key legislation relating to this policy is as follows:

- a) Section 2(2) of the Charities Act 2009
- b) Housing (Regulation of Approved Housing Bodies) Act 2019

## **9.0 Linked Policies, Procedures and Guidance**

9.1 The following CDHA strategies, policies, procedures and guidance that relate to this policy are as follows:

- a) CDHA Standing Orders
- b) Board Members Code of Conduct

## **10.0 Responsibilities**

10.1 The CHDA Board will ensure that:

- a) CDHA has an established system for identifying, disclosing and managing conflicts of interest.
- b) It monitors compliance of this policy both via their routine work and annual review of the Register of Conflicts of Interest.

10.2 The CHDA Board is responsible for:

- a) Discussing and deciding on whether the conflicted Board or Committee member should be present during the debate.
- b) Ensuring that the conflicted member does not take part in the debate and voting.
- c) Considering whether a conflict:
  - Needs to be avoided or simply documented.
  - Will realistically impair the disclosing person's capacity to impartially participate in decision-making.
  - Can be avoided by adopting alternative options.
  - Is likely to create an appearance of improper conduct that might impair confidence in or the reputation of CDHA.
- d) Agreeing and implementing sanctions against a conflicted member, including seeking their resignation or removing them from the Board.
- e) Keeping a clear record of details of the conflict, actions arising and taken and, where necessary, reporting serious issues to the Regulator of Approved Housing Bodies.

10.3 Individual Board Members and staff are responsible for:

- a) Ensuring that they are fully aware of their personal obligations for protecting CDHA as set out in this policy.

- b) Declaring conflicts of interest in a timely and appropriate fashion.
- c) Not taking part in discussions or votes when the conflict is under discussion.
- d) Completing the Register of Conflicts of Interest each year.

10.4 The Chair, Company Secretary and Chief Executive are responsible for:

- a) Entering any actual, potential or perceived conflicts of interest in the Register of Interests, including the nature and extent of the conflict and any steps taken to address it.
- b) Maintaining and updating the Register or Interests.

10.5 All Board Members and staff have a responsibility to ensure that this policy is applied as intended. Including, but not exclusively, reporting any actual, potential or perceived conflicts of interest they might have.

10.6 If the CDHA has a reason to believe that a person subject to this 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 the Board Member or employee. This may include seeking the person's resignation from the CDHA.

## **11.0 Policy Review**

11.1 This policy will be reviewed at least every three years or earlier to take into account changes in legislation, regulation, service improvements and related initiatives.