

Conflict of Interest Policy



Category:	Governance
Approved by:	Board of Trustees
Policy Effective Date:	25 November 2019
Responsible Officer:	Chief Executive
Last Review Date	June 2022
Review Date:	June 2025 (three yearly)

1.0 Purpose

To outline the principles that apply to all trustees when dealing or considering conflicts of interest, to ensure that practices are open and fair.

2.0 Organisational Scope

This policy applies to all trustees.

3.0 Principles

Given the relatively small size of the Central Lakes Trust community and the varied interests and roles of trustees, situations involving conflicts of interest are likely to arise from time to time. Trustees recognise that a conflict of interest is not always objectively definable but does exist whenever an independent third party has reason to believe that a trustee's interests (including loyalty to other persons or organisations or localities) may unduly influence their decision (perceived risk).

Consequently, in order to maintain the integrity of Central Lakes Trust and individual trustees, the principles of impartiality, honesty, transparency and openness must guide the Trust and in the identification, disclosure, and management of any actual or perceived conflicts of interest.

4.0 Policy

The board recognises that in most situations the handling of conflicts of interest will be uncomplicated; however, the board also recognises that not all situations can be anticipated. The policies and procedures are therefore intended as a guide and as such the board will exercise prudent judgement on a case by case basis.

A. Defining Interests

Circumstances where a trustee is interested in a transaction to which the Trust is a party shall include but are not limited to the following situations, where a trustee:

- is a party to, or will, or might, or might by relationship, be perceived to derive a financial benefit from the transaction; or
- has a financial interest in another party to the transaction; or
- is a trustee, member or officer of, or has an instrumental relationship with, an organisation that will or might or might be perceived to - derive a financial benefit from, the transaction; or
- is the parent, child, stepchild (including of a de facto relationship), sibling, or spouse or de facto partner of another party to, or person who will, or might, or might be perceived to, derive a financial benefit, or other advantage, from the transaction. The terms used in this clause shall have the meanings ascribed to them (where applicable) within the Property (Relationships) Act 1976; or

- is otherwise directly or indirectly interested in the transaction.

An interest or conflict does not arise simply by being a member of the community, whether or not that community may derive benefit from a decision of the Trust.

B. Disclosure of Interests

The board will maintain an Interests Register. A trustee's disclosure of the nature of their interests will be sufficiently thorough to enable the board to make an informed decision when determining actual, perceived or potential conflicts of interest and for determining how best to manage and mitigate the conflict of interest.

Trustees are required to identify and disclose in a timely and effective manner any direct or indirect interest in any matter coming before the Trust. Such disclosures apply both to grants and any other contracts or financial arrangements in which the Trust is involved.

Trustees are permitted to submit an application to the Trust on behalf of an organisation with which they are associated. However, in these instances they become automatically conflicted. Consequently, the person conflicted shall not be involved with the assessment or decision-making process.

C. Assessing Conflicts of Interest

In assessing disclosed conflicts of interest the board and management will take into consideration:

- i) the size and materiality of the transaction in question;
- ii) the size and materiality of the interest the trustee has in the provider;
- iii) the nature of the connection between the interests or the remoteness of the interest if it is indirect; and
- iv) the actual, perceived or potential risk that:
 - the trustee might influence the decision/transaction of the board, or
 - the trustee might influence the applicant (in the case of grants or scholarships), or
 - the trustee might influence the provider (in the case of service provision to the trust), or
 - the trustee might derive advantages as a result of the trustee's position.

D. Managing Conflicts of Interest

The Board will use prudent judgement, on a case by case basis, when deciding what action (if any) is necessary in situations involving conflicts of interest.

For the purposes of trustees' disclosure and participation in decision-making, there is no practical distinction between actual and perceived conflicts of interest.

E. Interests Register

The Trust shall keep and maintain a register of trustees' and staff interests.

Generally, because of the potential for conflict (or perceptions of conflict), the Trust will refrain from appointing trustees to bodies that may seek Trust financial support. In the instance that a trustee is the Trust's nominee or appointee on an external body, that trustee is deemed to have a conflict of interest.

5.0 Relevant Related Legislation & CLT Policies

- Trust Deed
- Governance Charter
- Gifts, Koha and Entertainment Policy
- Conflict of Interest Procedure

6.0 Approved



Signature: _____ 12 Jul 2022 5:25:37 PM GMT+12 _____

(Chair, Linda Robertson)

Date: 27 June 2022