



CONFLICT OF INTEREST POLICY

Version 1.0 11/07/2019

Purpose of this policy

The purposes of this policy is to protect the integrity of the Organisation's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and trustees.

All those working on behalf of MAMA have a moral and legal obligation to act in MAMA's best interests and avoid situations where there might be a potential conflict of interest.

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

Examples of conflicts of interest include:

1. A trustee who is also a user who must decide whether fees from users should be increased.
2. A trustee who is related to a member of staff and there is decision to be taken on staff pay and/or conditions.
3. A trustee who is also on the committee of another organisation that is competing for the same funding.
4. A trustee who has shares in a business that may be awarded a contract to do work or provide services for the organisation.

Conflicts of interests may arise where an individual's personal interests or loyalties conflict with those of MAMA. Such conflicts may create problems as they can:

1. Inhibit free discussion;
2. Result in decisions or actions that are not in the interests of MAMA or legally enforceable;
3. Risk the impression that MAMA has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety by taking the appropriate steps to identify, record and manage any potential or actual conflict of interest.

This area has a particularly heightened significance for trustees and therefore there are more detailed stipulations in that area.

Definitions

A “**conflict of interest**” is defined as, “any situation in which an individual's personal interests or loyalties could prevent them from making a decision only in the best interests of the organisation.”



A “**perceived conflict of interest**” is defined as “any situation in which a third party may believe that an individual’s personal interests or loyalties have or could result in a decision that was not in the best interests of the organisation.”

A “**connected party**” is broadly defined as, “family, relatives or business partners of a trustee, as well as businesses in which an individual has an interest through ownership or influence. The term includes a spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, close friends, as well as businesses or other organisations where an individual or family member holds at least one-fifth of the shareholding or voting rights or is a senior officer or trustee.”

Roles and responsibilities

The Secretary is responsible for maintaining the Register of Trustee Interests.

It is the responsibility of each member of staff to familiarise themselves with this policy and ensure that their actions are informed by it.

Scope of policy

This policy applies to all individuals working for or on behalf of MAMA.

Principles

In the interests of transparency and prudence MAMA takes a wide view of what might constitute a conflict of interest.

Potential and actual conflicts of interest must be managed transparently.

All potential and actual conflicts of interests should be declared and recorded.

Our approach is proportionate to the risk that it presents to the organisation’s interests.

MAMA’s Conflicts of Interest policy should be communicated publically so that those outside the organisation are aware of it.

There must be a clear mechanism, as established MAMA’s complaints policy, by which a third party can communicate its’ views to MAMA should it feel that this policy is not being adhered to.

Conflict of Interest - Employees and Volunteers (not Trustees)

All staff and volunteers of MAMA will strive to avoid any conflict of interest between the interests of the Organisation 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.



Identifying a conflict of interest

Any individual who becomes aware of an actual, potential or perceived conflict of interest in their work must declare this to their line manager immediately.

Managing a conflict of interest

The trustee who acts as line manager to the volunteer or employee will determine the extent to which the conflict of interest will put the charity's interests at risk (financially and/or in terms of reputation) based on:

1. The importance of the decision being taken
2. The degree to which any individual can exercise control over the decision
3. Relationship with the connected party
4. The degree to which the individual might benefit from the decision

If in doubt the trustee should seek further guidance from the Board of Trustees.

If the risk is judged to be substantial, it may not be appropriate to move forward with the transaction. If it is agreed that the transaction may proceed, the individual should not be involved in, or in any way influence, any decision with respect to the transaction.

If the risk is judged to be medium then the individual should not be involved in, or in any way influence, any decision with respect to the transaction. As long as the individual is excluded, this should not prevent the connected party transacting with MAMA.

If the risk is judged to be low then the individual, having declared their interest, may participate in the decision with respect to the connected person

Recording conflicts of interest

All conflicts of interest should be sent to the Secretary recording the following:

1. The nature and extent of the conflict;
2. An outline of the discussion;
3. The actions taken to manage the conflict; and
4. The authorising manager.

Non compliance

Any indication of non-compliance with this policy will be investigated in line with normal disciplinary procedures.

Conflict of Interest – Trustees

All trustees of MAMA will strive to avoid any conflict of interest between the interests of the Organisation 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.

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 on file and will be updated as appropriate.



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 organisations best interests and the trustees best interests or a conflict between the best interests of two organisations that the trustees is involved with.

A conflict of interest may arise where there is the possibility of financial or measurable benefit to a trustee, either directly or through a connected person.

The law says that trustees can only benefit from their charity where there is an explicit authority, obtained in advance. The legal power for this authority may come from:

1. A clause in MAMA's governing documents (although no such clause exists, it is included here for completeness);
2. A statutory provision such as the power in the Charities Act (if this situation arises, the other trustees must refer to the law in granting their special authority);
3. The Charity Commission;
4. The courts.

Out of pocket expenses and trustee indemnity insurance do not constitute benefits in this sense. Benefits available to all or are of inconsequential or limited value would not constitute a conflict of interest.

A conflict of interest may also arise when a trustee's duty to MAMA may conflict with a duty or loyalty they owe to another organisation or person. A trustee is judged to be connected to another organisation if he or she:

1. Is a trustee or director of the organisation;
2. Is employed by or have a close relationship with the organisation, or was formerly employed by the organisation and retains a financial interest;
3. Is a member of a professional body, special interest group or mutual support organisation;
4. Holds a position of significant influence or is an actual or prospective officer of a party-political organisation;
5. Has received or are likely to receive gifts or hospitality from an organisation as a result of their position at MAMA;
6. Has – either directly or through their immediate family – an interest that either exceeds 1% of the organisation or 10% of the trustee's or family's wealth.

Managing and recording a conflict of interest and decisions affected by such conflicts

All trustees must complete a declaration of interest form before their first Board meeting and they must update it whenever the position changes and in any event at least once a year.

The combined Register of Interests will be maintained by the Secretary.

Where a trustee has an actual or perceived conflict of interest that affects an agenda item at any Board or Committee meeting they must:

- Declare such interest at the start of the meeting;



- Withdraw from that part of the meeting;
- Not to be counted in the quorum for that part of the meeting;
- Not vote on that matter.

Where a trustee has an actual or perceived conflict of interest, the other Trustees at the Board or Committee meeting at which he/she declares it may permit the trustee to:

- Remain in the meeting;
- Speak on the topic in the meeting;
- Count towards the quorum for the meeting; and/or
- Vote on the matter, save that were a matter is voted on, the meeting cannot agree the matter if it was only quorate, or it only passed, thanks to the conflicted trustee's presence or vote.

Where a trustee has an interest in another organisation whose interests are reasonably likely to conflict with those of MAMA, the individual may remain in the meeting if a majority of other trustees agree to this and are satisfied that such an invitation to remain is in the best interest of the Charity.

All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict;
- An outline of the discussion;
- The actions taken to manage the conflict.

Trustee remuneration or other benefits will always be considered material and reported in the Trustee Report and Accounts as a related party transaction – irrespective of whether or not they are undertaken at an arm's length basis. Any such disclosure and the subsequent actions taken will be noted in the minutes.

Gifts and Hospitality

Employees, trustees and volunteers should not accept gifts or hospitality if it places, or could be seen to place, them under an obligation, or appear to be received in exchange for business with MAMA.

Any gifts or hospitality that are accepted should be documented in the register apart from:

- Provision of tea and coffee etc;
- Working lunches;
- Events designed for a wider group by another organisation relating to MAMA business.

Any examples that do not fit into these categories should be discussed with a director before they are accepted (e.g. ensuring whether non-acceptance would cause misunderstanding or offence). In all cases the decision to refuse or accept and the reasons for it must be recorded in the register.

Gifts should not be kept by individual employees and should be passed to the Charity.



Application of policy to third parties

MAMA expects that any third party partner organisations receiving funds from MAMA will have in place and act in accordance with an equivalent policy to manage conflicts of interest where they arise.

Date approved by MAMA Board of Trustees: 30/07/2019

Review Date: 30/07/2022