



Conflict Of Interest and Loyalty Policy

Introduction

SLI appreciates that not managing a conflict of interest properly can result in a decision being made or being seen to be made in the interest of the individual or someone close to them rather than in the interests of the organisation. The conflict of interest policy has been developed to assist staff, volunteers and board members in recognising and managing any potential conflicts of interest that may arise. The most important message in this document is that all stakeholders should always disclose an activity if they are in doubt about whether it represents a conflict of interest.

This policy applies to all trustees, directors, staff, volunteers, and clients of SLI herein referred to as 'trustee'.

Definitions

- ▶ We understand a conflict of interest as one that arises when private interests compete with a trustee's duties to act always in the best interests of the Company.
- ▶ We understand a conflict of loyalty as one where a trustee is, or is perceived to be, influenced by considerations other than the best interests of the Company.
- ▶ Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

There are 2 common types of conflict of interest:

- ▶▶ **Financial conflicts** - when a trustee, or person or organisation connected to them, could get money or something else of value from a trustee decision. This does not include the payment of expenses.
- ▶▶ **Loyalty conflicts** - other reasons, a board member might not be able to make decisions that are best for the Company.

Generally, a potential conflict of interest will occur when a board member has a connection to another organisation or person that we have a financial, or other working arrangement with, either as:

- ▶ Family – his or her partner, child etc or:
- ▶ Organisation – as a trustee, board member, member of staff or similar.

Identifying Conflict of Interest

- ▶▶ If a trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the organisation, s/he must declare the nature and extent of that interest to the other trustees.
- ▶▶ If a declaration of interest proves to be or becomes inaccurate or incomplete, a further declaration must be made.
- ▶▶ Any required declaration of interest must be made before the charity enters into the transaction or arrangement.
- ▶▶ A declaration is not required in relation to an interest of which the trustee is not aware or where the trustee is not aware of the transaction or arrangement in question. For this purpose, a trustee is treated as being aware of matters of which s/he ought reasonably to be aware.




To manage these issues, the trustee will ask themselves these kinds of questions:

- Is this the best use we might make of our limited resources?
- If so, might anyone else be able to provide this service?
- If there are others, in terms of cost, quality, availability etc, who would be the best provider?

Procedure

- Each trustee/member must tell the Management Committee if they believe they have a conflict of interest or loyalty on a matter to be decided on at a meeting.
- Any trustee/member who feels that there is a potential conflict of interest or loyalty that is not being declared should raise this for discussion.
- If the Management Committee decides that there is no conflict of interest or loyalty, the meeting proceeds as normal.
- If the Management Committee decides that there is a conflict of loyalty that is serious enough to warrant being a conflict of interest, it will be treated as such.
- If the Management Committee decides that there is a conflict of interest, the trustee/member in question must temporarily leave the meeting at which the matter is decided upon.
- In deciding all remaining trustees/members must consider, participate in debate and then vote on the matter.
- On return, the trustee/member should be told what decision is reached.
- Conflicts of interest/loyalty are recorded in the minutes in the following manner:
 - Board meeting dated ____, Trustee/member _____ noted that his/her employer was engaged in activities that may represent a conflict of loyalty in relation to agenda item 'x'. It was agreed that this did not represent a conflict of loyalty; OR
 - Board meeting dated ____, Trustee/member _____ noted that he/she had a conflict of interest in relation to agenda item 'x' and volunteered to leave the room during the discussion of this item. This was agreed and the decision to proceed was made in his/her absence.

The Conflict of Interest and Loyalty Policy will be reviewed in June 2025, or as soon as practicable after there has been a material change in any matter to which the statement refers.

Signed:  (John Hawkes, SLI Board Chair)

This policy was approved by SLI's Management Committee, June 2023.