



Royal Patron, HRH The Prince of Wales, Duke of Cornwall  
President, Lord Lieutenant of Cornwall, Colonel E T Bolitho OBE  
Chairman, Lt Col Richard Trant

## Conflicts of Interest Policy Dated: March 2021

### About conflicts of interest

Trustees have a legal duty to act in the best interests of Cornwall Heritage Trust when making decisions as a trustee. If there is a decision to be made where a trustee has a personal or other interest, this is a conflict of interest and certain steps must be followed.

For example, a trustee would have a conflict of interest if the Trust was thinking of making a decision that would mean:

- The trustee could benefit financially or otherwise from CHT, either directly or indirectly through someone they are connected to
- A trustee's duty to the Trust competes with a duty or loyalty the trustee has to another organisation or person

Conflicts of interest are common in charities, however it is important to act to prevent them from interfering with the trustee's ability to make a decision only in the best interests of the charity.

A 3-step approach (identify, prevent, record) will be followed so that the Trust is able to comply with its duty and avoid:

- Making decisions that could be overturned
- Risking the Trust's reputation
- Having to repay the Trust if unauthorised payments are made to trustees

### 1. How to identify a conflict of interest

**Legal requirement: trustees must declare a conflict of interest immediately they are aware of any possibility that their personal or wider interests could influence their decision-making.**

- Trustees each have an individual personal responsibility to declare conflicts of interest which affect them. These also include the interests of their spouse, partner, family and close relatives
- Trustees will be issued with the Charities Commission guidance document which details their responsibilities, this will be reissued each time the policy is reviewed

- Trustees will have the opportunity to raise a conflict of interest when the agenda is published and the papers for the relevant meeting distributed
- They will also have an opportunity to do so at the start of each meeting (a standing agenda item)
- The CEO will maintain a register of interests –, this must be updated if trustees' circumstances change and when new trustees are appointed
- Trustees will complete an annual declaration of interests form

## 2. Prevent the conflict from affecting the decision making process

Where trustees have decided against removal of the conflict of interest they must prevent it from affecting their decision in a different way. They:

- Must follow any specific requirements in the law or the charity's governing document which deal with conflicts of interest and how they should be managed (legal requirement)
- Should, where there are no specific governing document or legal provisions, require conflicted trustees to declare their interest at an early stage and, in most cases, withdraw from relevant meetings, discussions, decision making and votes
- Consider updating their governing document to include provisions for dealing with conflicts of interest
- May, exceptionally, need to seek the authority of the Charity Commission where the conflict of interest is so acute or extensive that following these options will not allow the trustees to demonstrate that they have acted in the best interests of the charity

Conflicts of interest often arise because a decision involves a potential trustee benefit. Where this is the case:

- The trustee benefit must be properly authorised and (legal requirement)
- The trustees must follow any conditions attached to the authority which say how the conflict of interest should be handled (legal requirement)

## 3. Recording a conflict of interest

Trustees:

- Should formally record any conflicts of interest and how they were handled
- Must, if they prepare accruals accounts, disclose any trustee benefits in the charity's accounts
- Keep a written record of the conflict of interest and how you dealt with it in the minutes of your meetings. Explain:
  - What sort of conflict of interest it was
  - Which trustee or trustees were affected
  - If any conflicts of interest were declared in advance
  - An outline of the discussion
  - If anyone withdrew from the discussion
  - How you and the other trustees made the decision in your charity's best interests

Legal requirement: if you prepare accruals accounts, they must include details of payments and benefits to your charity's trustees and people connected to them. You must say why the payments were necessary and the legal authority you had to make them.

It's good practice to include details of trustee payments and benefits if you prepare receipts and payments accounts. All expenses claims by Trustees must be submitted in writing, supported by the appropriate invoices and a Trustee expenses form.

### How to deal with a conflict of interest

The Chairman will deal with a conflict of interest when it has been identified.

Once a conflict of interest is identified, prevent it from affecting decision-making by:

- Finding an alternative way forward which doesn't involve the conflict of interest (particularly if the issue is serious)
- Taking appropriate steps to manage the conflict (if it's less serious), which will usually mean that the person affected doesn't take part in discussions about the issue

In some situations the Trust will need to comply with legal restrictions. For example, if CHT plans to sell land to one of its trustees, or pay a trustee for goods or services.

The Charity Commission will have to authorise a decision in advance if:

- It is going to involve any benefit to a trustee that hasn't already been authorised
- The conflict of interest is serious but there's no alternative way forward that will remove it
- Most or all of the trustees share the conflict of interest

<b>Policy written by:</b>	Cathy Woolcock
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