

## CONFLICTS OF INTEREST POLICY

POLICY MONITORING	
Person responsible for Policy	Chief Executive
Committee responsible for Review	Board of Trustees
Policy approved	February 2023
Frequency of Review	Annually
Date of next Review	March 2023

### Application of this policy

This policy applies to Trustees, members of staff (permanent and temporary) and volunteers (hereafter referred to as staff, unless indicated otherwise).

### Conflicts of interest

#### What is a conflict of interest?

Trustees and staff will have a range of interests, views, beliefs, duties and responsibilities and loyalties (hereafter referred to as “interests”) that arise from their involvement with work, family, friends and other bodies or organisations. Those interests may differ and, in some cases, may conflict with each other.

Conflicts of interest may have the potential to affect Trustees or staff members’ judgement and objectivity, and/or compromise their ability to make a decision that upholds all of their responsibilities simultaneously.

Conflicts of interest may create problems, such as:

- inhibiting free discussion;
- decisions or actions that are not in the best interests of Lymphoma Action and the services provided to its members and service users; and/or
- improper/inappropriate conduct or action, or a perception of such.

Conflicts of interest do not only arise out of financial benefits.

## **Why have a policy?**

All staff and Trustees have an obligation to act in the best interests of Lymphoma Action's service users, beneficiaries and the general public, in accordance with Lymphoma Action's memorandum and articles of association, and a range of statutory duties, including the Bribery Act 2010.

It is inevitable that conflicts of interest occur. Lymphoma Action must however ensure that decisions are always made in the best interest of the organisation. Lymphoma Action must also ensure that all of its stakeholders have confidence that decisions are always made in the best interests of the organisation, as even the perception of a conflict can cause reputational damage and lead to loss of confidence by stakeholders.

The issue is not the integrity of the staff member concerned, but the management of any perceived or actual potential for any staff member to benefit, profit or be in a position of inappropriate influence due to their role or position within the organisation.

Where a conflict of interest is not properly managed, it can lead to poor decisions being made that affect the charity's financial viability, operation and reputation. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts or potential conflicts need to be managed carefully. Therefore, Lymphoma Action has to take steps to ensure that it is aware of any potential conflicts of interest and to manage or resolve any conflicts in a way which protects the charity, its members, service users and the public interest.

The aim of this policy is to protect both the organisation and the individuals involved from any impropriety or appearance of impropriety.

There are two key elements to managing conflicts:

- Transparency – all interests will be declared and noted in a register.
- Management of conflicts – when conflicts arise, steps will be taken to manage the conflict and ensure that it does not impair good judgment and decision-making.

## **Register of interests**

### **The declaration of interests**

In line with the provisions of Lymphoma Action's policy and procedures, all staff have a duty to act in the best interests of the organisation, its service users and beneficiaries, which includes disclosing any actual or potential conflicts of interest. As part of this, Lymphoma Action specifically requires all Trustees, senior managers and budget-holders to declare their interests for recording and review in a register of interests. A declaration of interests form is provided for this purpose and lists the types of interest relevant staff should declare (Appendix 2).

Any staff member who is unsure whether to declare an interest should discuss this with their line manager or the Chief Executive. Appendix 1 provides examples of situations in which conflicts of interest may arise. These are intended to illustrate potential circumstances but are not exhaustive.

The declaration of interests must be updated when any changes occur. It is the responsibility of individual Trustees and staff members to inform the Chair or Chief Executive of any changes to their interests. Lymphoma Action's register of interests is maintained by the Personal Assistant to the Chief Executive, who will contact all relevant staff on an annual basis, for the purposes of updating the register. The Board of Trustees will review the register on an annual basis.

The register is accessible by the Board of Trustees, Chief Executive, Senior Management Team (SMT) and the Executive Assistant, noting any statutory requirements applicable (eg, auditing requirements, or where the Charity Commission for England and Wales or the Office of the Scottish Charity Regulator may need to have access for inspection purposes).

Disclosure in all cases shall include the type of potential or actual conflict (eg, conflict of interest or commitment), the nature of the activity, a description of all parties involved, the potential financial interests and rewards, possible violations of legal requirements, and any other information which the trustee or staff member feels necessary to evaluate the disclosure.

In addition to the register, at the beginning of each Board of Trustees/Committee meeting, the Chair will ask those taking part in the meeting to declare any potential or actual conflicts of interest relating to the agenda.

### **Data protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998, as amended, and in Lymphoma Action's Data Protection Policy. Data will be processed only to ensure that all staff act in the best interests of Lymphoma Action. The information provided will not be used for any other purpose.

### **Managing potential or actual conflicts of interest**

Trustees or staff will ordinarily have declared interests in advance though when circumstances arise where an unexpected potential conflict of interest exists, the trustee or staff member should, at the earliest opportunity, draw this to the attention of others (including the Chair, Chief Executive or SMT member, as relevant or appropriate). The staff member should immediately withdraw from participating in any discussion or decision-making until such time as they are invited to contribute by the Chair, Chief Executive or SMT member.

The judgment regarding whether an interest is an actual conflict is never made by the individual concerned and will be made by the Chair and/ or the Chief Executive (or, in their absence, a member of the SMT), often in discussion with others. Where the issue is contentious or complex, the Chair or Chief Executive (or, in their absence, a member of the SMT), may seek the views of other Trustees or the Senior Management Team. It is likely that staff members would need to discuss the matter directly with the relevant person concerned.

The Chair or Chief Executive (or, in their absence, a member of the SMT) may conclude that a potential conflict is minor or counteracted by the presence of other influencers. In these circumstances the

individual will be invited to take part in the decision-making process as normal. This will be recorded in the minutes of the relevant meeting.

On occasion, it may be concluded that the individual has particular knowledge or expertise that is of benefit to the discussion. When the Chair of the relevant meeting deems that this is so, the individual may be invited to contribute to the discussion but then to withdraw from the room while the decision is taken. In Trustee meetings where the Chair has a conflict of interests, any such judgment will be taken by any appointed vice Chair or the Treasurer. In management meetings, where the Chief Executive or Senior Manager has a conflict of interests, any such judgment will be taken by another SMT member who does not have a conflict. This will be recorded in the minutes of the original meeting along with the point at which the individual leaves and returns to the room.

Sometimes it will be concluded that the individual must withdraw entirely from and take no part in the discussion or decision-making. This will be recorded in the minutes. In relation to the Board of Trustees, the meeting must remain quorate (see articles of association) for a decision to be made.

All decisions regarding a conflict of interest will be reported to and recorded by the Personal Assistant to the Chief Executive (or an appropriate staff member appointed for the purpose of taking minutes) and reported in the minutes of the relevant meeting. The report will record:

- the nature and extent of the potential or actual conflict;
- where necessary, an outline of the discussions that were had in relation to the potential or actual conflict;
- confirmation of whether or not there was found to be an actual conflict of interest;
- where a conflict of interest was found to exist, the actions taken to manage it.

### **Failure to disclose an interest**

Full disclosure of relevant information and the establishment of a record are in the best interests of both Lymphoma Action and its Trustees and staff. It demonstrates good faith on the part of the trustee or staff member and protects their reputation and that of Lymphoma Action.

Disclosure will not necessarily restrict or preclude a trustee or staff member's activities. In fact, activities that may at first appear questionable may be deemed acceptable and permissible when all facts regarding the activity are examined.

If a trustee or staff member fails to disclose an interest that is known to the Chair, Chief Executive or SMT member, then that interest will be declared on that person's behalf. Similarly, where undeclared interests are known about by others, then these may be reported to the Chair, Chief Executive or SMT member. The person concerned will be informed that the interest has been listed in the register and will be given the opportunity to make appropriate amendments.

In the event that it is claimed a trustee or staff member has failed to disclose an interest, the Chair or Chief Executive will undertake an investigation to establish the facts. They will first determine if there is legitimate cause for concern related to the nature of the potential or actual conflict of interest

(including whether or not it demonstrates inappropriate behaviour or evidence of bias). The list of questions in appendix 1 is suggested for this initial determination.

If it appears that there is genuine cause for concern, the Chair or Chief Executive must ascertain whether appropriate controls are in place to deal with possible conflicts, as well as considering whether or not further action should be taken in relation to the failure to disclose the conflict in the first place.

If the Chair or Chief Executive is uncertain as to the correct way in which to deal with a situation, they should refer the matter to the full Board and/or seek independent guidance.

The consequences of a failure to comply with this policy will be dealt with by the Chair or Chief Executive, including where necessary via appropriate disciplinary procedures, except in situations relating to the Chief Executive, which will be dealt with by the Board of Trustees.

## Examples of general conflict situations

**Activities that appear to present *potential* conflicts of interest or commitment (note that this appendix is not intended to be a statement of unacceptable practice, but rather a non-exhaustive list of example situations):**

*Note: in this appendix, the term “staff” should be read so as to include “Trustees” also.*

***Personal gain or benefit***

There are a wide range of situations where staff members may be able to gain or benefit personally, financially or otherwise, through their or their family/friends’ involvement with other people, organisations or businesses. Common situations that should be included on the register of interest are as follows:

- Staff members’, or their family/friends’, involvement with people, organisations or businesses with which Lymphoma Action contracts, either to secure services or to provides services (eg, suppliers such as printers, designers, editorial freelancers, stationery suppliers, office goods, IT providers, mailing houses, consultants, or local authorities, voluntary adoption agencies).
- Under charity law, Trustees cannot be spouses or dependent relatives of existing employees or others who are receiving financial reward from Lymphoma Action (under the “common purse” principle), as the trustee would then be gaining financial benefit from the employee’s salary or the payment of other financial benefits.

Other examples include

1. Relationships that might enable a staff member to influence Lymphoma Action’s dealings with an outside organisation in ways leading to personal gain or to improper advantage for anyone. For example, a staff member could have a financial interest in an enterprise with which Lymphoma Action does business and be in a position to influence relevant business decisions. Ordinarily such problems may be resolved by full disclosure as well as making appropriate arrangements that clearly exclude that staff member from participating in the decisions.
2. Activities for which a staff member is personally remunerated (from an external source) that involve, or might reasonably be perceived to involve, Lymphoma Action’s name, computer time or other resources, facilities and equipment.
3. Activities that violate or might reasonably be perceived to violate any of the principles governing Lymphoma Action’s work, insofar as these principles are relevant to individual behaviour.
4. Providing training, or other professional services, to other organisations which draw upon or use the information and knowledge available to the staff member in the course of their role and might reasonably be seen as services which should be commissioned from and/or provided by Lymphoma Action.

5. Any gifts or hospitality received in connection with their role in Lymphoma Action. (This should always be disclosed to the relevant line manager – see Gifts and Hospitality policy).
6. Managing or monitoring a contract in which a staff member has an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

#### *Situations where personal judgement may be affected*

Common situations may include:

- Recruitment and selection – any staff involved in the recruitment and selection of staff should make the appointing manager aware in situations where they know personally any candidate for a post with Lymphoma Action.
- Friends or family of staff members may work or be involved with other organisations working in the field of cancer, which Lymphoma Action may work with, but may not be engaged in any contractual relationship.

#### **Activities that clearly present serious problems and would be incompatible with Lymphoma Action policies - *unless explicit permission has been sought and granted for the activity and Lymphoma Action's interests have been protected:***

1. Failing to meet fully Lymphoma Action's responsibilities (eg, other employed work, serving on committees) due to involvement in external activities (whether paid or unpaid).
2. The use for personal profit of information emanating from Lymphoma Action's work or research, or other confidential Lymphoma Action sources, or assisting an outside organisation by giving it unreasonably exclusive access to such information; or consulting under arrangements that impose obligations that conflict with Lymphoma Action's intellectual property or with Lymphoma Action's obligations to 'funded' projects.
3. Circumstances in which research or consultancy that could and ordinarily would be carried on within Lymphoma Action is conducted elsewhere to the disadvantage of Lymphoma Action and its legitimate interests.
4. Using Lymphoma Action resources to conduct work or research that is sponsored by an entity in which a staff member or their family member holds a substantial financial interest.
5. Serving in an executive or managerial capacity or holding significant financial interests in for-profit or not-for-profit entities doing business with Lymphoma Action. Serving on the Board of directors or major advisory committee of an external entity which is in direct conflict with Lymphoma Action's core mission.
6. Utilising Lymphoma Action's staff members in consulting activities without authorisation.
7. Directing purchasing opportunities to a company (or an associated entity) or organisation owned by a staff member's family.

8. Making professional referrals to a business in which a staff member, or a member of their family, has a financial interest, while acting in the context of their Lymphoma Action duties
9. Conducting personal business activities involving other staff members.
10. Where a staff member is a user of Lymphoma Action's services, or the carer of someone who uses Lymphoma Action's services, they should not be involved in decisions that directly affect the service that they, or the person they care for, receives.

**If you feel you would like to complete a conflicts of interest form, please let the Volunteering Team know by emailing [volunteering@lymphoma-action.org](mailto:volunteering@lymphoma-action.org).**