



# Conflict of Interest Policy

This policy applies to Council members and senior staff

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# INSTITUTE OF BIOMEDICAL SCIENCE

## Conflict of Interest Policy

**This policy applies to Council members and senior staff.**

### What is a conflict of interest?

Institute Council members, as trustees of the charity and company directors, have a duty in law to act in the best interests of the Institute. Trustees, generally, should not benefit from the charity and should not be influenced by their wider interests when making decisions affecting the charity.

The Institute subscribes to the National Audit Office definition of a conflict of interest:

'a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.'

Conflicts of interest arise when the interests of trustees, or 'connected persons', are (or may reasonably be perceived to be) incompatible or in competition with the interests of the charity. Such situations present a risk that trustees will make decisions based on these external influences, rather than the best interests of the charity.

The most common types of conflict include:

- Direct financial interest – when a trustee obtains a direct financial benefit via
  - The payment of a salary to a trustee by the Institute
  - The award of a contract to a company with which the trustee/senior staff member is involved
- Indirect financial interest- this arises when a close relative of the trustee benefits from the charity
  - Awarding of a contract of employment to a trustee's close relative
- Non-financial or financial conflicts -occur where trustees receive no financial benefit, but are influenced by external factors
  - Awarding contracts to friends
  - Gain some other intangible benefit or kudos

- Conflicts of loyalties – trustees may have competing loyalties between the Institute to which they owe a primary duty and another person or entity

It is essential that all Institute trustees are fully aware of their duties and responsibilities and that when acting as a trustee they must act in the best interests of the Institute alone.

When a conflict does arise, the responsibility of all the trustees is to the Institute. This includes any access that trustees may gain to confidential or privileged information by virtue of their trusteeship. All trustees should remain alert to the fact that whatever information they acquire in their role should remain confidential and not be used to advantage themselves, an external individual or entity.

Senior staff are not trustees of the Institute. However, their involvement in and contribution to the key governance bodies, the Council and its standing committees, requires them to be subject to the same requirements as the trustees in respect of declaring conflicts of interest.

### **Why we have a policy**

Council Members, as trustees of the Institute have a legal obligation to act in the best interests of the Institute and in accordance with the Institute’s Memorandum and Articles of Association, and to avoid situations where there may be a potential conflict of interest. Senior staff and volunteers have similar obligations.

Conflicts of interests may arise where an individual’s personal or family interests and/or loyalties conflict with those of the Institute.

Such conflicts may create problems; they can:

- Inhibit free discussion
- Result in decisions or actions that are not in the interests of the Institute
- In legal challenge
- Loss of trust within the Council
- Risk the impression that the Council has acted improperly.

Conflicts of interest cannot be avoided altogether. Having a policy in place helps to manage them effectively when they arise and demonstrates good governance practice.

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

## **Declaration of interests**

Accordingly, we are asking Council members and senior staff to declare their interests, and any gifts or hospitality received in connection with their role in the Institute. A declaration of interests form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually, and also when any changes occur.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Chief Executive for confidential guidance. Interests will be recorded on the Institute's register of interests, which will be maintained by the Chief Executive's office. The register will be available for inspection on request.

## **Data Protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act. Data will be processed only to ensure that trustees and senior staff act in the best interests of the Institute. The information provided will not be used for any other purpose.

## **What to do if you face a conflict of interest**

If you believe you have a perceived or real conflict of interest you should:

- Declare the interest at the earliest opportunity (usually at the start of the meeting)
- Abide by the decision of the chair as to how you may or may not contribute to the discussions and decisions relating to the conflict

Any declaration made, and the resulting handling decision will be recorded in the minutes.

If you fail to declare an interest that is known to other meeting attendees then they, through the Chair, will declare that interest.

**If the meeting chair has a conflict then they will hand over the chairmanship of the meeting to another member for the relevant item.**

## **Decision of the Chair once a conflict is identified**

Once a conflict of interest has been identified, it the responsibility of the Chair to decide on its treatment. The Chair can take one of the following actions:

- The person declaring the conflict of interest may play a full part in the discussion process but not vote
- The person declaring the conflict of interest may observe the discussion but not participate in it nor vote
- The person declaring the conflict of interest be excluded for the duration of the item.

### **Decisions taken where a Council member or member of senior staff has an interest**

In the event of the Council having to decide upon a question in which a Council Member or member of staff has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate.

All decisions under a conflict of interest will be recorded by Council/committee secretary 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.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **Managing contracts**

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have 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.

Adopted by Council	April 2018
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