



HOPE International Development Agency UK

Conflict of Interest (CoI) Policy

Date: November 2023. Reviewed annually

The trustees recognise their legal duty to act in Hope UK's best interests when making decisions as a trustee and that where a trustee has a personal or other interest in that decision, this is a conflict of interest which could compromise or limit trustee duty (principally making decisions which are in the charity's best interests) unless certain steps are followed.

There is a legal requirement to declare any conflict of interest immediately trustees are aware of any possibility of personal or wider interests influencing decision-making.

Examples could include a trustee benefitting financially or in other material ways from HOPE, either directly or indirectly through a third party; or trustee duty to HOPE competing with a duty or loyalty to another organisation or person, such as an employer.

By following a three step approach (identify, prevent, record) trustees will ensure that they are able to comply with their duty and avoid:

- making decisions that could be overturned
- risking Hope UK's reputation
- having to repay Hope UK if it makes unauthorised payments to trustees

Identification and disclosure

Trustees will be reminded annually of example of conflicts of interest to enable them to identify any. Any potential trustees will likewise be helped to identify potential conflicts of interest before being appointed. Hope UK's AGM is typically held in October / November. A standard AGM agenda item will cover completion of a register and declaration of interests statement by each trustee (see Annex) and allow trustees to declare any actual or potential conflicts of interest. This will provide a prompt for trustees to review their situation, and the covering email distributing the agenda will remind them of the need to do this ahead of the meeting.

All trustee applicants will be asked to complete a register of interests prior to appointment.

Preventing any CoI from affecting decision-making

Hope International UK does not handle large sums or have any investments or assets which could potentially require compliance with legal restrictions or raise particular potential CoI. It is a small charity which funds operations overseas, reducing the potential for CoI to arise. However, potential examples could include:

- employment by a company which manages a fund to which HOPE is applying for funding
- paid engagement of a friend or relative from which the trustee themselves or their immediate family could benefit

In most cases it is anticipated that CoI can be managed effectively by:

- ensuring that the conflict is declared, both to trustees and to any other relevant party (e.g. employer)
- formally noting the CoI in the minutes and (usually) register of interests
- ensuring that the individual does not take part in discussions, provide advice or vote about the issue.

In any case, the Charity Commission checklist of steps to take when a potential CoI is identified will be followed.¹

Where there is any doubt about how to handle a CoI (for example where most or all of the trustees share the conflict), external advice will be taken from a suitably qualified person (e.g. accountant / charity lawyer) and / or the Charity Commission.

Recording

A formal written record of the conflict of interest and how it has been dealt with will be made in meeting minutes. These will 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 the other trustees made the decision in Hope UK's best interests

Payments and granted benefits

Potential conflict of interest could arise through payments or granted benefits from Hope UK to trustees, so this section sets out what is allowable. Trustees (who are also Company Directors) may claim out of pocket expenses arising directly from their duties as trustees, such as travel costs². Out of pocket expenses for fund-raising activities are also reimbursable, as they would be for any volunteer. All expense claims must be supported by receipts or other evidence (e.g. where mileage is claimed). Other types of payment or 'granted benefits' which may be made are summarised here:³

- indemnity in respect of any liabilities properly incurred in running the company and the benefit of indemnity insurance
- a payment to a company in which a Director has no more than a 1% shareholding
- payment of reasonable and proper interest on money lent to the Company
- professional fees
- other payment of benefits in exceptional cases, approve in writing in advance by the Charity Commission

All payments or benefits to trustees and to people connected to them are declared in the financial statements to meet the legal requirement that accruals accounts must contain such details. This ensures full transparency.

¹ The Charity Commission checklist can be accessed here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/591552/Checklist_for_trustees.pdf

² As per clause 5 of Hope UK's Memorandum and Articles of Association (MAA),

³ See MAA clause 5 for details

Further Guidance

The Charity Commission have a useful guide on the topic: Conflicts of Interest: a Guide for Charity Trustees (CC29) which may be accessed here:

<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>

The Charity Commission guide on Trustee Expenses and Payments can be found here:

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11>

Hope UK Trustee / Director Register and Declaration of Interests

Name:

Declaration of direct or indirect interest in any contract, proposed contract, arrangement or dealing with Hope UK:

Please list below:

Any other body of which you are a director or officer:

Any firm in which you are a partner:

Any public body of which you are an official or elected member:

Any company whose shares are publicly quoted in which you own or control more than 2% of the shares

Any company whose shares are not publicly quoted in which you own or control more than 10% of the shares

Any other interest which is significant or material

I do / do not believe that there is a conflict between my personal interests, or my interests in relation to family, friends or associates, and that of Hope UK.

Detail if appropriate:

Signed:

Date: