

Coventry Diocesan Board of Finance **CONFLICT OF INTEREST AND LOYALTY POLICY**

Document Overview

Purpose	The purpose of this policy is to outline the actions to be taken to manage actual and perceived conflicts of interest and loyalty.
Confidentiality	This document is not confidential.
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Distribution	All DBF employees, Trustees, Committee Chairs and Committee members
Required action	
Proposed next step	

Version History

Version	Date	Status Note
1.0	01/01/20	Final
2.0	21/12/23	Amended by SFS
3.0	21/06/24	Rewritten as part of DBF Governance Review process

1. Purpose

The Trustees and Directors (referred to in this document as Trustees) of the Diocesan Board of Finance (DBF) have a legal obligation to act in the best interests of the DBF, and to avoid situations where there is, or could be, a conflict of interest. Committee Chairs, Committee Members and DBF employees also have a responsibility to act in the best interests of the organisation.

It is recognised that many individuals hold multiple roles, whether paid or voluntary, and this brings a wealth of experience and perspectives which is of benefit to the DBF. Similarly, many Trustees, Committee Members and DBF employees will have [connected persons](#) who hold positions that could in some situations cause a conflict of interest or loyalty.

This policy sets out how conflicts (whether actual or perceived) are managed, in order to maintain and protect the integrity, objectivity and reputation of the organisation and the individuals.

2. Scope

This policy is applicable to:

- Trustees of the Diocesan Board of Finance
- Employees of the Diocesan Board of Finance
- Members and Chairs of diocesan committees

Throughout this policy, the term ‘individuals’ is used to cover all of these groups.

3. Conflicts of Interest and Loyalties

A conflict of interest exists when a reasonable person would consider that an individual’s ability to apply judgement or act in the best interests of the DBF is, or could be perceived to be, impaired or influenced by one of their other interests.

Common types of conflict include:

- a) Financial interest – the award of a contract or a transaction with a company in which the individual or a connected person has a financial interest or could otherwise financially benefit.
- b) Non-financial or personal conflicts – where the individual receives no financial benefit but may be influenced by other factors such as:
 - To gain intangible benefit or kudos
 - To award contracts to friends
- c) Conflict of loyalties – where individuals have competing loyalties between the DBF and another person or entity.

Conflicts, whether actual or perceived, can arise when an individual is also:

- Stipendiary clergy
- Retired clergy in receipt of a pension
- A retired DBF employee in receipt of a pension
- Recipient of a DBF grant
- A payer of Parish Share
- A trustee of another charity (including a PCC member)
- An employee or owner of other companies that provide services to the DBF
- An investor in companies, partnerships and other forms of business
- A member of special interest or professional groups

They may also have connected persons that are any of the above.

Individuals and their connected persons may well be beneficiaries or users of the services provided by the DBF – this is not in itself necessarily a conflict. Care must be taken to ensure that the benefit derived by these individuals is not over and above that received by any other beneficiary or user of the charity. Benefit can be taken to mean a gain or an avoidance of a loss.

4. Connected Persons

For the purposes of this policy, connected persons include an individual's:

- Spouse, civil partner or someone living as their spouse
- Children, step-children, parents, grandchildren, grandparents, siblings
 - Spouses, civil partners and someone living as a spouse of these people
- Any other close personal connection that could lead to a potential conflict

5. Gifts and Hospitality

Gifts and hospitality may sometimes be offered to individuals in connection with their DBF role. Such gifts or hospitality are generally offered in a spirit of generosity and gratitude. However, there is the potential for gifts or hospitality to be intended to influence a decision, or indeed the potential for the acceptance of such a gift to be so perceived even if that was not the giver's intention.

The following gifts and hospitality may be accepted and do not need to be recorded on the register of interests:

- Modest and proportionate hospitality provided as part of a service, meeting, course or conference
- Modest gifts and hospitality as part of a mutual personal friendship which exists outside of DBF affairs

The following may be accepted with the consent of the Diocesan Secretary. They must be declared and included on the register of interests:

- Gifts and hospitality up to the value of £50

The following must not be accepted:

- Gifts and hospitality over the value of £50
- Solicited gifts or hospitality
- Gifts and hospitality (of any value) if it appears that they are intended to influence a decision

6. Payments to Trustees and Committee Chairs and Members

Trustees, Committee Chairs and Committee members can claim the reimbursement of expenses incurred whilst undertaking their roles for the DBF, for instance travel costs to attend meetings. All such claims must be supported by appropriate evidence (mileage logs, receipts) and submitted to the relevant committee secretary for approval. All payments to trustees will be reported in the DBF's Annual Report.

The reimbursement of employee expenses is outlined in the DBF Staff Handbook.

7. Declaration of Interests

If undisclosed or unaddressed, conflicts of interest or loyalty may:

- Prevent open discussion
- Result in actions or decisions not in the best interest of the DBF
- Result in the impression that the DBF has not acted properly
- Result in damage or loss of reputation and trust

Each individual is required to declare their interests and the receipt of any gifts or hospitality so that potential conflicts can be managed and avoided. Declarations are made on appointment/employment and reviewed at least annually. Declaration forms are circulated and managed by the Governance Team, under the control of the Diocesan Secretary. Any individual that declines to return an annual declaration of interest may not be permitted to serve the DBF as a Trustee, Committee Chair or Committee Member.

In addition to the annual review, declarations of interest may also be made prior to or during committee meetings. An individual who has any interest in a matter under discussion must declare this as soon as possible to enable the Chair to take the appropriate action.

All committee agendas shall include an agenda item at the start of each meeting giving the opportunity for individuals to declare actual or perceived conflicts of interest.

If an individual fails to declare an interest that is known to the Chair or Secretary, the Chair or Secretary will declare that interest.

If you are not sure what to declare or whether a role or connected person is relevant you should err on the side of caution and declare this. Any queries can be discussed in confidence with the Diocesan Secretary.

All information provided is processed in accordance with the DBF's Data Protection Policy, ensuring compliance with the Data Protection Act. Information will be used only for the purpose provided.

8. Managing Conflicts of Interest in Committee Meetings

An individual with an actual or perceived conflict of interest or loyalty should ensure that the Chair is aware (either through prior declaration or through declaration within the meeting). The Chair should take the following action:

Where an actual conflict exists -

The individual will not be able to vote on the matter and will not form part of the quorum for that item. The Chair will decide if the individual can remain in the meeting for that item or whether they must withdraw. If given permission to remain, the Chair will decide if the individual is permitted to speak on the item.

Where a perceived conflict exists, which might reasonably cause others to think it could influence a decision -

The Chair will decide if the individual can remain in the meeting and, if so, whether they are permitted to speak and to vote. If the individual is not permitted to vote they will not form part of the quorum for that item.

In making these decisions the Chair may consult with other members of the Committee and with those in attendance, without the individual present if so desired. The decision of the Chair is final. The actions taken will only relate to the agenda item in question.

In the event of a conflict (actual or perceived) concerning the Committee Chair, the Chair shall excuse themselves from the item. The Committee shall select a temporary Chair to deal with the matter in question. The temporary Chair shall determine if the Committee Chair is permitted to remain in the meeting and to vote, in line with the instructions above.

All decisions where there is a conflict shall be minuted accordingly, to include:

- The nature, extent and value of the conflict
- An outline of the discussion

- The actions taken to manage the conflict

In the event of a major conflict (for example a discussion relating to the employment of an individual or their spouse) it may be necessary to redact the meeting minutes for that individual. The Committee Secretary will determine whether this is required and, if so, the level of information that should be provided.

9. Register of Interests

The Diocesan Secretary is responsible for maintaining the DBF's register of interests which includes all declared conflicts of interest and loyalties (both actual and perceived) as well as any relevant gifts and hospitality.

Each Committee Chair and Department Manager will receive an updated register of interest for their committee/department at least annually. The register will also be shared with the Director of Operations.

Committee Chairs and Department Managers are responsible for making themselves aware of the interests declared and ensuring that these are managed appropriately in the event of any potential conflicts.

10. Guidance

Any queries on the implementation of this Policy should be directed to the Diocesan Secretary.