

Review history

1. 7 March 2018 (Board approved)
- 2.

TRUSTEES AND EXECUTIVE TEAM CONFLICT OF INTEREST POLICY

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1. DOCUMENT DATE AND REVIEW SCHEDULE

- 1.1 This document has been approved by the Board of Trustees on 7 March 2018.
- 1.2 This policy will be reviewed every 2 years by the Audit Committee or when there are changes in legislation or requested by a Unicef UK governance committee, whichever is the sooner.

2 RESPONSIBILITIES

- 2.1 The responsibility for updating and approval of this policy is assigned to the Chief Operating Officer.
- 2.2 The responsibility for ensuring compliance with this policy rests with the Chair of Trustees and the Executive Director.

3 PURPOSE OF THIS DOCUMENT

- 3.1 UNICEF UK is committed to ensuring transparency in its governance practices and complying with legal requirements, and this policy sets out the charity's approach to managing actual, perceived and potential conflicts of interest.

- 3.2 The purpose of this policy is to ensure that the integrity and reputation in the UNICEF UK is not compromised. In particular this policy seeks to ensure that conflicts of interests do not:
 - 3.2.1 Inhibit free discussion
 - 3.2.2 Result in decisions or actions that are not in the best interests of the charity
 - 3.2.3 Risk the impression that UNICEF UK has acted improperly
- 3.3 This policy applies to UNICEF UK Trustees, President, Vice Presidents, independent members of Trustee Board Committees and the Executive Team.
- 3.4 This policy supplements the general Conflicts of Interest Policy which applies to all employees, volunteers, contractors, agency staff or any other personnel working under the direction of UNICEF UK., and reflects the higher level of conduct expected of Trustees, the President, Vice Presidents, independent members of Trustee Board Committees and the Executive Team by virtue of their decision making powers and greater public interest.
- 3.5 Any complaint relating to conflict of interest can be the basis for enquiries by the Charity Commission and could lead to the involvement of police, the repayment of any monies, the decision being declared invalid, and could damage the reputation of UNICEF UK and the individuals involved.

4 GUIDANCE AND UNICEF INTERNATIONAL CONTEXT

- 4.1 This Policy has been developed with due regard to the following laws and guidance:
 - 4.1.1 The Companies Act. Under Company law, Directors are required to declare any interest in contracts or proposed contracts and are not permitted to purchase property or take loans from the company.
 - 4.1.2 Charities Act. Under Charity law and our governing document, trustees cannot receive any benefit directly or indirectly in return for their services or otherwise unless explicitly authorised.
- 4.2 Charity Commission guidance: Conflicts of interest: a guide for charity trustees (CC29)
- 4.3 Association of Chief Executives of Voluntary Organisations (ACEVO) guidance: Code of Conduct for Trustees
- 4.4 UNICEF PFP guidance: Strengthening the Ethics Framework – Toolkit for National Committees

5 DEFINITIONS

- 5.1 “Conflict of interest” – A conflict of interest is any situation in which a person’s personal interests or interests of a connected person could, or could be seen to, prevent them acting only in the best interests of the charity.
- 5.2 “Connected person” - in broad terms this means family, relatives or business partners of a trustee, as well as businesses in which a trustee has an interest through ownership or influence. The term includes a trustee’s spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, as

well as businesses where a trustee or family member holds at least 1% of the shareholding or voting rights.

6 POLICY STATEMENTS

- 6.1 UNICEF UK's position is aligned with the Charity Commission's view that "the issue is not the integrity of the person concerned, but the management of any potential to profit from a person's position within the charity, or for a person to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully".
- 6.2 Persons covered by this policy have a duty to act in the best interests of UNICEF UK and must not use their position for their own personal benefit or for the benefit of a connected person.
- 6.3 Each individual covered by this policy must promptly disclose any actual or potential conflicts, whether real or perceived. If in doubt whether a conflict should be disclosed, it should be disclosed.
- 6.4 Any conflicts of interests, and the actions taken by the charity, should be formally recorded to evidence how the charity handled the potential conflict of interest.

APPENDIX 1 – APPLICATION OF POLICY

A. DECLARATION OF INTERESTS

- a) There are five occasions when potential conflicts should be declared using the form in Appendix 2
 - i) Pre-selection: persons covered by this policy should be requested to complete a Declaration of Interests form prior to confirmation of appointment in order that any relevant issues may be taken into account in deciding whether or not to confirm their appointment. This would be confidential and would be erased from the record if the person were in the end not appointed.
 - ii) On arrival: persons covered by this policy should complete a Declaration (or amend the above declaration) at the time of appointment. This information, and any subsequent updates (see below) would be held confidentially by Unicef UK. This information will be made available to other Trustees and Executive Team members in order manage conflicts of interest in line with this policy.
 - iii) Annually: after each AGM and prior to the first subsequent Board meeting
 - iv) When anything significant changes: new matters should not await an annual declaration before being notified to the Chair of Trustees and the Executive Director
 - v) Meetings:
 - (1) It is the *responsibility of each individual* to declare any actual or potential conflicts of interests to the chair of the meeting as soon as possible in advance of the meeting at which the conflict of interest arises.
 - (2) At the start of each meeting, the chair should ask the attendees to declare any conflicts of interest relating to the business to be conducted at the meeting. It is the *responsibility of each individual*, including the chair, to declare any potential or actual conflict of interest in response to this request. If a declaration is made during the meeting, the chair of the meeting will decide how the conflict of interest is managed, taking into account advice from the attendees at the meeting. The management of the conflict of interest may include the person with the conflict of interest leaving the meeting for periods of time and/or not participating in the making of specific decisions.
 - (3) If the conflict of interest relates to the chair of the meeting, an alternate chair will be decided by the other attendees at the meeting and assume the role of chair for those agenda items to which the conflict of interest relates.

- b) Written declarations should be addressed to the Executive Director in his capacity as Company Secretary and would be held in the Executive Director's office under the conditions of confidentiality described in this policy.

B. TYPES OF INTEREST THAT NEED TO BE DECLARED

- a) Relevant interests may be financial or non-financial; direct or indirect
- b) Direct financial benefits or interests include for example employment of a trustee by the Charity, as employee, consultant or advisor, or the situation where a company of which the Trustee is a director or shareholder may be considered for a contract by the Charity. Other matters of financial interest include the sale of land or the use of the Trustee's property by the charity, or granting of loans by the Trustee to the charity. Conflicts of interest in such cases are particularly serious and any financial benefit requires authorisation, usually by the Charity Commission. Such matters will generally be considered relevant conflicts of interest even if a Trustee resigns prior to seeking such a contract or employment.
- c) Indirect financial interests may arise where such potential financial benefits accrue to a close member of the trustee's family, or even a friend, business partner or colleague, where their finances are interdependent (eg joint bank accounts, mortgages or property held in joint names, one party financially dependent on the other, employer/employee/contractual relationship) or where it could otherwise be perceived that such benefits could lead to a conflict of interest, ie by influencing the Trustee's decisions other than in the best interest of the Charity.
- d) It is the responsibility of the individual to determine whether they feel a matter relating to a third party represents a potential conflict of interest and should therefore be declared. Some personal information about third parties can only be held with their agreement. Generally the limited information needed to declare a potential conflict will not require such consent. If consent was needed it would be the responsibility of the trustee or Officer providing the information to ensure that this consent is given. Should a third party decline to consent, then it is the responsibility of the Trustee or Officer to ensure that a conflict is declared should any potential conflict of interest arise. Any written declaration where data is held in relation to a third party must be dealt with in a manner consistent with relevant data protection legislation.
- e) Non financial interests, direct or indirect, may arise where the trustee is also a user of the Charity's services, particularly if the Trustee is benefiting from those services in a manner which is exceptional.
- f) There are also issues associated with "conflict of loyalties" where another appointment or employment or association (of the Trustee or of a relative or friend) may be felt to influence the decisions of the Trustee in directions which may not be in the best interest of UNICEF UK. In particular, in this context, it is expected that other charity roles, as Trustee or employee or through other significant relationships, should be declared.

- g) In the case of UNICEF UK, declarations should also be made in respect of any connections, roles or benefits arising within UNICEF as body of the United Nations or other UNICEF National Committees or any body funded or controlled by UNICEF.
- h) Ultimately, it is not possible to define all the circumstances which may lead to a potential Conflict of Interest. It is therefore the responsibility of each individual trustee to declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts. In exercising their judgement about which matters to declare, Trustees may seek the advice of the Chair of Trustees, who may consult the executive director and seek legal advice as appropriate. If in doubt about any matter, it is always better to make a declaration.
- i) It is not necessary to declare benefits from the charity which are available to all (eg the provision of information on the work of the Charity), or which are inconsequential (of such limited value as to be unlikely to influence the decisions of the Trustee), or which are recognised by this policy as legitimate, ie payment of relevant and reasonable out-of-pocket expenses incurred during the performance of the role of Trustee.
- j) These declarations would need to be expressed in such terms, and contain sufficient information to enable Trustees to determine whether a conflict is likely to occur in any particular instance

C. PROCEDURES IN THE EVENT OF A CONFLICT

- a) In the event of a declaration of a matter of material financial benefit or interest arising from the charity itself, authorisation must be sought for this benefit to be provided by the charity. Such authorisation may arise from guidance approved by the Charity in its Constitution or approved policy (e.g. the UNICEF UK policy on payment of Trustees), but it is likely also to require the explicit authorisation of the Charity Commission. In the event that such an interest is fundamental and regular, the Trustee should consider whether it is consistent with the best interest of UNICEF UK that they continue as a Trustee.
- b) In the case of indirect or non-financial benefits, or where there may be a perception of impropriety, or where a financial benefit has been authorised, a declaration of interest should also be made at the start of any meeting of Trustees at which relevant matters are on the agenda, and the Trustee should offer to withdraw from any discussion or decision-making in respect of any matter in which a conflict of interest may arise. The minutes of the meeting should record any such declaration and the action taken in response.
- c) Should any Trustee become aware of any potential undeclared conflict of interest it is his or her duty to inform the Chair in the first instance and, if they do not feel the matter is being addressed to raise it at a Trustees meeting.

D. TRANSPARENCY

- a) All relevant declarations and actions should be recorded in the minutes of relevant meetings, which are generally available on request.
- b) Individual items from the register would be made available only to third parties where they are a data subject, or to others with the written consent of the relevant Trustee or Officer.
- c) It is a requirement that the Trustees' Annual Report and Accounts must include disclosure of any properly authorised payments or financial benefits to Trustees.

APPENDIX 2 – DECLARATION OF INTEREST FORM

UNICEF UK

DECLARATION OF INTEREST FORM

I, _____ as a Director/Trustee of UNICEF UK have set out my interests, relationships or involvements or other matters which may give rise to conflicts of interest or duties.

Category of Interest	Trustee/Director Please give details of the interests, relationships, involvements and duties	Connected persons your immediate family or some other close personal, professional business or financial associate or connection (a connected person) or any business or other organisation in which you are interested
Current business, activity, employment or professional activity and any previous activity in which you continue to have an interest. Disclosures should also include self-employment and/or work as a consultant.		

<p>Appointments (voluntary or otherwise) e.g. roles such as trusteeships, directorships, local authority roles, memberships, tribunals, membership of steering groups/committees, special interest groups or mutual support organisations.</p>		
<p>Memberships of any professional bodies, groups, political parties or other organisations (including campaigning organisations).</p>		
<p>Investments in companies, partnerships and other forms of business, or beneficial interests in trusts unless you have less than 1% of issued share capital or a 1% interest therein. (Investments made by an independent pension fund need not be included unless through a self-administered fund – i.e. where you have control over the investments).</p>		
<p>Gifts or hospitality or other benefits which could possibly be viewed as inducements offered to you by external bodies or persons and whether this/these was/were declined or accepted in the last twelve months.</p>		
<p>Any benefit received by you from the Charity or any of its</p>		

subsidiaries or any body funded by it.		
Any current or proposed transactions or contractual relationships with the Charity.		
Any other conflicts or potential conflicts of duty or interest that are not covered by the above, or any circumstances which could be perceived to be a conflict of interest, including details of any relationship with staff or potential staff, suppliers of services or contributors to the Charity, and relationships with any third party with whom the Charity deals.		

By signing this form, you confirm:

- (i) That you will notify the Board of UNICEF UK promptly of any additions or changes to the above affecting you or any person connected to you;
- (ii) That if from time to time you undertake contracts for UNICEF (the international organisation rather than UNICEF UK) or any other UNICEF National Committees or any body funded or controlled by any of them, you will declare this to the Trustees, and you will make a specific declaration at any meeting of Trustees at which any such contract could give rise to, or be perceived as giving rise to, a conflict of interest.

Under company law it is possible to make a “general declaration” to the Board of certain interests. This document is intended to take the form of a “general declaration”. By signing the document, you are declaring to the Board that you are interested in:

- Any contract (that is entered into after the date on which you sign the declaration) between the charity and any company or firm which you have declared yourself below to be a member of (i.e. a member or shareholder of the company); or
- Any contract (that is entered into after the date on which you sign the declaration) between the charity and any person connected to you who is listed below.

Please insert below the names of any such companies/firms or connected persons, (if any).

Signed _____

Dated _____