

## Board Policy Guidance | Code of Conduct & Conflict of Interest

### Why you should have Board Code of Conduct & Declaration of Interest Policies

You can't sit a group of people around a table and assume that they will automatically become a highly effective governing body. You should aim to create a culture that grows good governance and enables your trustees to work together as a team.

#### What is expected of individual trustees?

There are five key elements that describe the core remit for individual trustees:

1. Know and understand the duties and activities required to fulfil the role, including the legal obligations that underpin them.
2. Actively contribute to the work of the governing body, prepare for, and participate fully in, meetings, training, planning sessions and reviews.
3. Give each other support and help, and do whatever possible to manage differences constructively.
4. Seek to have constructive and respectful communication and coordination with staff and volunteers, and when necessary use the appropriate channels and protocols.
5. Act with integrity, avoid conflicts of interest, and be worthy of the trust invested in the role by ensuring that all decisions are **made solely in the interests of the organisation**.

[SCVO - Developing your board](#)

As a trustee, you must do what's best for the charity and those it supports – not what's best for you, your friends or family, or any organisation that appoints you. What matters is how you handle any conflict of interest where it arises.

You should have an agreed conflict of interest policy that sets out what to do, and what happens if a charity trustee does something wrong.

[OSCR - Conflict of interest](#)

Trustees must make decisions based only on what's best for their charity. Any personal interests, or the interests of people or organisations connected to trustees, must not be allowed to influence a charity's decisions.

There are two common types of conflict of interest: financial conflicts and loyalty conflicts.

Financial conflicts happen when a trustee, or person or organisation connected to them, could get money or something else of value from a trustee decision. They do not include a trustee's expenses – for example, travelling to a charity meeting.

Loyalty conflicts are not about money or other trustee benefits. They happen when, for other reasons, a trustee might not be able to make decisions that are best for the charity. There can be a conflict because the trustee's responsibility (or loyalty) to the other organisation or person could compete with their responsibility to the charity.

Conflicts of interest can affect all types of charities and must be identified and dealt with properly. All trustees must do this, not just the trustee with the conflict, otherwise it is not meeting the joint legal responsibility to make decisions.

A conflicts of interest policy should tell trustees:

- when conflicts of interest commonly happen
- how to declare them
- what all of the trustees need to do about them

[LinkedIn | RSM](#)

Examples of conflicts of interest your Board may be faced with, could include:

- Staff disciplinary coming to the Board and a trustee is a relation
- The Board is discussing awarding a contract for new software (for example) and one of the organisations competing for the contact is connected to a trustee

There are useful case studies in the [OSCR resource](#) on Conflict of Interest.

In addition, all new Board members must complete a [trustee declaration form](#) with OSCR when they join a board, which duplicates some of the information collected in the Declaration of Interest Policy.

## Example Board Code of Conduct Policy 1 (SCVO)

Trustees\* of the XXXX organisation have a duty to:

1. Accept the responsibilities of their position, and to act at all times in the best interests of XXXX organisation, ahead of any other professional or personal interest. They should at all times consider what is best for the organisation and its beneficiaries, and avoid bringing XXXX organisation into disrepute.
2. Be familiar with the organisation's governing document and act in accordance with its terms and any relevant legislation.
3. Have an up-to-date knowledge of XXXX organisation, its values and principles, and its operating environment.
4. Manage conflicts of interest effectively. Declare any and all relevant interests on appointment and during meetings of the Board.
5. Respect confidentiality, and work considerately and respectfully with all, respecting diversity, different roles and opinions, and avoid giving offence.
6. Prepare fully for, and attend meetings. Actively engage in discussion and debate at meetings, listening carefully, challenging sensitively, and avoiding conflict. Act collectively at meetings and accept a majority decision.

## Example Board Code of Conduct Policy 2

By reading this document and accepting the role of a charity trustee of Charity X, all charity trustees agree to the following responsibilities:

### **General Conduct**

- Charity trustees are required to act with honesty and integrity and exercise good judgement which may include seeking professional advice on appropriate matters on which charity trustees do not have relevant expertise.
- Charity trustees are required to act in the best interests of the charity at all times.

### **Independence**

- Charity trustees are required to act independently, particularly in relation to assets, property, legal and regulatory obligations.
- Charity trustees should conduct themselves with integrity and in a manner which does not damage or undermine the reputation of the charity or its volunteers and employees. More specifically charity trustees:
  - should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their duties;
  - must avoid actual impropriety and any appearance of improper behaviour.
- Charity trustees must not act in order to gain financial or other benefits for themselves or for any persons connected to them such as their family, their friends, or any organisation that they own, manage or work for.
- Charity trustees should avoid accepting gifts and hospitality that might reasonably be thought to influence them in carrying out their role as charity trustee. Any gifts or hospitality received in any connection to CHARITY X should not exceed the value of £30 [suggested figure – OSCR does not set a limit] and should be declared to the Board.

### **Charity Trustee Roles**

Charity trustees should:

- Understand and perform their roles and responsibilities to the best of their abilities at all times.
- Be prepared to provide adequate time and commitment as required to fulfil the role of charity trustee, adequately preparing for meetings and participating in committees and special events when required.

### **Board Meetings**

Charity trustees should:

- Aim to attend all meetings, contribute appropriately and effectively, and avoid dominating the contributions of others.
- Always respect the authority of the Chairperson of the board, and the Chairperson of any meeting.
- Bring a fair and open-minded view to all discussions of the board, maintain a respectful balance between speaking and listening, treating different views with respect, and ensuring that all decisions are made in the best interests of the charity.
- Bring a genuinely independent perspective to enhance decision-making, given that charity trustees share responsibility for board decisions.
- Ensure their contributions are informed and impartial when presenting views on topics in meetings while listening to and respecting the input and experience of other charity trustees.

## Legal Requirements and Policies

Charity trustees must:

- Act in accordance with Charity X’s governing document and ensure that the charity complies with all applicable laws and requirements including charity law, health and safety law, data protection law and employment law and OSCR requirements.
- Promote and preserve the obligations of confidentiality about sensitive board matters. However, the requirement for confidentiality may not apply if it becomes necessary for the charity trustee to inform OSCR or any other statutory body about any matter, which could threaten the future of the charity or could represent a breach of any law with which the charity is required to comply.
- Abide by the charity’s conflict of interests policy and ensure the charity’s conflict of interest register is completed and updated as required.
- Abide by any equality, diversity, safeguarding, health and safety, bullying and harassment policies and any other policies agreed by the board.
- Ensure that claims for out of pocket expenses are made in accordance with agreed procedures.

Where a charity trustee is found to be in breach of the standards outlined by the board in its Code of Conduct (s)he will be asked to meet with the Chairperson of the board to assess their suitability for the role. Consistent breach of the Code of Conduct by a charity trustee may result in the trustee’s tenure being terminated.

The board of charity trustees should review this Code of Conduct for trustees at 3-year intervals or as appropriate. All Trustees should sign and date this Code of Conduct as acceptance and agreement with the terms therein.

Signed .....

Name .....

Date .....

### Example Board Declaration of Interest Policy 1 (SCVO)

XXXX [organisation’s] trustees are required to declare all relevant interests, on appointment and at meetings of the Board. The Register and the information contained in the Consent Form will be made routinely available to all trustees, and on request to members, funders and the public, in the latter instances, always with the proviso that no contact details will be divulged without permission in order to safeguard the Board members’ privacy.

The following details should be recorded below:

- Details of any significant consultancies undertaken over the last 5 years.
- Any financial stake in relevant organisations, or as a beneficiary of such an organisation (e.g. employment, stocks and share, etc).
- Any ‘connected person’ in relevant organisations, or as a beneficiary of such an organisation.

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- Any other interest which might be reasonably construed as creating a conflict of interest.

### Example Board Declaration of Interest Policy 2

Strategic Board members are under a legal duty to disclose any interests that could potentially influence their actions whilst on the CHARITY X Board.

All Strategic Board members should complete a declaration form on an annual basis, giving details of interests such as property holdings, shareholdings, employment and non-employment remunerations, and organisations with whom they are involved in either a personal or work capacity. The interests of connected individuals (e.g. family members or partners) should also be considered and declared where appropriate. Interests should be made clear so as not to influence, or be thought to influence, a Board member's actions.

**Board member name:**

**You only need to give details where you consider a conflict of interest may arise.**

Category of interest	Please give details of the interest and whether it applies to you or, where appropriate, to a connected person
Current employment and any previous employment in which the Board member continues to have a financial interest	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, partnerships, acting as an office bearer, etc.	
Membership of any professional bodies, special interest groups, societies or mutual support organisations	

Investment in companies, partnerships and other forms of business, major shareholdings, or other beneficial interests	
Any existing or potential contractual relationship with CHARITY X	
Any direct or indirect interest in an organisation with an existing or potential contractual relationship with CHARITY X	
Ownership of any property that could create a conflict of interest	
Gifts or hospitality offered by external bodies in the last twelve months, and whether these were declined or accepted	
Any other interests that are not covered above where there could be perceived to be conflicts of interest	

**To the best of my knowledge, the above information is complete and correct. I undertake to update this information on an annual basis.**

Signed .....

Name .....

Date .....

### Other helpful resources

- [OSCR - Guidance and good practice for charity trustees](#)

If you feel you would benefit from SVN support to produce your Board Policies, please get in [touch](#).

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