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MAG CONFLICTS OF INTEREST POLICY

POLICY STATEMENT

All staff, volunteers and trustees are expected to avoid any conflict of interest between the interests of MAG and any other personal, professional or business interests. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest¹, even where a conflict of interest may not in fact exist.

All trustees have a legal duty to act only in the best interests of their charity. Under both charity law and company law, trustees of charitable companies must take careful steps to disclose interests and to manage conflicts of interest.

PURPOSE

The aim of this policy is to protect both MAG and the individuals involved from any impropriety or appearance of impropriety. This policy sets out the guidelines for dealing with conflicts of interest.

SCOPE

This policy applies to all MAG trustees, staff (HQ, international and national) and volunteers.

DEFINITIONS

Conflict of Interest: A conflict of interest is any situation in which an individual's personal interests or loyalties could prevent them, or could be seen to prevent them, from making a decision only in the best interests of MAG.

Such conflicts may create problems; they can:

- inhibit free discussion;
- result in decisions or actions that are not in the interests of MAG; and
- risk creating the impression MAG has acted improperly.

Examples of conflicts of interest include:

- Where a member of staff is connected to a party involved in the supply of a service or product to MAG.
- A Board member who is related to a member of staff and there is a decision to be taken on staff pay and/or conditions.
- A Board member who has shares in a business that may be awarded a contract to do work or provide services to MAG.
- A staff member or volunteer's private interests may benefit from his or her work actions.
- A staff member or volunteer's loyalty to MAG conflicts with a loyalty to another body or to a member of their family.

Relevant interests include direct financial interest² or indirect financial interest³; non-financial⁴ or conflicts of loyalties⁵.

Trustees: Charity trustees are the people responsible for the general control of the management of the administration of the charity. In the charity's governing document they may be called trustees, managing trustees, committee members, governors or directors, or they may be referred to by some other title.

If there were any related party transactions concerning Trustees these will be noted in the Annual Statutory accounts.

¹ Some conflicts may only be perceived — an employee or trustee/volunteer's decision could be questioned based on a personal or private interest that may not actually have influenced any decision. One must consider how others could view involvement in a decision or action. Are there risks associated for the individual or MAG?

² When a trustee or staff member obtains a direct financial benefit, for example, the award of a contract to a company with which a trustee or staff member is involved.

³ When a close relative of a trustee or staff member benefits from the charity.

⁴ Where trustees or staff receive no financial benefit but are influenced by external factors; for example, awarding contracts to friends.

⁵ When trustees or staff have competing loyalties between the charity and some other person or entity.

Articles of Association: The Articles of Association are the rules which deal with the Charity's status, and regulate its internal management.

Annual Retirement Meeting: The trustees meeting at which the Annual Report and Accounts and appointment/retirement of trustees and auditors are dealt with annually.

Register of trustees' interests: The charity's internal record of trustee interests that have been declared by trustees to the Board. This will act as proof that trustees have properly declared their interests should the point ever be queried by the Charity Commission or another third party.

Register of HQ and International staff interests: The charity's internal record of interests declared by staff (HQ and International) and volunteers. **Completed National staff forms are maintained on file in the programme by the Senior Manager in Country (SMiC).**

APPLICATION

Staff and Volunteer Responsibilities:

HQ and International staff are required to complete a Declaration of Interests form (Dir/FM/001) at the time of appointment. The HQ HR team will arrange for new staff/volunteers to complete the form. The Management Support Team (MST) maintains completed forms on file in HQ.

National staff members with responsibility for, and providing authorisation of, the procurement of goods or services for MAG and anyone involved in the recruitment of staff are also required to complete the form prior to, or on, their first day of employment with MAG. The SMiC maintains National staff forms on file in the programme.

Following appointment, this form must be reviewed, updated where necessary and re-signed on an annual basis. At HQ, for HQ and International staff, this is coordinated by the MST. In programmes, for national staff, it is coordinated by the SMiC.

The form should also be updated when anything significant changes. New matters should not await an annual declaration before being declared. It is the responsibility of each individual staff member/volunteer to proactively declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts. Further, any actual or potential conflicts of interest should be declared verbally at any meeting where specific relevant conflicts may arise.

The Leadership Team must also complete a Senior Manager Automatic Disqualification Declaration (Dir/FM/003). This form is used by MAG to ensure that individuals who hold, or who are applying for, a relevant senior manager position are not disqualified from holding that position.

Trustee Responsibilities:

There are five occasions when MAG requires Trustees to declare potential conflicts via the relevant form:

- i) **Pre-selection:** Any prospective trustee is requested by the Company Secretary to complete a 'Contact and Interests Form' (Dir/TEM/003) prior to confirmation of appointment in order that any relevant issues may be taken into account before confirming their appointment. An additional form is required to be completed by all trustees prior to appointment: Trustee Automatic Disqualification Declaration (Dir/FM/002). This form is used by MAG to ensure that individuals who hold, or who are applying for, a trustee position are not disqualified from holding that position.
- ii) **On arrival:** Every new trustee is required to complete a Declaration of Interests form at the time of appointment.
- iii) **Annually:** During each Annual Retirement Meeting, trustees are asked to make statements of interests including any conflict other than those already stated.

- iv) **When anything significant changes:** New matters should not await an annual declaration before being notified. It is the responsibility of each individual trustee to proactively declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts.
- v) **Verbally:** at any meeting where specific relevant conflicts may arise.

Managing a Conflict:

For **Staff and Volunteers**, if a situation arises where a conflict may develop, this must be disclosed to their Line Manager (HQ and international staff) or member of the programme SMT (National staff) immediately in line with MAG's Policy on Personal Conduct⁶. When a conflict of interest is identified, the Line Manager or member of the programme SMT will determine the best course of action by seeking appropriate advice and guidance⁷. For example, it might be necessary for the person in question to remove themselves from the meeting at which discussions concerning the interest in question occurs, or the person may no longer be able to work on a particular project if the conflict will remain.

If in doubt about any matter, it is always better to make a declaration and seek advice from your Line Manager.

At **Board level**, in the event of a declaration by a trustee, the Articles of Association set out the framework for dealing with trustees' conflicts of interest (Articles 20 and 21). The Articles allow conflicts of interest to be dealt with either by following a procedure set out in the Articles, or by having a conflict authorised by the other trustees subject to certain limitations.

- A conflict should be declared at the earliest opportunity
- A trustee who declares an interest should leave the meeting to allow the other trustees to decide whether his or her absence is necessary or appropriate
- The other trustees should agree how to deal with the conflict, for instance by allowing the conflicted trustee to speak on the matter concerned but not to vote
- The process must be properly minuted

It is a legal requirement that the Charity's Annual report and Accounts must include disclosure of any properly authorised payment or financial benefits to trustees.

Benefits to Trustees:

The Charities Act 2006 introduced a new power for charities to pay their trustees for providing services to the charity (excluding paying a trustee for performing his or her duties as a trustee or allowing a trustee to take up paid employment). MAG's Articles allow for reasonable and proper remuneration of any trustee for any goods or services supplied to the charity, subject to certain conditions being complied with.

Gifts and Hospitality:

Trustees, staff and volunteers must also declare any gifts or hospitality received in connection with their role in MAG. This protects against the accusation that such gifts or hospitality are intended to influence the decisions they take in administering the charity's affairs. Please refer to the Gifts and Hospitality Policy (Dir/POL/012) for further details.

Bribery Act 2010:

⁶ **Conflicts of Interest: I will uphold MAG's integrity and reputation by performing my duties and conducting my private life in a way that avoids possible conflicts of interest.**

- I will declare to my manager, any financial, personal, family (or close intimate relationship) interest in matters of official business which may impact on the work of MAG – e.g. contracts for goods/services, employment or promotion within MAG, partner organisations, civil authorities, beneficiary groups.
- I will seek permission from my line manager, before agreeing to being nominated as a prospective candidate or another official role for any political party.
- I will not accept any additional employment or consultancy work outside of MAG without prior permission from my manager (this applies only to staff, unless there is a conflict of interest).
- I will not request or accept bribes and significant gifts or any remuneration from governments, communities, donors, suppliers and other persons, which have been offered to me as a result of my employment with MAG.
- I will not abuse my position as a MAG employee by requesting any service or favour from others in return for assistance by MAG.

⁷ Please contact the Company Secretary in MAG HQ for advice

Undeclared conflicts of interest can lead to accusations of corrupt or preferential conduct under the provisions of the 2010 Bribery Act. Please refer to the Financial Crime Policy (Dir/POL/005) for further details.

Record keeping:

A Register of Trustees' interests is maintained by the Company Secretary in accordance with Article 22 of the Articles of Association.

A separate Register of Interests declared by staff (HQ and International) and volunteers is maintained by the MST in HQ. **Completed National staff forms are maintained on file in the programme by the SMiC.**

Any trustee, member of staff or volunteer either knowingly providing false information or withholding relevant information may be subject to disciplinary procedures.

REFERENCES

- **Conflict of Interest Forms – Guidelines for Programmes/National Staff**
- **Policy on Personal Conduct HR/POL/042**
- **Senior Manager Automatic Disqualification Declaration – Dir/FM/003**
- **Trustee Automatic Disqualification Declaration – Dir/FM/002**
- **MAG Declaration of Interests Form – Dir/FM/001**
- **Trustee Contact and Interests Form - Dir/TEM/003**
- **Conflicts of Interest: a guide for charity trustees (Charity Commission):**
<https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees>
- **The seven principles of public life:** <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>
- **Companies Act 2006 (Sections 173-174):** <http://www.legislation.gov.uk/ukpga/2006/46/contents>
- **Bribery Act 2010:** <http://www.legislation.gov.uk/ukpga/2010/23/contents>
- **Trustees Handbook:** Available from the Company Secretary
- **MAG's Articles of Association:** Available from the Company Secretary
- **MAG's Gifts and Hospitality Policy (Dir/POL/012):** Available from the Company Secretary
- **MAG's Financial Crime Policy (Dir/POL/005):** Available from the Company Secretary

APPENDICES

Guidelines – Examples of involvement – Annex 1

APPROVAL AND DATES

Board of Trustees – November 2019

This Policy will be reviewed annually and is next due for review in November 2020

POLICY OWNER

Chief Executive

ANNEX 1 – EXAMPLES OF INVOLVEMENT

Example of involvement	Additional guidance/ information
Adviser	Could be paid or unpaid
Advisory Director	May or may not be a member of a relevant organisation but may influence decisions
Chair	
Chief Executive	
Contractor	Responsible for the commissioning of work or services, contracting services or staff
Co-opted member	A member an organisations' board but without voting rights
Consultant	Could be paid or unpaid
Current Salaried Employee	
Director	Governing the affairs of an institution or corporation
Donor	Having made or currently making a financial donation of a substantial sum to an organisation
Elected member	Council member
Former salaried employee	
Governor	
Honorary Officer	Receiving no payment
Member	An individual who belongs to an organisation, association, company, partnership, firm or corporation
Non-Executive Director	Not necessarily a full-time member of an organisation but advises other Directors (paid or unpaid)
Panel Member	
President	
Patron	Of, for example, an institution, event or cause
Professional Service Provider	
Referee	A named referee for an organisation providing assurance and confirmation of character and capacity
Senior Administrator	
Shareholder	
Trustee	Having the general control, management and legal responsibility of the administration of a charity