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Conflict of Interest Policy and Procedure

Background

A 'conflict of interest' arises when the best interests of an individual director are, or could be, different from the best interests of the charity or organisation.

Conflicts of interest may be ongoing, for example a director who is related to a service user or who is also a director for another local organisation or grant-maker; or they may be one-off, for example awarding a one-off contract.

A 'conflict of loyalty' is a particular kind of conflict of interest where the duties the director owes to another body or organisation are, or could be, in conflict with the duties the director owes to the charity.

Conflicts of interest can give rise to a number of problems. They may:

- result in decisions or actions that are not in the best interests of the organisation
- risk the impression that the organisation has acted improperly
- prevent frank, open discussion

Even the appearance of a conflict of interest can damage the organisation's reputation, so conflicts need to be managed carefully and with transparency.

Legal Framework

Healthwatch shall act in accordance with the following legislation:

- Data Protection Act 1998
- Freedom of Information Act 2000
- Health and Social Care Acts 2007 and 2012
- The Information Sharing Agreement between Healthwatch England, Care Quality Commission and Local Healthwatch.

Policy

A 'conflict of interest' arises when the best interests of an individual trustee are, or could be, different from the best interests of the charity itself.

This may be something that affects the trustee directly, or indirectly, through a family member or friend or business partner.

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Healthwatch is committed to ensuring its decisions and decision-making processes are, and are seen to be, free from personal bias and do not unfairly favour an individual connected with the charity.

Healthwatch will:

- Ensure every trustee understands what constitutes a conflict of interest and that they have a responsibility to recognise and declare any conflicts that might arise for them.
- Document the conflict and the action(s) taken to ensure that the conflict does not affect the decision making of the organisation

Procedures

When a director identifies that they have a potential conflict of interest they must:

- Declare it as soon as they become aware of it
- Ensure it is entered in the conflict of interest register, and / or minuted in the appropriate board papers (Register attached as Appendix A)
- Not take part in any board discussions relating to the matter
- Not take part in any board decision relating to the matter
- Not be counted in the quorum for decision making related to the matter

In the interests of frank and open discussion, a director affected by a conflict of interest must leave the room while related discussion / decision making is taking place, unless there is good reason for them to stay.

The minutes should state:

- The declared conflict
- That the director left the room, or the reason they were asked to stay
- That the director took no part in discussion or decision making on the matter
- That the meeting was quorate (not counting the affected trustee)
- Any other actions taken to manage the conflict

If a trustee is unsure what to declare, they should err on the side of caution and discuss the matter with the Healthwatch Manager for confidential guidance.

References

Related Policies and Procedures

<u>Healthwatch</u>	<u>Parkwood</u>
Decision Making	Business Development
Subcontracting	Quality Assurance
Enter & View	Retention of Records

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Appendix A
Register of Conflicts of Interest

Date Identified	Name of Director	Details of Conflict	How notified*	Action taken**	Follow up required (Y/N)	Date resolved

*e.g. Verbal notification, written notification, etc

**e.g. director withdrawing from a decision making process, disclosure in annual report to members