



**Imperial College Union Governance Committee  
17 May 2018**

<b>AGENDA ITEM NO.</b>	
<b>TITLE</b>	Board of Trustees Declaration of Interest Policy
<b>AUTHOR</b>	Rob Tomkies
<b>EXECUTIVE SUMMARY</b>	Policy providing guidance on what is and how to deal with a conflict of interest of a trustee.
<b>PURPOSE</b>	To provide guidance and meet legal requirement of charity.
<b>DECISION/ACTION REQUIRED</b>	<ol style="list-style-type: none"><li>1. Recommendation for correct structure in highlighted point</li><li>2. Approve and adopt the policy</li></ol>

## 1. Introduction

Under charity law all trustees have a duty to act in the best interests of Imperial College Union and its beneficiaries. In order to do so, Trustees must avoid conflicts of interest, or, where these are unavoidable, must manage them transparently. A conflict of interest can arise where:

- a Trustee receives a benefit from the charity that is not properly authorised within the Imperial College Union Constitution,
- a Trustee's decision making in respect of the charity may be influenced by their relationship with another person or organisation.

The Charity Commission provides the following guidance for Trustees.<sup>1</sup> *Transparency is achieved by requiring explicit authorisation of the benefit, and by ensuring that any particular conflict of interest is properly and openly managed.*

The Companies Act 2006 introduced a duty on directors/ trustees of charitable companies to avoid situations where a conflict might arise rather than just the conflict itself.

This policy aims to ensure that Trustees do avoid potential conflicts of interest as far as possible, and do manage them when they are unavoidable.

This policy applies to all Trustees and to all members of Sub-Committees.

## 2. What is a Conflict of Interest?

The most common types of conflict of interest are the following:

- Direct financial gain by a Trustee, such as payment for goods and services supplied to the charity, payment for acting as a Trustee, sale of land to a Trustee, use of a Trustee's property by the charity.
- Indirect financial gain by a Trustee, most commonly where a Connected Person<sup>2</sup> receives a payment for goods or services supplied to the charity, or through a contract of employment with the charity. A Trustee may also receive an indirect financial gain if the charity awards a contract to an organisation in which the Trustee holds an interest.
- Where a Trustee may receive a financial or non-financial benefit as a user of the charity's services.

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<sup>1</sup> Source: A Guide to Conflicts of Interest for Charity Trustees. Charity Commission.

<sup>2</sup> Connected Person. (a) Any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Trustee; or (b) any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to such a relationship; or (c) any company or firm of which the Trustee is a paid director; partner or employee, or shareholder holding more than 1% of the capital (NDCS Articles of Association. Meaning of terms).

- When a Trustee has a conflict of loyalties between the charity and their personal or other interests (such as a role with another organisation), and may be unduly influenced by these in relation to their stewardship of the charity.

### **3. Managing conflicts of interest**

#### **3.1 General principles**

- When Trustees meet, they must leave all their outside interests and loyalties at the door. If this is not possible, or if the conflicts are so frequent as to limit the usefulness of a Trustee, then they must step down as a Trustee of Imperial College Union.
- Trustees must be able to identify conflicts of interest when they arise and to ensure, if they receive a material benefit as a result of the conflict of interest, that the benefit is authorised by the Imperial College Union constitution and bye-laws, or by the Charity Commission. The Commission will only provide authority where there are clear advantages to the charity.
- If there is no material benefit to a trustee, no authority will be required, but the Trustees will need to ensure that the conflict of interest is properly managed.
- Conflicts of interest which are unavoidable must be managed transparently. For this reason, Imperial College Union has a Register of Trustee Interests disclosing personal interests.
- A Trustee must play no part in decisions where they have a conflict of interest.
- Failure to disclose an interest may create significant risks for Imperial College Union, in terms of poor decision making and loss of reputation and legal ramifications. A Trustee who does not comply with this policy may be removed from office.

Honesty and openness are key to minimising conflicts of interest. This policy puts in place a system in which actual or potential conflicts of interest, whether financial or more general, are properly managed and formally recorded.

#### **3.2 Declaration of interests**

Trustees should be meticulous about declaring any actual or potential conflicts of interest affecting themselves and connected parties.

##### **3.2.1 Making Declarations of Interest**

Relevant interests and potential conflicts of interest should be declared in writing and regularly updated. Imperial College Union asks Trustees to declare their interests on a Declaration of Interests form (appendix 1) as follows:

a) pre-selection: any prospective Trustee is asked to complete a Declaration of

Interests form as part of their application in order that any relevant issues may be explored during selection. This declaration is confidential and would be erased from the record if the prospective Trustee were in the end not to become a Trustee.

- b) on appointment: every new Trustee should complete a Declaration of Interests form (or amend the pre-selection declaration) at the time of appointment if this is not at the time of the annual declaration.
- c) annually at the start of a new financial year.
- d) when anything significant changes: and always within 28 days of any change.

In addition, Trustees should declare an interest:

- e) verbally at any meeting where specific relevant conflicts may arise (see 3.2.2 below).

These forms comprise the Imperial College Union Trustee Register of Interests, which may be made available to members of the public on request. The Trustee Register of Interests is reviewed annually by Imperial College Unions auditors.

### **Data Protection**

**The information on the Trustee Declaration of Interests form will be processed in accordance with data protection principles as set out in the Data Protection Act 1998, i.e. certain conditions must be met in order to establish that personal data has been processed fairly and lawfully. Data will be processed only to ensure that Trustees act in the best interests of Imperial College Union. The information provided will not be used for any other purposes.**

### 3.2.2 Declarations of Interest in Trustee meetings

The procedure for managing conflicts of interest in a Trustee Board or Sub Committee meeting is set out below

- 3.2.2.1 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting (whether a general meeting or a Trustees' meeting) or in relation to which a decision is proposed to be made, or whenever a Trustee has an interest in another organisation whose interests are reasonably likely to conflict with those of the Charity in relation to a matter to be discussed at a meeting (whether a general meeting or a Trustees' meeting), he/she must:
  - a) declare an interest before discussion begins on the matter;
  - b) withdraw from that part of the meeting unless expressly invited to remain or decline to participate in any discussion on the matter unless expressly invited to do so;

- c) in the case of personal interests not be counted in the quorum for that part of the meeting; and
- d) in the case of personal interests withdraw during the vote and have no vote on the matter.

In the event of a meeting having to decide upon a question in which a Trustee has an interest, all decisions will be made by a simple majority. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested parties may not vote on matters affecting their own interest.

All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting. The minutes will show:

- the nature of the conflict
- which trustee or trustees were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the trustees took the decision in the best interests of the charity

Where a Trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the **financial procedures.(SORP?)**

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

### **3.3 Managing Contracts**

A Trustee must not be involved in managing a tender process or a contract in which they have an interest.

## **4. Accounts Disclosure**

Under the financial reporting requirements we are required to disclose details of any connected party transactions in the Charity accounts. This includes details of properly authorised payments to Trustees and also any other transactions in which the Trustee or a connected person has an interest. This latter category will include access to the charity's services, for example attendance by a Trustee's children on activities organised by the charity. This information will be taken from the Declaration of Interests form.

## **5. Enforcement**

The implementation of this policy will be monitored by the Clerk to the Board and the Governance Committee.

The Trustee Register of Interests is reviewed annually by Imperial College Unions auditors.

## APENDIX A

### IMPERIAL COLLEGE UNION Trustees' Register of Interests

Trustees have a duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Union. Charity Law requires the Union to maintain a Register of such interests.

#### Register of Interests

1. The Register shall be available to all Members and Trustees.
2. The Register shall contain
  1. any current part-time external employment,
  2. directorships and direct shareholdings,
  3. gifts, hospitality, and free or discounted tickets received in connection with Union business,
  4. sponsorship by any firm in connection with a course of study or Union business,
  5. positions of office held within the Union or any constituent part,
  6. membership of any groups or societies within the Union or any constituent part
3. The Register shall contain any matter not falling in the above categories which could provide information of any pecuniary interest or other material benefit which a Trustee receives which might reasonably be thought by others to influence his or her actions, speeches, or votes in committees, or actions taken in his or her capacity as a Trustee.

In addition, any changes to your interests should be reported within 28 days to the Governance Manager by email at [icu.board@imperial.ac.uk](mailto:icu.board@imperial.ac.uk).

#### Name of Trustee:

##### 1. EXTERNAL PECUNIARY INTERESTS

###### (A) Current external employment

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(B) Directorships

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(C) Direct shareholdings

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**2. COLLEGE AND UNION BUSINESS**

**Please state all current and former:**

(A) Employment by the Union or by College.

Department	Position/role	Start date	End date

(B) Gifts, and free or discounted tickets received in connection with Union business. Please state from whom, description, date, value.

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(C) Sponsorship by any firm in connection with a course of study or Union business. Please state from whom, description, date, value.

**3. OTHER INTERESTS**

Trustees have a duty to register any matter not falling in the above categories which could provide information of any pecuniary interest or other material benefit which a Trustee receives which might reasonably be thought by others to influence his or her actions, speeches, or votes in committees, or actions taken in his or her capacity as a Trustee. e.g. are you employed by/related to or partner with any other officer or employee of the Trustee.

Space is provided below for any declarations falling under this heading.





Signed:

Dated: