

# CONFLICTS OF INTEREST POLICY

Version: July 2022

## 1. THE POLICY

- 1.1 To clarify the Diocese's policy regarding conflicts of interest for trustees and those who serve on Diocesan committees. The aim is to ensure that decisions made on behalf of the Diocese are based only on what is best for the organisation. Decisions should not be influenced by personal interests of trustees and committee members, or the interests of people or organisations connected to them.

## 2. GENERAL

- 2.1 There are 2 common types of conflict of interest: financial conflicts and loyalty conflicts.
- Financial conflicts happen when the diocesan decision maker (or person or organisation connected to them) could get money or something else of value from a decision – for example where a trustee owns a business that trades with the Diocese.
  - Loyalty conflicts arise when the decision maker's responsibility or loyalty to another organisation could compete with their responsibility to the Diocese – for example where the decision involves another charity where they are a trustee.

The Appendix discusses different categories of conflict. All conflicts should be declared.

## 3. MANAGING CONFLICTS OF INTEREST

- 3.1 Trustees and committee members should identify and declare conflicts at the start of meetings – this should be a standard agenda item.
- 3.2 The officer responsible for convening the committee should keep and update a register of interests. The COO maintains this for the Diocesan trustees. The register should be circulated to trustees for updating annually.

#### 4. WHEN A CONFLICT IS DECLARED

4.1 When a conflict is declared at the beginning of a meeting trustees should consider how to stop the conflict from affecting decision making. The minutes of the meeting should record:

- what the conflict was
- who or what it affected
- when it was declared
- how it was managed

This will help to show that the committee has acted properly.

#### 5. SERIOUS CONFLICT

5.1 A serious conflict typically involves a significant amount of money or risk. When a serious conflict of interest is identified, trustees should consider asking the conflicted trustee to resign. Alternatively, the conflicted trustee should recuse himself from any discussion of matters involving the conflict.

#### 6. PAYMENTS TO TRUSTEES

- 6.1 Trustees can claim the reimbursement of expenses. As for staff and volunteers claiming expenses, a log of mileage should be maintained and any relevant receipts should be submitted with the claim.
- 6.2 Parish priests who serve the Diocese as trustees receive financial support and remuneration from their parishes. They do not receive any additional financial benefit from the Diocese in connection with their role as trustees.
- 6.3 The Bishop receives a stipend aligned with the normal Diocesan remuneration of ex-parochial priests. This is topped up by a further allowance to cover the cost of leasing a car. Changes to this top-up are agreed periodically with the lay trustees (typically every three years).
- 6.4 Trustees who serve as Catholic School Inspectors for the Diocese can be paid for this work. The rate of pay must be aligned with the normal remuneration for carrying out inspections.

## APPENDIX What is a 'conflict of interest' (referred to in this note as a 'conflict').

The word 'conflict' can raise all sorts of anxieties – and that is precisely because it is difficult to provide an exhaustive definition. A degree of certainty in practice is best achieved if you categorise a conflict by reference to whether it is imminent or not.

By this measure a conflict can be Immediate (ie it is staring you in the face )- Category "A", or it may be more remote – and if it is more remote it will fall into one of two categories – one is for those conflicts which when they actually arise will be very immediate - Category "B", or the other is for those conflicts which when they actually arise will still have very little relevance or likely effect - Category "C".

All conflicts, of any kind, need to be declared as soon as you become aware of them – and the declaration should be repeated in accordance with the Policy from time to time, as appropriate.

Here is how, after determining to which category the conflict belongs, you should deal with it:

- Category A: Declare the details without delay and (unless the Chair rules otherwise) recuse yourself from any subsequent discussion or decision involving the same subject matter;
- Category B: If and when the conflict becomes immediate, proceed as for Category A;
- Category C: If it appears to the Chair, after full disclosure, that it relates to a situation which will have little or no relevance or effect on the decisions to be taken, continue, after reminding the Board of your interest, to take part in the discussion and decision-making.

### Approval

This policy was approved by the Diocesan Board of Trustees on:  
The next review is due by:

7 July 2022  
31 July 2024