UMAY PREVENTION CIC

# Conflict of Interest Policy

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## 1. Purpose

Directors of Umay Prevention CIC ("UMAY" or "the CIC") have a legal duty under the Companies Act 2006 to:

- Act in good faith to promote the success of the CIC and its community purpose
- Exercise independent judgement
- Avoid situations in which they have, or may have, a direct or indirect interest that conflicts, or may conflict, with the interests of the CIC

Staff and volunteers are also expected to act solely in the best interests of UMAY and its beneficiaries.

Conflicts of interest may arise where an individual's personal, professional, financial or family interests and/or loyalties conflict with those of UMAY. Even the appearance of a conflict can undermine trust, compromise decision-making, and damage UMAY's reputation.

This policy is designed to:

- Protect UMAY and its community purpose
- Protect Directors, staff and volunteers from allegations of impropriety
- Ensure transparency and accountability in decision-making
- Comply with legal and good governance standards applicable to CICs in England and Wales

## 2. Scope

This policy applies to:

- All Directors
- All employees
- Volunteers
- Consultants and contractors acting on behalf of UMAY (where relevant)

## 3. Definition of a Conflict of Interest

A conflict of interest arises where an individual's personal interests could, or could reasonably be perceived to, influence their judgement, decisions or actions in relation to UMAY.

Conflicts may be:

- Actual – a real and existing conflict
- Potential – circumstances that could develop into a conflict
- Perceived – where a reasonable third party might think a conflict exists

Conflicts may involve:

- Financial gain or benefit
- Employment or business interests
- Family or close personal relationships
- Loyalty to another organisation
- Use of UMAY's information, resources or opportunities for personal benefit

## 4. Types of Interests to Declare

All Directors and relevant staff must declare interests including (but not limited to):

- Current employment and any previous employment where a continuing financial interest exists
- Directorships, trusteeships, committee roles or other governance positions (paid or unpaid)
- Membership of professional bodies or networks where there may be overlapping interests
- Investments or significant shareholdings (e.g., more than 5% of issued capital) in companies or organisations that may work with UMAY
- Any contractual relationship with UMAY
- Family or close personal relationships with individuals connected to UMAY's work, suppliers, funders or partner organisations
- Gifts or hospitality offered in connection with their role
- Use of UMAY's services, or caring for someone who uses UMAY's services
- Any other circumstance that may give rise to a real, potential or perceived conflict

If in doubt, individuals must declare the interest.

## 5. Declaration of Interests

### 5.1 Register of Interests

UMAY will maintain a Register of Interests, overseen by a Director nominated by the Board.

All Directors must complete an initial Declaration of Interests Form on appointment. The founding Directors complete theirs by 31 October 2026.

All relevant staff must complete a declaration on commencement of employment.

A new form is not required every year. Instead, declarations are kept up to date as set out below.

Declarations must be updated as soon as any relevant change in circumstances occurs.

The Register will record:

- Declared interests
- Gifts and hospitality above the thresholds set below
- Actions taken to manage conflicts

Access to the Register will be limited to the Board of Directors and senior management, in line with data protection requirements.

## 6. Gifts and Hospitality

Directors and staff must not accept gifts or hospitality that could reasonably be seen to influence decision-making.

- All gifts with an estimated value over £50 must be declared.
- All hospitality over £50 must be declared.
- Repeated lower-value gifts from the same source must also be declared.
- Gifts of cash or cash equivalents must never be accepted.

All declared gifts and hospitality will be recorded in the Register of Interests.

## 7. Managing Conflicts of Interest

### 7.1 At Board Meetings

If a Director has a real or potential conflict:

- The Director must declare the interest at the earliest opportunity.
- The declaration must be recorded in the minutes.
- The Director must withdraw from discussion and decision-making on the matter.
- The Director must not vote and will not be counted in the quorum for that item.

The remaining non-conflicted Directors must decide how the conflict will be managed and ensure that any decision is demonstrably in the best interests of UMAY and its community purpose.

Minutes must record:

- The nature and extent of the interest
- How the conflict was managed
- The decision taken
- Confirmation that the conflicted Director was not involved in voting

### 7.2 Service Users and Related Parties

If a Director or staff member uses UMAY's services, or cares for someone who does:

- They must not be involved in decisions directly affecting that service provision.
- They may provide factual information if requested, but must not participate in discussion or voting.
- They will not count towards quorum for that item.

In circumstances where a decision confers a universal or minimal benefit (e.g., changes affecting all beneficiaries equally), the non-conflicted Directors may determine that participation is appropriate. This must be recorded in the minutes.

### 7.3 Staff Conflicts

Where a staff member has a conflict:

- The conflict must be declared to a Director.
- The staff member must not participate in decisions or contract management relating to the matter.
- Alternative oversight arrangements must be put in place.

Failure to declare a conflict may result in disciplinary action.

### 7.4 Conflicts of Interest and Safeguarding

Where a conflict of interest intersects with safeguarding responsibilities, including situations involving children, young people, or vulnerable adults, the following additional safeguards will apply:

- The conflict must be declared immediately to a non-conflicted Director and the Designated Safeguarding Lead (DSL), or the Deputy DSL if the DSL is involved.
- The individual must not participate in any safeguarding decision-making, case management, risk assessment, or strategy discussion connected to the matter.
- The DSL will assess whether the conflict presents a safeguarding risk and determine appropriate mitigation measures.
- Where necessary, safeguarding oversight will be reassigned to an independent Director or senior staff member.
- All actions taken to manage the conflict and associated safeguarding risk will be clearly recorded.

In circumstances where the conflict creates a risk to service user safety, confidentiality, or public trust, the Board will consider whether additional steps are required, including external advice or funder notification.

## 8. Conflicts Involving Contracts and Procurement

Where a Director or staff member is connected to a supplier, contractor, or funding partner:

- They must not be involved in procurement, selection, monitoring or performance management of that contract.
- The Board must ensure that procurement processes are transparent, competitive and properly documented.
- Independent oversight may be required where risks are heightened.
- Any financial benefit to a Director must comply with the CIC's Articles of Association and relevant company law.

## 9. Recording and Reporting

All conflict-of-interest decisions will be formally recorded in Board minutes.

Where a Director receives remuneration, payment, or a benefit in kind:

- This will be transparently reported in UMAY's annual accounts in accordance with statutory requirements.

## 10. Data Protection

Information provided under this policy will be processed in accordance with UK data protection legislation.

Information will be used solely for governance, compliance and conflict management purposes and will not be used for any unrelated purpose.

## 11. Failure to Disclose

Failure to declare a relevant conflict of interest may:

- Constitute a breach of Directors' duties under the Companies Act 2006
- Lead to Board action
- Result in disciplinary action (for staff)
- In serious cases, lead to removal from position

## 12. Review

This policy will be reviewed annually by the Board of Directors or sooner if required by changes in legislation or governance best practice.