

CONFLICT OF INTERESTS AND LOYALTY
AND
MEMBERSHIP OF THE BOARD OF EIL

The Code of Conduct for Board Members sets out the following commitments under the section on Conflicts of Interest

- I will always act in the best interests of the organisation.
- I will declare any conflict of interest or any such circumstance as may be viewed by others as conflicting at the beginning of each meeting or as soon as it arises.
- I understand conflicts raised will be added to the Register of Directors' Interests and circulated annually.
- I will declare any conflict of loyalty or any such circumstance as may be viewed by others as conflicting at the beginning of each meeting or as soon as it arises.
- I will submit to the judgement of the board and do as it requires regarding potential conflicts of interest and conflicts of loyalty.

Based on the recommendations of a Working Group the Board of EIL agreed the following simple, practical steps to follow at board meetings in order to ensure that conflicts of any kind are dealt with appropriately.

Definitions:

Conflict of Interest: A conflict of interest arises when your private interests compete with your professional duties. A conflict of interest may arise, for example, if a board member influences the awarding of a contract to a company owned by a family member. It is legal to award a contract to the best qualified company, even if that company is owned by a relative, but the relevant board member could not be part of the decision making process. This would be a conflict of interest, because their own family would benefit financially from this position.

A conflict of interest can also happen in relation to connections the board member might have that are unrelated to family connections, but to do with others with whom he/she may have a business connection.

Conflict of Loyalty: is where a board member may be involved in board decisions and may be (or perceived to be) potentially influenced by considerations other than the best interests of the organisation. This might happen when the board member has come onto the board as a nominee of a particular group e.g. members in a particular county, a funding body, beneficiaries or staff. This situation may possibly cause the board member to think that they should act in the interests of the grouping that nominated them. However, in all cases, regardless of how they got onto the board of directors, all board members should act in the interests solely of the organisation on whose board that they sit, rather than acting in the interests of the grouping that nominated them.

Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

Step by Step Approach

1. At the beginning of each meeting, each member, must say if they believe they have a conflict of loyalty/interest on a matter to be decided at that meeting. The conflicts of interests will be minuted.
2. The board, and ultimately the Chair, will decide on appropriate action for dealing with the concerns expressed, up to and including asking the relevant person to leave the room for the relevant discussion/decision.
3. Using extracts from the minutes, a register of directors' interests will be compiled and circulated annually.

Adopted by the Board on 25/06/2016

Last reviewed by the Board 1/12/2021