

SPS Conflicts of Interest Policy

OUR DECISION-MAKING IS OPEN AND HONEST



1. Why we need to have this policy

Southgate Progressive Synagogue (hereafter referred to as SPS) endeavours to be an inclusive, accountable, and transparent religious organisation.

We are committed to enabling our members to have confidence in our integrity.

All staff, volunteers, Executive, Council (Trustees), and committee members will strive to avoid conflicts between the interests of SPS on the one hand, and personal, professional, and financial interests on the other. This includes avoiding actual conflicts of interest as well as the perception of potential conflicts of interest.

The purpose of this policy is to:

- protect the integrity of the Synagogue's decision-making processes.
- and to protect the reputation and integrity of all the Synagogue's employed staff, the Executive, Council members, committees, and lay volunteers/leaders.

2. Definition of conflict of interest

'Conflict of Interest' will depend largely on the scenario or situation. However, a broad definition might be:

'A situation where an individual or organisation could exploit a professional or official capacity for a personal or corporate benefit.'

It is a legal requirement as from 1st October 2008, that directors/trustees have been under a specific statutory 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 organisation.

The Charity Commission considers that trustees/directors of charitable organisations were already under a duty to avoid conflicts of interest prior to the implementation of this section of the act.

Potential conflicts of interest include those arising where:

- a trustee/director, or a person connected with a trustee/director, has a personal financial interest in a transaction with the charitable organisation - the interest may be direct or indirect.
- a trustee/director, or a person connected with a trustee/director, has a conflict of duty/loyalty.
- there is even the possibility that a trustee's/director's personal interests or duties/loyalties could affect their decision-making.

Thus, conflicts of interest may arise where an individual's personal or family interests and/or loyalties conflict with those of SPS.

Such conflicts may create problems, as they can:

- inhibit free discussion.
- result in decisions or actions that are not in the best interests of SPS.
- risk the impression that SPS has acted improperly.

3. Why have a Conflict of Interest policy?

The aim of this policy is to protect both SPS and the individuals involved from any appearance of impropriety.

The Trustees of Southgate Progressive Synagogue (its Executive and Council) as well as Committee members and employees have a duty to act in the best interest of their charitable organisation. If there is a decision to be made where a trustee has a personal or other interest in the outcome, this would be a conflict of interest.

In order to comply with their duty and avoid risking the organisation's reputation, trustees should follow the 3-step approach:

- identify a conflict of interest.
- deal with a conflict of interest.
- record a conflict of interest.

Conflict of interest: a conflict of interest is any situation in which a trustee's or employee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the synagogue.

Conflict of loyalty: this means a particular type of conflict of interest, in which a trustee's or employee's loyalty or duty to another person or organisation could, or could be seen to, prevent the trustee/employee from making a decision **only in the best interests of SPS.**

This is a two-way obligation: staff, volunteers, Executive, committee members and Council members must ensure they do not use or attempt to use any knowledge outside the proceedings of SPS where they or another company/charity or connected person may benefit directly or indirectly.

Conflicts of Interests are not limited to the individual, but also relate to the individual's personal interests and the interests of those connected to them.

This means that there could be a conflict of interest where there is a proposed transaction between SPS and a connected person. Similarly, there is a conflict of interest where there is a benefit or a potential benefit to a connected person.

A conflict of interest policy acts to limit the possibility and/or opportunity for an individual to exploit their position.

The purpose of this policy is to:

- protect the integrity of the Synagogue's decision-making process,
- to enable its members to have confidence in its integrity,
- and to protect the integrity and reputation of the Committees, Executive, Council members, staff, volunteers, and the Synagogue.

Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the Synagogue.

Such conflicts may create problems as they can:

- inhibit free discussion.
- result in decisions or actions that are not in the interests of the Synagogue.
- risk the impression that the Synagogue has acted improperly.

4. What actually is a conflict of interest?

Some of the most common forms of conflict of interests are:

- *Self-dealing*: An official who controls an organisation causes it to enter into transactions with the official or with another organisation which benefits the official
- *Trustee benefit*: where money, or other property, goods, or services, which have a monetary value, are received by a trustee/employee from the charity. The law says that trustees cannot receive a benefit from their charitable organisation, whether directly or indirectly, unless they have an adequate legal authority to do so. The potential for a trustee or employee to benefit from the organisation also creates a conflict of interest which the trustees need to address effectively. The term 'trustee benefit' does not include any payments to trustees which are for their proper out-of-pocket expenses.
- *Outside employment*: In which the interest of one job contradicts another.
- *Family interests*: In which an official causes an organisation to enter into a transaction with another organisation owned by a close relative or which a close relative benefits.
- *Gifts*: From friends who also do business with the person receiving the gifts.
- *Connected persons*: Connected person: in broad terms this means family, relatives, or business partners of a trustee/employee, as well as businesses in which a trustee/employee has an interest through ownership or influence. This term includes a trustee's/employee's spouse or unmarried civil partner, children, siblings, grandchildren, parents, and grandparents, as well as businesses where a trustee/employee or family member holds at least one-fifth of the shareholding or voting rights. If in doubt about whether a person or business is a connected person advice should be sought from a solicitor or other person qualified to advise on the matter.

5. What to do about a conflict of interest

The law says that each individual trustee/employee must avoid putting themselves in a position where their duty to act only in the best interests of the charitable organisation could conflict with any personal interest they may have. In practice this means that:

- individual trustees/employees who fail to identify and declare any potential conflicts of interest will fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interests of the charitable organisation.
- the trustee body must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the organisation.

The early identification of potential conflicts of interest is key to ensuring that trustees, staff, and volunteers act **only in the best interests of SPS**.

All staff, volunteers, Executive, Council and Committee members of SPS will strive to avoid any conflict of interest between the interests of the synagogue on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest. It also may include conflict of interest between committees should they arise.

It is important to note that it is natural for some conflicts of interest to occur. In tackling conflicts of interest, the Synagogue is trying to 'manage' them rather than 'prevent' them from ever happening at all.

The fact that a potential conflict of interest exists, may not in itself, be evidence of any wrongdoing as it would be impossible to avoid having conflicts of interest from time to time.

Where it becomes a legal matter is when an individual tries (successfully or not) to influence the outcome of a decision for his/her personal benefit.

6. Managing Conflicts of Interest

- Conflict of interest should be a standing item on all Council (trustee board) and committee agendas; the chairman will remind participants at the start of each meeting that any interests must be declared.
- A record of any professional or personal interest that may make it difficult for a trustee/employee to fulfil their duties impartially, or may create an appearance of impropriety, with any item on the agenda for that day's meeting being noted in the minutes of the meeting. Specific examples:
 - When individuals who are related to a member of staff are part of any discussion on staff pay and/or conditions.
 - Individuals who are also on the committee of another organisation that is competing for the same funding.
 - Outside business or financial interests: when individuals who have an interest (personal or financial) in a business that may be awarded a contract to do work or provide services for the synagogue.
 - A charitable organisation may pay or offer other material benefits to one or more of its trustees/employees to provide services to the organisation, where the trustee board reasonably believes it to be in the organisation's best interests to do so. The Board has to consider

if there are others - in terms of cost, quality, availability etc.- who would be the better provider? The services in question must be ones which the trustee/employee provides in addition to carrying out their normal duties. Any such proposal would be treated on a case-by-case basis and would only be approved subject to compliance with the Articles of Association and Charity Commission guidance.

- Where an individual is not part of the decision-making process, there is no direct conflict of interest. However, where there is a relationship with the organisation, or individual trustee/employee, it should be recognised that the perception could arise that the trustees haven't acted in the organisation's best interests because of this.

7. Management of Conflict during a meeting

Listed below are some possible actions that could be used to manage conflicts of interest during a meeting:

- *Removal* - One of the best ways to handle conflicts of interest is to remove a potential conflict altogether. This is, for example, when employees and trustees are banned from having an interest in partner organisations or working for organisations where a conflict of interest could occur. This may not, of course, be feasible or realistic.
- *Disclosure* - Ensuring that all involved in decision making have disclosed all information and interests which could present a conflict of interest during a meeting or in a role they hold e.g., financial information.
- *Abstaining* - Where people with a conflict of interest abstain from participating in a decision, for example this could be board members not voting on agenda points in which they have a conflict of interest.
- *Code of ethics/conduct* - This may draw on all other options by signing an individual up to a process where they abstain from discussion where they have indicated that a conflict may exist.

8. Declaration of Interests

Individuals should declare their interests, and if applicable any gifts or hospitality offered and received in connection with their role in the organisation.

A declaration of interest form is provided listing the types of interest they should declare. This should be **updated annually** and will be processed in accordance with the SPS confidentiality/data protection policy and not be used for any other purpose.

If individuals believe they have a perceived or real conflict of interest they should:

- declare the interest at the earliest opportunity.
- withdraw from discussions and decisions relating to the conflict.
- not vote on matters affecting their own interests

9. Recording of Conflicts of Interest:

Conflicts of interest will be recorded in the minutes of relevant meetings, together with the key points and decision(s) made, in sufficient detail to enable a reader of the minutes to understand the issue and the basis on which the decision was made.

Staff, volunteers, Executive, Committee and Council members are required to disclose in writing to the SPS Governance Lead and the Chair of the Synagogue:

- a. If a trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the organisation; they must declare the nature and extent of that interest to the other trustees.
- b. If a declaration of interest proves to be out of date or becomes inaccurate or incomplete, a further declaration must be made.
- c. Any required declaration of interest must be made **before** the charitable organisation enters into the transaction or arrangement.
- d. A declaration is not required in relation to an interest of which the trustee/employee is not aware or where the trustee/employee is not aware of the transaction or arrangement in question. For this purpose, a trustee/employee is treated as being aware of matters of which they ought reasonably to be aware.

All decisions under a conflict of interest will be recorded by the minute secretary and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

If a trustee/employee states that they have a conflict of interest they will normally be requested to leave a meeting while the relevant agenda item is discussed. However, they can remain and contribute if they have specialist knowledge which is relevant and needed, being sure that they are not influencing any decision making. They cannot vote on the matter.

10. Disclosure in Accounts

Any relevant benefit a trustee, employee or volunteer receives in the course of an accounting year must be fully disclosed in the annual report and accounts.

Date: 7th June 2023

Review Date: June 2026

Signature: *Mark Howard Shaw*

Printed Name: Mark H Shaw

SPS Chair on behalf of SPS Executive and Council

Southgate Progressive Synagogue



ANNUAL CONFLICT OF INTEREST STATEMENT

Name of SPS Trustee, Executive, Council, Committee member, or employee	
Signature	
Address	
Date	
<p>Please provide details below of any personal¹ interest you have in any company, firm, religious institution or other charitable organisation² which could, because of the nature of its business, enter into a contract or arrangement (however modest) with the SPS and any other interest of which you wish to make the Synagogue aware.</p> <p>Unless you indicate to the contrary entries in this section will be treated as a declaration by you that you should be regarded as interested in any future contract made with or other dealings with the named organisation or company.</p>	

NAME of Company / Organisation / Personal Relationship / other Charitable organisation	Details
[1]	
[2]	
[3]	
[4]	
[5]	
	(continue on separate sheet if necessary)

Notes:

- 1 'Personal Interest' includes any interest held by your spouse, partner, or any other member of your family.
- 2 'Other charitable organisation' includes any other charity whether or not registered with the Charity Commission (eg member of the Board; any National Committees; Regional & County Committees, etc.).
- 3 If after signing this form you become aware of any other personal interest, you must give the SPS Governance Lead written details immediately.