

CATHOLIC DIOCESE OF PORTSMOUTH (“THE DIOCESE”)

CONFLICTS OF INTEREST POLICY

1 BENEFITS TO TRUSTEES

- 1.1 The trustees of the Diocese are obliged to act in the best interests of the Diocese and not for their own private interest or gain. However, there may be situations where a trustee's own interests and the interests of the Diocese arise simultaneously or appear to clash. The issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as a trustee.
- 1.2 The duty of loyalty owed by the trustees to the Diocese requires that each trustee be aware of the potential for conflicts of interest and acts openly in dealing with such situations.
- 1.3 The law imposes strict limits on the benefits which may be conferred on trustees. The Diocese's governing document allows benefits to trustees in the following circumstances (set out in clauses 17 (indemnity insurance) and 37 of the Deed of Revocation and Declaration of Trust date 5 December 2002 at document 1 in Appendix 1 in the Trustees' Handbook):
- 1.3.1 Reasonable and proper premiums in respect of trustee indemnity insurance;
 - 1.3.2 Any trustee with specialist skills or knowledge (and any firm or company of which a trustee is a member or employee) may be paid reasonable fees for work carried out for the Diocese on the instructions of the other trustees. No more than one half of the trustees can benefit in this way in any one financial year and the procedures set out in paragraph 2.6 below must be followed in selecting the trustee;
 - 1.3.3 The Bishop and any trustee who is a priest or deacon holding office or employed by the trustees can receive remuneration or other benefit provided they relate exclusively to such employment or office and not in any way to his trusteeship;
 - 1.3.4 Interest at a reasonable rate on money lent by a trustee to the Diocese;
 - 1.3.5 A reasonable rent or hiring fee for property let or hired to the Diocese by a trustee;
 - 1.3.6 Reimbursement of reasonable out of pocket expenses (including hotel and travel costs) actually incurred in the administration of the Diocese;
 - 1.3.7 An indemnity in respect of any liabilities incurred in or about the administration of the Diocese (including the costs of a successful defence to criminal proceedings); and
 - 1.3.8 In exceptional cases, other payments or benefits with the written approval of the Charity Commission obtained in advance.
- 1.4 Even where benefits are authorised, the appropriate procedures must be observed in order to ensure that the conflict of interest is properly managed (see paragraph 2.6 below).

2 CONFLICTS OF INTEREST: GENERAL

- 2.1 The secretary to the trustees ("**the Secretary**") will keep a register of interests declared by trustees.
- 2.2 When a new trustee is appointed, he or she must sign the trustee declaration form in which he or she must notify the Secretary of any conflicts of interest that may arise, such as information on the trustee's financial and other interests, interests through family connections, personal friendships, business associations and involvement with other organisations. If in doubt about what to declare, trustees should err on the side of caution. These details will be entered in the register.
- 2.3 The Secretary will ensure that the register is updated at least annually, and all trustees should notify the Secretary of any changes which need to be made to their entry in the register when those changes occur.
- 2.4 Before, or at the beginning of each trustee meeting (or committee meeting), trustees must declare any conflicts of interest which may arise in relation to matters on the agenda, whether or not the interest is already recorded in the register. Any new conflicts declared in this way will be entered in the register by the Secretary.
- 2.5 After disclosure of a conflict the trustees will have the right to determine (without the conflicted trustee being present) whether a conflict exists in the circumstances. Any determination regarding the existence of a conflict will be made by a vote of trustees who do not have a conflict.
- 2.6 If it is determined that a conflict exists:
- 2.6.1 the trustee concerned must withdraw from the relevant part of the meeting, unless expressly invited to remain;
 - 2.6.2 in the case of personal interests, the trustee concerned will not be counted in the quorum for that part of the meeting;
 - 2.6.3 in the case of personal interests, the trustee concerned will withdraw during the vote and will have no vote on the matter concerned.
- 2.7 Minutes of the meetings of trustees and any committees at which conflicts are an issue will record:
- 2.7.1 the nature of the conflict and determinations regarding the conflict;
 - 2.7.2 the relevant trustee's non-participation with respect to consideration of the matter;
 - 2.7.3 any limitation on the trustee's ability to act in relation to the such matter;
 - 2.7.4 any alternatives that were discussed;
 - 2.7.5 the names of people present for discussion;
 - 2.7.6 the votes taken regarding the conflict; and

2.7.7 any other relevant information.

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Right Reverend Roger Francis Crispian Hollis, Bishop of Portsmouth

Date: 2009

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