

## Conflict of Interest Policy and Procedures

Policy Approved on: 20/11/2025

Policy Review Date: 20/11/2025

### Introduction

A conflict of interest arises when the personal interests, professional commitments, or loyalties of a director, employee, therapist, or volunteer could, or could be seen to, conflict with the best interests of Creative at Heart CIC.

Conflicts of interest can occur when an individual stands to gain—directly or indirectly—from decisions, activities, or relationships connected to the organisation, or when their duties to another organisation or person compete with their duty to act in the best interests of Creative at Heart CIC.

This policy applies to all Directors, employees, contracted therapists, and volunteers, and continues to apply after their involvement with the organisation has ended.

### Purpose of this Policy

The purpose of this policy is to:

- Protect the integrity, reputation, and decision-making processes of Creative at Heart CIC.
- Ensure transparency, accountability, and trust across all areas of governance and service delivery.
- Comply with the governance expectations of the CIC Regulator and relevant charity best practice guidance.

### Directors and Conflicts of Interest

Conflicts of interest can damage a CIC's reputation and lead to decisions that are not in its best interests. The Board of Directors must identify and manage all potential or actual conflicts promptly and transparently.

All Directors have a legal duty to act only in the best interests of the company and its community purpose. Conflicts typically arise when:

- A Director or connected person may receive a financial or measurable benefit from the company.
- A Director's duty or loyalty to another person or organisation competes with their duty to Creative at Heart CIC.

### Examples of Conflicts of Interest

The following situations may represent a conflict of interest if not properly managed:

- Selling, loaning, or leasing company assets to a Director.
- Acquiring, borrowing, or leasing assets from a Director or their connected business.
- Paying a Director (or connected person) for services provided to the CIC.
- Employing or contracting a Director's family member.
- Awarding grants, commissions, or benefits to a Director, family member, or connected party.
- Allowing a Director who is also a service user to influence decisions for personal advantage.

### Conflicts of Loyalty

Conflicts of loyalty occur when a Director's commitment to another person or organisation could influence, or appear to influence, their decision-making for the CIC. Examples include loyalties to:

- An employer or partner organisation.
- Another charity, company, or CIC.
- A family member or close associate.
- An organisation that appointed them to the Board.

### Identifying and Declaring Conflicts of Interest

Each Director is responsible for recognising and declaring conflicts as soon as they arise. The Board must also maintain strong governance systems to:

- Ensure all Directors understand what constitutes a conflict of interest.
- Require individuals to declare all potential conflicts promptly.
- Review conflicts regularly as part of Board business.

### Register of Interests

All Directors must complete a Register of Interests on appointment and update it annually or whenever their circumstances change.

Conflicts of interest must be a standing agenda item at the beginning of every Board and committee meeting to allow declarations relating to the business under discussion.

### Managing Declared Conflicts

Where a financial or personal interest exists:

- The affected Director must declare the interest and withdraw from discussion or decision-making unless authorised to remain.
- The remaining Directors must ensure the decision is made solely in the best interests of the CIC.

Where the conflict is one of loyalty or perception (without direct benefit):

- The Director may remain in the meeting if agreed that their presence will not unduly

influence the decision.

- All decisions must be clearly recorded in the minutes.

### **Recording Conflicts of Interest**

The CIC must maintain a written record of all declared or identified conflicts and how they were managed. Board meeting minutes or the Conflict of Interest Register should document:

- The nature of the conflict.
- Who was affected.
- Whether the conflict was declared in advance.
- Actions taken (e.g., withdrawal, abstention, continued participation).
- How the final decision was made in the best interests of the CIC.

### **Staff, Therapists, and Volunteers**

All employees, therapists, and volunteers must avoid situations where personal interests could conflict with their professional responsibilities to Creative at Heart CIC.

Examples of potential conflicts include:

- Using one's position to secure private work with a CIC client.
- Recommending or directing clients to third-party services or businesses with which they are personally associated.
- Allowing personal, political, or religious views to influence decision-making or service delivery.
- Offering preferential treatment to a family member or friend.
- Having outside employment or involvement with an organisation in competition with Creative at Heart CIC.
- Being affiliated with groups or organisations whose aims conflict with the CIC's values or objectives.

### **Declaring and Managing Staff Conflicts**

Any staff member, therapist, or volunteer who becomes aware of a potential or actual conflict of interest must declare it immediately to the CEO (or the Chair, if the conflict involves the CEO).

Most conflicts can be managed transparently when declared early. Declaring an interest does not automatically prevent a person from continuing in their role unless the conflict poses a significant risk to impartiality or the organisation's reputation.

### **Recording Staff Conflicts**

All reported conflicts of interest (actual or potential) will be recorded in the Conflict of Interest Register, maintained by the CEO. This record will include:

- The nature of the conflict.
- The individual(s) affected.

- The management or resolution agreed.
- Confirmation that the decision was made in the best interests of Creative at Heart CIC.

#### **Policy Review**

This policy will be reviewed annually by the CEO and Board of Directors, or earlier if there are significant changes to governance regulations, CIC best practice, or organisational structure.