

POLICY TITLE: CONFLICT OF INTEREST & LOYALTY POLICY

APPLICABLE TO: THE BOARD OF DIRECTORS, STAFF AND COMMITTEE MEMBERS OF MONAGHAN INTEGRATED DEVELOPMENT CLG.

DATE: April 2016

PURPOSE¹

The purpose of this Conflict of Interest & Loyalty Policy is to protect the Board, Staff and Committee members of Monaghan Integrated Development CLG. from any appearance of impropriety. This policy is prepared in accordance with the Code of Governance for Community, Voluntary and Charity Organisations in Ireland.

Conflicts of interest or loyalty may arise where an individual's personal, family or professional interests or loyalties to another individual or group conflict with those of Monaghan Integrated Development CLG

Procedure for handling conflicts of interest

The Board, Staff and Committee members of Monaghan Integrated Development CLG have a duty to declare all conflicts of interest (whether actual or potential) at the first available opportunity(e.g. prior to project application stage if possible) and at meetings of Committees, Sub-committees and the Board.

Where the Conflict of interest or loyalty of a Board, Staff or Committee member of Monaghan Integrated Development Ltd relates to a **direct personal financial or monetary interest** in a matter under discussion, the Board, Staff or Committee member must absent from both the discussion and decision making process relating to same.

Where the Conflict of interest or loyalty of a Board, Staff or Committee member of Monaghan Integrated Development Ltd relates to a personal interest or any interest in the matter under discussion, which creates a danger of bias i.e. the interest affects the organisation which they represent should declare the nature of the interest and withdraw from the room while a decision on the matter under discussion is being made, unless they have permission from the Chairperson to speak.

A Board, Staff or Committee member of Monaghan Integrated Development CLG who has any other interest, which does not in the opinion of a clear majority of the rest of the members present at a meeting, create a danger of bias but which might reasonably cause others to think it could influence their decision, the member should declare the nature of the interest. However, they may participate in the discussion if this is appropriate but absent from the decision making.

In both cases, the person concerned should be told what decision was reached on their return to the meeting.

The Chairperson should be consulted about the procedure for handling conflicts of interest, particularly if there is any doubt about any aspect of this Policy. Where appropriate an issue may be referred to the appropriate sub-committee for review and, with the permission of the CEO and/or Chairperson, for assessment by an external professional.

If the Board, Staff or Committee member of Monaghan Integrated Development CLG fails to declare an interest that is known to the Company Secretary, Board, staff or committee member, they, the Company Secretary, Board, staff or committee member, should notify the Chairperson, who will declare that interest.

Monaghan Integrated Development CLG maintains a register of directors' interests. Board members **must** notify the Company Secretary of any relevant changes in their interests when they happen. These should be recorded in the register.

Recording of Conflicts of Interest

All declarations of conflict of interest and/or loyalty, whether actual or potential, will be recorded in the minutes of Board meetings and/or any Committee meeting as showing the person who declared the conflict of interest and/or loyalty as absenting from the relevant discussion. Where a Board member declares a conflict at a Board meeting, he/she will be required to complete the template outlining the nature of their declared interest

Recording of Conflicts of Interest on project files;

The Board, Staff or a Committee member of Monaghan Integrated Development CLG who has an interest must declare a conflict of interest and absent themselves during the assessment and/or approval process. The Board, Staff or a Committee member of Monaghan Integrated Development CLG cannot exercise any influence on the decision making process.

Duality of Interest

Conflicts can arise between a Board, Staff or Committee member’s duty to Monaghan Integrated Development CLG and some other public obligation or Board membership of another organisation. This may be defined as duality of interest: that is, the Board, Staff or Committee member of Monaghan Integrated Development CLG may have divided loyalties, but does not stand to gain financially. Where such duality exists, the Board, Staff or Committee member of Monaghan Integrated Development CLG should declare it, and is expected to act in the best interests of Monaghan Integrated Development CLG. If a Board, Staff or Committee member of Monaghan Integrated Development CLG is appointed by, represents, or is a member of another body, they must remember that their duty to Monaghan Integrated Development CLG still overrides all other obligations. If irreconcilable conflict arises, a Board, Staff or Committee member may have to avoid taking part in decisions of Monaghan Integrated Development CLG or may have to resign from one or other position.

Declaration of Understanding – Conflict of Interest Policy

Each Board, Staff and Committee member is required to sign the following:

“I have read and understand the Monaghan Integrated Development CLG Conflict of Interest Policy for Board Members, Staff and Committee Members and agree to be bound by same.”

Name (print): _____

Signed: _____

Date: _____

This Declaration of Understanding should be signed and returned to the Company Secretary.

Approved by the Board of Monaghan Integrated Development CLG on 21/7/2016

Conflict of Interest / Loyalty

- **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 board member themselves could not be part of the decision making process. This would be a conflict of interest, because their own family would benefit financially from his 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:** This arises 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 which nominated them. However, in all cases, regardless of their route onto a 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 which nominated them. Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.