

Code of practice for members of the MSC Board of Trustees on the declaration and management of conflicts of interests

Members of the MSC Board of Trustees want to prevent any conflict of interest that may arise between their role as Trustees of the MSC and their private interests, or their association with other voluntary organisations, statutory authorities, commercial organisations or other bodies.

1. Principles

1.1 Members of the MSC Board of Trustees should:

- act in the charity's interests only and without regard to private and other interests;
- act in accordance with the charity's governing documents;
- avoid situations where there may be potential conflicts of interest; and
- not derive any personal benefit or gain from the MSC of which they are trustees, except pursuant to resolutions approved by the board (not counting the vote of the affected trustee).

1.2 The purpose of the MSC policy is to protect both the MSC and individual trustees from any appearance of impropriety, to facilitate free discussion at the board, and ensure that the board takes decisions that are in the best interests of the MSC.

1.3 Most Board members are also trustees, members or staff of other voluntary organisations, statutory authorities, commercial organisations or other bodies. For the avoidance of doubt, the Board has agreed that:

- Trustees are elected, nominated, co-opted or appointed to the Board to serve the interests of the MSC
- The board chair and vice-chair will receive remuneration for their contributions and workload apart from their statutory duties as trustees, within agreed terms of reference and subject to periodic review by the full board.

- Save as provided above (Chair and Vice-Chair remuneration), Trustees, or organisations or bodies with which they are associated, should not benefit from their membership of the Board, other than the benefits that all, or significant groups of, voluntary organisations can receive from the MSC and its work

1.4 The board recognises that it needs a wide range and a good balance of skills and interests to function effectively. It is noted that the Articles reserve certain board seats for specific constituency sectors. In combining all these skills and interests on the board the usual legal and best practice expectation of all Board members applies; viz., that Trustees will at all times act in the best interests of the MSC, publicly support and promote the organisation and its mission, and declare and manage any conflicts of interest. The diversity of skills and experience on the board has been an important factor in the success of the MSC, and this policy aims to recognise the breadth of opinions on the board.

2. Register of interests

2.1 All trustees are required to register in the MSC Register of Interests all personal interests which might influence their judgement or which could be perceived (by a reasonable member of the public) to do so. *Personal interests* are defined as personal direct and indirect pecuniary and non-pecuniary interests, including those which arise from employment, membership, trusteeship or other association with voluntary organisations, statutory authorities, commercial organisations or other bodies. These interests may therefore arise from within any constituency with which a board member is associated. These interests may relate directly to the trustee or to the direct and indirect pecuniary and non-pecuniary interests of close family members, of which trustees could reasonably be expected to be aware.

Such interests may include

- (a) any interest in or duty to another entity that interferes with the trustee's ability to bring independent judgement to bear, or where this could reasonably be perceived to be the case (e.g. where a trustee is an office-holder, an owner of a material investment in a business enterprise, or an employee of a non-governmental organisation or an association representing members whose interests are directly affected);
- (b) any decision to be made by the Board, or any contract or proposed contract of the MSC or MSCl, in relation to which the trustee either directly or indirectly might receive a benefit (e.g., where the trustee is a consultant with whom MSC is directly or indirectly contracting work);

- (c) an interest in property that might be affected by any decision of the Board.
 - (d) any gifts or hospitality received in connection with a trustee's role on the board. The register of interests may be used to record the receipt of any such gifts.
- 2.2 On behalf of the Chair, the board Secretary will invite all trustees upon appointment to register all relevant interests. All trustees will be invited to update their register entry at each board meeting (as detailed in 3.1 below), and the Register must be updated at least once a year, but it is the responsibility of all trustees and staff to notify the Chair of all updates as and when they arise. The board Secretary will assist in maintaining the Register of Interests.

3. Declarations of interest at MSC meetings

- 3.1 As soon as practicable after the trustee becomes aware of his/her interest in a matter to come before the board, he or she will advise the board Secretary of the details of the nature and extent of that interest, and the relationship of the interest to the MSC, and such will be added to the Register of Interests. The Register of interests will be circulated within the board papers in advance of each meeting. At the beginning of the meeting, trustees will be invited to state whether any changes are required to their entries within the Register of Interests. All trustees present at a Board meeting (or sub-committee or working group) will be invited to make an oral declaration of any relevant interest if it relates specifically to a particular issue or agenda item under consideration. Oral declarations will be recorded in the minutes of the meeting.
- 3.2 The Chair may raise with any of the remaining trustees any issue that has come to the Chair's attention, and may request the board secretary to raise any issue that has come to the secretary's attention, that might suggest that a trustee has an actual or perceived material personal interest in a matter to be discussed by the board, and the Chair will invite the affected trustee to respond.
- 3.3 Before any discussion takes place on a matter in which a trustee has a personal interest, the trustee will leave the meeting while that matter is discussed. In the absence of the conflicted trustee(s), the remaining trustees will discuss the nature of each of the declared interests and whether to:
- i. invite the conflicted trustee back to the meeting on the basis that those trustees are satisfied that the interest should not disqualify the conflicted trustee from voting or being present;

- ii. invite the conflicted trustee back to the meeting to fully participate in the discussion and to be present but not to take part in any decision made by the board;
- iii. invite the conflicted trustee back to the meeting to fully participate in the discussion but withdraw from the meeting when the board decision is made;
- iv. invite the conflicted trustee back to the meeting to answer board queries, and then withdraw from the meeting for the board discussion and decision; or
- v. not invite the conflicted trustee back to the meeting while that matter is discussed and decided upon.

3.4 The board minutes will record:

- i. the nature and extent of the conflict or potential conflict discussed;
- ii. an outline of the discussion;
- iii. the actions taken to manage the conflict or potential conflict

3.5 Where a trustee receives a personal benefit through a personal interest (as defined above in 2.1) from a decision taken by the board, this will be recorded in the MSC annual report and accounts in accordance with Charities Standard Operating Procedures (SORP). Where a member of the MSC's staff is connected to a party involved in the supply of a service or product to the MSC, this information will also be fully disclosed in the annual report and accounts.