

## **The Chartered Institution of Highways and Transportation (CIHT) Conflict of Interests Policy**

This policy applies to Trustees, Council Members, Regional Officers, Appian Directors, Strategic Board/Panel Members and individuals engaged in judging awards. It aims to protect both the Institution and the individuals involved from any appearance of impropriety.

### **Purpose of the Policy**

The purpose of this policy is to protect the integrity of CIHT's decision-making process, to enable stakeholders to have confidence in the Institution's integrity, and to protect the integrity and reputation of those involved. Trustees have a legal obligation to act in the best interests of the Institution, in accordance with CIHT's governing documents, and to avoid situations where there may be a potential conflict of interest. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

Conflicts of interests may arise where an individual's personal, business or family interests and/or loyalties conflict with those of CIHT. Examples of conflicts of interest include:

1. A Council Member who has shares in a business that may be awarded a contract to do work or provide services to the Institution;
2. A Trustee who is also on the committee of another organisation that is competing for the same funding;
3. A Director who is related to a member of staff and there is a decision to be taken on staff pay/conditions.

Such conflicts may create problems because they can:

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

### **Declaration of Interests**

Upon appointment, Trustees and Council Members are asked to make a full, written disclosure of interests, such as relationships and posts held, that could potentially result in a conflict of interest. A Declaration of Interests form is provided for this purpose, listing the types of interest to be declared. This will be kept on file and reviewed annually, and also when any changes occur. Annual reviews should take into account any gifts or hospitality received in connection with that member's role in CIHT. It is the responsibility of members to ensure that their declaration is kept up-to-date. If members are not sure what to declare, they should presume to err on the side of caution. The Chief Executive or the Director of Corporate & Business Services are available for confidential guidance.

Trustees/Members/Directors should declare any actual or potential conflicts of interest at the beginning of each meeting. This will be recorded in the minutes of that meeting.

The Register of Interests is also to be used to record all gifts and hospitality received from external bodies. This will not be expected to include hospitality offered by branches in carrying out their responsibilities (e.g. in attending branch dinners). Interests and gifts will be recorded on the charity's Register of Interests, which will be maintained by the Director of Corporate & Business Services. The register will be available on request for inspection and its existence published on the CIHT website.

### **Data Protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that trustees act in the best interests of CIHT. The information provided will not be used for any other purpose.

### **Decisions taken where a Trustee/Council Member/Director has an Interest**

In the event of the Executive Board or Council having to decide upon a matter in which a Trustee/Council Member/Director has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Members declaring an interest in a business item may not vote on matters affecting their own interests and should be asked to retire from the meeting for the duration of the discussion. All decisions under a conflict of interest will be recorded by minute taker and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- which Trustee(s), Council Member(s) or Director(s) were affected
- an outline of the discussion
- the actions taken to manage the conflict

Where a Trustee/Council Member/Director benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP. All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

The Charity Commission may be asked to authorise decisions in advance if:

- it is going to involve any benefit to a Trustee/Council Member/Director that hasn't already been authorised
- the conflict of interest is serious but there's no alternative way forward that will remove it
- most or all of the Trustees/Council Members/Directors share the conflict of interest

### **Managing Contracts**

If there is a conflict of interest, Trustees/Council Members/Directors must not be involved in managing or monitoring a contract in which they have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

### **Failure to disclose conflicts of interest**

Where Trustees/Council Members/Directors don't identify or properly respond to a conflict of interest, there can be serious consequences for the affected individual(s), the Institution, and public trust and confidence in charities generally. Where Trustees/Council Members/Directors have acted outside the terms of the Institution's governing document or the law, their decision may not be valid. It could be challenged by the Charity Commission or by an interested party/stakeholder.

A deliberate intent to exploit a conflict of interest may be viewed as a type of fraud. The legal and regulatory consequences of such will largely depend on the nature and severity of the conflict, its impact on the Institution, and the ability of the Trustees or Council to remedy the situation and operate in line with their duties.

Revised April 2016