

# Declaration and Management of Interests Policy



For QMS purposes only:

Originator: Chief Executive

Reviewed: Board of Trustees

Approved: *Prof A Cameron*

Title: Prof A Cameron, Chair of the Board, on behalf of the Board of Trustees

Date: Updated:

Revision History - (Change Record)		
Revision Level	Reason for Change	Effective Date
25 June 2020	Initial Release	26 June 2020
14 Jan 2021	Updated to include Management of Conflicts	22 April 2021

# Declaration and Management of Interests Policy

## Purpose

The purpose of this policy is to protect the integrity of the Capability Scotland's decision-making process, to enable stakeholders to have confidence in the organisation's integrity, and to protect the integrity and reputation of Trustees and the Executive Team.

Trustees of the Board, Committee Members and members of the Executive Team are required to sign a personal declaration in respect of "Transactions with Related Parties / Register of Interests" on an annual basis to the end of March each year.

## Scope

This policy applies to all Trustees and Committee Members of Capability Scotland and members of its Executive Team. It outlines how Capability Scotland intends to collect, manage and hold this information.

## Internal References

Code of Conduct for Board Members  
Trustee Role Profile  
Anti-Bribery Policy  
Fraud Prevention Policy  
Hospitality & Gifts Policy and Register

## External References

Charities and Trustee Investment (Scotland) Act 2005  
OSCR Charity Trustee information and guidance pack (updated May 2020) and guidelines  
GDPR and Data Protection principles apply  
HMRC rules (where applicable)

## Appendices /Forms / Templates

Register of Interest Form

## Declaration and Management of Interests Policy

### 1. Background

In our Trustees' Annual Report and Accounts we are required to disclose all material transactions with "related parties". The statutory requirements for transactions connected with Trustees are outlined in the Charities and Trustee Investment (Scotland) Act 2005. It is, therefore, necessary to take all efforts to ensure that any such relationships and transactions that exist are brought to light, considered and disclosed if material.

At the request of the Auditors, Trustees and members of the Executive Team require to confirm each year that they are not aware of any transactions or any other matters which require to be disclosed in the financial statements. Similarly, where Trustees and members of the Executive Team are aware of such transactions these must be disclosed and reported in the Trustees' Annual Report and Accounts. The purpose of this request is to satisfy our requirement and meet our statutory obligations that everything that should be disclosed in the accounts about related parties has been so disclosed.

All staff, volunteers, Committee Members and Trustees of Capability Scotland will strive to avoid any conflict of interest between the interests of the organisation on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

### 2. Declaring Interests in the Register

The main principles of the Capability Scotland's Code of Conduct, and particularly those which relate to integrity, honesty and openness are given practical effect by the requirement to register certain interests which ensures transparency of any interests which might influence, or be thought to influence, an individual's actions when dealing with the affairs of Capability Scotland. Member and public confidence in Capability Scotland depends on it being clearly understood that decisions are taken in the best interests of Capability Scotland, whilst taking cognisance of its public interest responsibilities and not for any other reason.

Capability Scotland has agreed that the following interests should be noted in The Register of Interests.

A. *(i) Posts Held in the ordinary course of employment or practice.*

You are required to register where you receive remuneration by virtue of:

- being employed;
- being self-employed;
- being a director of a company;
- being a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

You should give the name of the employer, the nature of its business, and the nature of the post held in the organisation. For a company you should provide the registered and any trading name together with the registered office of the company. You are not required to provide the amount of remuneration which you receive.

A. *(ii) Any office held in a professional body, specialist society or other similar body in the public, private or voluntary sector.*

You are required to register an interest if you hold any office in any of the above. Offices include posts such as President, Chairman, Chief Executive, Treasurer, Secretary, Board or Committee member or where you conduct pro bono work on behalf of such a body.

B. *Contracts with Capability Scotland.*

You are required to register an interest where any company in which you are a director (including non-executive directorships) or any firm in which you are a partner has entered into a contract with Capability Scotland under which goods or services are to be provided, or works are to be executed and the contract has not been fully discharged. You should also declare such contractual interests for any company or partnership in which you act in a consultancy or advisory capacity.

You need to declare the nature of the contract, the type of goods and services provided and the duration of the contract. As with remunerated posts, at 1(a) above there is no requirement to provide details any financial details relating to the contract.

C. *Any significant holding of shares or securities held by you.*

You are required to register an interest in shares or securities held in a company, if that holding would be deemed to be of a significant nature. In the ordinary course of events such a holding would exceed 25% of the capital value of the company.

As in 1 and 2 above there is no requirement to declare the value of your holding or indeed the number of shares or value of securities held.

D. *Related Party*

Related parties for our purposes are Trustees of the Board, Committee Members and members of the Executive Team plus their close family and businesses in which they have a controlling interest. Examples of transactions between Capability Scotland and related parties that would have to be disclosed include:

- Purchases or sales of goods, property, other assets or services
- Agency arrangements
- Leasing arrangements
- License arrangements
- Provision of finance
- Guarantees and provision of collateral security
- Management contracts

By way of example, if a family member owned a building firm that carried out a refurbishment on one of our schools, this would need to be declared.

We are required to disclose all “material” transactions. However, for the purpose of this exercise it is recommended that all transactions are listed, so that we can then reach an informed view, in discussion with the Auditors and consult with the Board if required.

Where individuals are uncertain about any interest, they should discuss the matter with the Chief Executive and seek guidance on whether the interest requires to be registered. The Chief Executive will determine if the interest should be registered. Where the Chief Executive is uncertain whether any of their personal interests require to be registered they should discuss the matter and seek guidance from the Chair and they will determine if the interest should be registered.

### **3. Conflicts of Interest**

Where a Trustee, Committee Member or a member of the Executive Team identifies they have an interest in any matter being considered, they must declare it at the start of the meeting or as soon as it becomes apparent that they have such an interest.

It is recognised that not all interests will present a conflict for either a Trustee or a member of the Executive Team. A conflict of interest arises where someone has a personal, financial or other interest in a matter being considered that may, or may not be seen to influence or affect their opinion or consideration of the matter.

Examples of conflicts of interest include:

- 1 A Trustee who is also a customer may be faced with a decision in a committee meeting regarding whether fees for customers should be increased.
- 2 A Trustee is related to a member of staff and there is decision to be taken on staff pay and/or conditions at a committee meeting. (A relative may be a child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Director or any person living with the Director as his or her partner).
- 3 A Trustee who is also on the committee of another organisation that is competing for the same funding.
- 4 A Trustee who has shares in a business that may be awarded a contract to do work or provide services for Capability Scotland or is a director, partner or employee, or related to someone who is (as defined in 2 above).
- 5 Other reasons, following a declaration as noted in the Declaration of Interest Form.

For any other potential conflicts of interest the advice of OSCR will be sought and that advice recorded in the minutes. All steps taken to follow the advice will be recorded.

Where an interest is declared, the Board should consider and determine whether that interest represents – or could be seen to represent – a conflict. Where the Board determines that a conflict does or may exist, the relevant Trustee or member of the Executive Team will be asked to leave the room whilst the matter is discussed and the decision is taken. The Minute shall record the Board's determination of how the interest is managed and, if a Trustee or member of the Executive Team withdraws, the minute shall record their departure and return to the meeting.

This policy statement is meant to supplement good judgment, and Trustees, Committee Members and members of the Executive Team should respect its spirit as well as its wording.

#### **4. Guidance on Gifts and Hospitality**

As a general rule isolated gifts of an insignificant nature or inexpensive seasonal gifts such as a calendar or modest hospitality associated with an individual's duties, as a Trustee of the Board, Committee Member, or member of the Executive Team, and which would reasonably be regarded as inappropriate to refuse should not be declined.

However, individuals should not accept any gift or hospitality, or such offer of gift or hospitality which, as a Trustee of the Board, Committee Member, or member of the Executive Team, could give rise to a reasonable inference of influence on your part to show favour, or disadvantage, to any individual or organisation. Trustees, Committee Members and Executive Team members should seek advice from the Chief Executive or Chair, that the hospitality offered is deemed appropriate and not excessive. The Chair and Chief Executive shall be entitled to seek clearance from another Office Bearer or Senior Officer of Capability Scotland that hospitality offered or given is not excessive.

Individuals should also consider whether there may be any reasonable perception that any gift received by a spouse, civil partner or (unmarried) partner or by any organisation in which they have a controlling interest, or by a partnership of which they are a partner, can or would influence their judgement in carrying out their duties to Capability Scotland.

All gifts and hospitality should be recorded in Capability Scotland's Gifts and Hospitality Register in accordance with the Hospitality & Gifts Policy and Register.

#### **5. Maintenance of the Register**

The Chief Executive and Company Secretary shall be responsible for keeping the Register of Interests. The Register will be published on the Company's website. Individuals accessing the Register will be able to view the individual forms completed by Trustees and Members of the Executive Team.

The Company Secretary shall review the Register of Interests annually prior to the commencement of each financial year. During March every year every serving Trustee, Committee Member and member of the Executive Team will be invited to update their entries. Before taking office any new member of the Board, Committees or Executive Team will be asked to complete the Register.

#### **6. Legislative Implications**

The provisions of this policy are shaped by the following legislation, regulations and guidance:

Charities and Trustee Investment (Scotland) Act 2005

OSCR Charity Trustee information and guidance pack (updated May 2020)

GDPR and Data Protection principles apply

HMRC rules (where applicable)

Any changes to the legislation, regulations or guidance will prompt a review of the policy document.

#### **7. Appendices**

Register of Interest Form



## Declaration of Interests for Trustees, Committee Members and Members of the Executive Team

Please read the Declaration and Management of Interests Policy when completing this form.

1. (a) Posts held in the ordinary course of employment or practice or any business carried on by you.	
1. (b) Any office held in a professional body, specialist society or other similar body in the public, private or voluntary sector	
2. Contracts or transactions with Capability Scotland.	
3. Any significant holding of shares or securities held by you.	
4. Any related party declarations (including close family members)	

I declare, to the best of my knowledge or belief, and in relation to my financial and other interests which are material and relevant, plus related party declarations, as required by Capability Scotland's Register of Interests, **either** (please note as applicable):

- the details listed above represent my interests and that, where I have left a category blank, I have no interests in that category; **or**
- I have no such interests or declarations to note.

Print Name	
Signature	
Date	