

# REFERENCE MATERIALS



## Conflict of interest

A conflict of interest is situation where someone is in a position to gain **personal benefit** from actions or decisions made in their official capacity. Having an interest is different as the individual does not lead to a personal benefit.

It is crucial for boards to have procedures in place to deal with conflicts of interests. The process for handling a conflict can be broken down into three easy steps.

**ONE**  
IDENTIFY

The person with the conflict identifies that they have conflicting interests with regard to their role or responsibilities on the board.

**TWO**  
DECLARE

Usually following a discussion with the Chair and other board members the conflict is declared to the board and recorded in the organisation's register or minutes. Sometimes the conflict might just be regarding a specific item on the agenda so this conflict should be declared at the start of the meeting or before the issue is discussed.

**THREE**  
MANAGE

The board can agree on how the conflict should be managed. This could take numerous forms depending on the conflict. This could be the conflicted person be asked to leave the meeting for the discussion but more than often than not it is enough to be aware of the conflict ensuring the person does not have any influence in any decision making process. This transparency protects the integrity of both the individual and the organisation.