Conflicts of Interest

Potential conflicts of interests or loyalty are something that any organisation should be aware of and take steps to manage. If your music group is a charity, the regulator would expect that the trustees have spent some time thinking about how to manage conflicts of interest. However, even if your group is not a charity, we recommend you think about having a simple conflict of interest policy.

A policy will help you to run your group and its finances in an effective, responsible and transparent way, ensuring decisions are taken in the best interest of the group and protecting the group's reputation with members, supporters and funders.

If you are running a community or voluntary organisation (like many of our member groups), it is almost inevitable that conflicts of interest will arise. Their existence does not have to be a problem – as long as they are identified, acknowledged and managed.

What is a conflict of interest?

A conflict of interest is when the best interests of an individual involved in running your group is, or could be, different from the best interests of the group itself. This could also involve people connected to an individual running a group – such as family, relatives or business partners. It could also include another business the individual works for.

Some common examples for our members include:

- A committee member who is also paid in their role as Music Director of the group
- A committee member who also works for/is a committee member for the venue you hire for rehearsals

- The partner of a committee members is paid to provide a service to the group e.g. leaflet design

How should we manage conflicts of interest?

There is a basic three step process to follow:

1. *Identify:* the committee/management team as a whole are responsible for thinking about what potential conflicts might occur and identifying them as they make decisions about your group. However it is also up to individuals to declare when a conflict occurs that relates to them, either directly or through a connected person.
2. *Manage or Remove*
   - Manage – once you have identified a conflict the next step is to ensure it is managed properly:
     - The first step here would be for the trustee/committee member in question to declare the conflict to the committee.
     - After this you should ensure procedures to manage the conflict are followed. The most common way to do this is to remove the trustee/committee member in question from any decision making process relating to the conflict
   - Remove: if a conflict of interest is serious then you might have to consider finding a way to remove it. Such as:
     - not pursuing a course of action that led to the conflict occurring
     - proceed in a different way so the conflict does not occur
     - trustee resigning – or not appointing a trustee - to avoid the conflict
3. *Record:* the final stage is to ensure any conflict and action taken is recorded in a conflict of interest register. You may also need to declare it to your members (at your AGM for example). Charities may also have to declare it to their regulator as part of an annual return.

What should be in a policy?

A policy does not have to be long, it just needs to outline your commitment to identifying and managing any potential conflicts of interest and your procedures for doing so.

Alongside your policy you should also keep a conflict of interest register and a conflict of interest declaration form, for any conflicts that do occur.

We have template documents available to members to help you with the above.

View the template policy and guidance notes

We hope you find this Making Music resource useful. If you have any comments or suggestions about the guidance please contact us. *Whilst every effort is made to ensure that the content of this guidance is accurate and up to date, Making Music do not warrant,*

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