

# Conflict of Interest Policy

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| <b>Revision date:</b>    | June 2021                              |
| <b>Approved by:</b>      | Board of Trustees                      |
| <b>Date of Approval:</b> | 8 July 2021                            |
| <b>Next Review date:</b> | 30 June 2023                           |
| <b>Policy Owner:</b>     | Director of Finance and Administration |

## 1 Purpose

INTRAC is committed to ensuring the highest standards of conduct in the delivery of our services. This is reinforced by our Code of Conduct and Ethics and related policies including anti-bribery and corruption policy. We acknowledge that conflicts of interest can occur during our service delivery and can adversely affect INTRAC's reputation and effectiveness. This document sets out the standards expected and how to manage any perceived or actual conflict of interest.

The purpose of this policy is to provide guidance in identifying and handling perceived and actual conflicts of interest as well as protecting INTRAC and the individuals involved in the delivery of services from any impropriety or the appearance of impropriety. INTRAC acknowledges that there is a wide range of situations in which conflicts of interest may arise and encourages Trustees and Staff to seek advice where necessary.

## 2 Scope

This policy applies to all staff, trustees and to all associated contractors engaged by INTRAC in the UK or overseas. All contractors and volunteers acting on behalf of INTRAC should be made aware of this policy. This policy applies to all personal, financial or political conflicts of interest.

## 3 Definition of Conflict of Interest

A conflict of interest is a situation in which an individual, or organisation, has competing interests or loyalties. In the case of an individual, the conflict of interest could compromise or appear to compromise their decisions if it is not properly managed. It can occur in any circumstance where an individual or organisation can exploit a professional or official role for personal or other benefit. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest. The following categories outline where conflicts of interests are most likely to occur in INTRAC's work:

- **Organisational Conflict of Interest:** occurs where INTRAC's engagement in one client contract might compromise its ability to work successfully on another client e.g. conducting evaluations of two competing organisations that have received funding from the same donor funding programme.
- **Individual Conflict of Interest:** occurs where an individual has a financial, previous employment, or other personal interest in the affairs of a client of INTRAC. Individual conflict of interests maybe direct or indirect - where the individual has a close association with an individual who has a financial interest, a non-financial professional interest or a nonfinancial personal interest (e.g., spouse/partner, close relative, close friend, business partner).

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## 4 Policy Statement

All Trustees, staff, and volunteers of INTRAC will strive to avoid any conflict of interest between the interests of the INTRAC 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.

In understanding what is meant by 'the interests of INTRAC', we will regularly remind ourselves that our Code of Ethics include putting our beneficiaries first, even where this could initially have a negative impact on the reputation or operation of INTRAC and its leadership.

As a provider of professional services we will review the nature of services we are providing to a client prior to each engagement, to ensure that adequate controls are in place to prevent internal conflicts of interest. Internal conflict of interest that need to be considered include:

- Reviewing the efficacy of a monitoring system that we helped to design/implement.
- Being overly dependent on income from any one client.

The purposes of this policy is to protect the integrity of the INTRAC's decision-making process, to enable stakeholders to have confidence in the organisation's integrity, and to protect the integrity and reputation of volunteers, contractors, staff and Trustees.

This policy is meant to supplement good judgment, and staff, contractors, volunteers and trustees should respect its spirit as well as its wording.

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## 5 Trustee Conflict of Interest

### 5.1 Examples of conflicts of interest relevant to Trustees:

- A Trustee who 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 Trustee who is also on the committee of, or employed by another organisation that is competing for the same funding.
- A Trustee who has shares in a business that may be awarded a contract to do work or provide services for the organisation or is a director, partner or employee or related to someone who is\*\*.

\*\* A relative may be a child, parent, grandchild, grandparent, brother, sister, spouse or civil partner of the Trustee or any person living with the Trustee as his or her partner'

### 5.2 Procedural Arrangements

Upon appointment each Trustee will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

In the course of meetings or activities, Trustees will disclose any interests in a transaction or decision where there may be a conflict between the organisations' best interests and the Trustee's best interests or a conflict between the best interests of two organisations that the Trustee is involved with. If in doubt the potential conflict must be declared anyway and clarification sought.

In the case of a conflict of interests arising for a Trustee because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the memorandum or the articles, the unconflicted Trustees may authorise such a conflict of interests where the following conditions apply:

1. The Charity Commission's permission is sought before a benefit for a trustee may be authorised that isn't otherwise authorised in the Memorandum of Articles or already authorised in writing from the Commission.

2. The Trustee who has declared the conflict of interest withdraws from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
3. The Trustee who has the conflict of interest does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting;
4. The other Trustees who have no conflict of interest in this matter consider it is in the interests of the charity to authorise the conflict of interest in the circumstances applying.
5. Any such disclosure and the subsequent actions taken will be noted in the minutes.

INTRAC's memorandum and articles specifically allow payment to Trustees in relation to professional services provided to the charity, provided that Board (excluding conflicted trustees) agrees that the engagement is in INTRAC's best interest.

For all other potential conflicts of interest, the advice of the Charity Commission will be sought and the advice recorded in the minutes. All steps taken to follow the advice will be recorded.

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## **6 Staff and Volunteer Conflict of Interest**

### **6.1 Definition of Staff**

Staff for the purpose of this policy includes both employees and external contractors.

### **6.2 Procedural Arrangements**

All staff and volunteers will sign the relevant INTRAC's Code of Conduct upon appointment. INTRAC's Code of Conduct lays out the standards of behaviour expected of staff and volunteers, including avoidance of conflict of interest.

Upon appointment, senior employees (individuals involved in decision making processes) will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

On an on-going basis, it is the responsibility of the individual, contractors and volunteers to identify ad-hoc conflicts of interest which arise as a result of their involvement in ongoing business activities.

To maintain our standards of integrity, it is important to avoid any activities that are in conflict or competition with the INTRAC's business or are, in some other way, prejudicial to its interests.

No employee, contractor or volunteer should use their position in INTRAC for personal advantage or gain. Personal gain in this context extends to relatives and business partners.

### **6.3 Additional Guidance for Contractors**

Contractors should inform the nominated INTRAC Manager for the job they are working on or INTRAC's Business Development Manager of any potential conflicts of interest as soon as they become aware of them.

### **6.4 Additional Guidance for Employees/Volunteers**

#### **6.4.1 Outside business interests**

For example, if you run your own business, hold directorships or trusteeships, or have any interests in the businesses of existing or potential INTRAC clients, partners, competitors or suppliers, you should inform your line manager. You should do this in writing (includes email).

If INTRAC feels that there is a conflict, it may ask you to give up your post or interest, or place restrictions on how involved you are in relevant INTRAC work.

#### **6.4.2 Outside employment**

If you want to take up any paid employment, consultancy or other freelance work outside INTRAC, you must first check with your line manager to make sure that there's no objection.

Permission will usually be given unless the work is likely to create a conflict of interest or might adversely affect your ability to carry out your INTRAC work effectively.

### 6.4.3 Other outside activities

Generally speaking, INTRAC encourages outside activities and would not want to interfere with them.

Playing an active role in the community, for instance, helps staff experience a wider world. However, staff are expected to think carefully before taking part in any activities that may damage INTRAC or reflect badly on it. When expressing views about public or political issues in speech or writing, you should make it clear that these are your own views and not those of INTRAC.

If you are active in politics at a local level, you do not need to ask for approval unless you think there's a risk that your involvement may damage INTRAC.

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## 7 Gifts and Hospitality

Gifts and hospitality are a specific risk area for conflict of interest, as they can be construed as personal gain. Trustees, staff and volunteers should be mindful of social norms when accepting or offering gifts and hospitality. INTRAC maintains a register of gifts and hospitality received by Trustees, staff and volunteers, which is reviewed regularly by senior management.

Please refer to INTRAC's Anti-bribery and Anti-corruption policy for more specific guidance on accepting, providing and reporting gifts and hospitality.