

# Conflict of Interest Policy

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## DOCUMENT MANAGEMENT

The purpose of this section is to provide details of the official, versions and controls relating to the management of the Conflict of Interest Policy & Procedures.

### KEY PERSONNEL

Role	Name	Grade	Responsibility
Author	Patrice Devine	Compliance Manager	Draft
Manager	Sarah-Jane Mowbray	Head of Corporate Services	Review
Owner	Board	-	Approval

### DOCUMENT HISTORY

Version	Date	Reason for update
V1.0	September 2017	Document Created
V2.0	November 2017	Document updated to reflect DfC feedback

**As a Non-Departmental Public Body with responsibility for the use of public funds this policy is designed to support Usel in acting to serve the public interest and ensure public confidence.**

## **1. Statement of Policy**

This policy is designed to help Board members and Usel Management Team identify how to avoid conflicts of interest and how to act appropriately if one does develop.

Key principles underpinning these arrangements are:

- a. Responsibility to serve the public interest and ensure public confidence;
- b. Honesty;
- c. Fairness;
- d. Objectivity; and
- e. Openness.”

For further information please see NI Audit Office’s “Conflicts of Interest: A good practice guide (March 2015) <https://www.niauditoffice.gov.uk/publication/conflicts-interest-good-practice>

## **2. Definition of Conflicts of Interest**

A conflict of interest is any situation in which the personal interests of committee members seem to conflict with those of the organisation which they govern. This personal interest can be direct or indirect, and it can include the interests of parties connected to the committee or management member. A direct interest would arise in the following example:

Usel wants to contract for catering services and one of the members of the governing body owns a catering company. This member gets the contract. This is a direct interest as the benefit to the committee member is a direct financial benefit.

An indirect interest in the above example would be if the member of the governing body did not own the company but had shares in it and stood to benefit indirectly from any profit made. Please refer to Appendix D for further examples.

It is unlikely that conflicts of interest can be completely avoided but the conflict should be managed to avoid any adverse effect on Usel and to promote maximum accountability and transparency in Usel’s affairs. Possible conflicts or perceived conflicts should be considered as well as actual conflicts as an organisation’s name and reputation are very important.

A connected person where there is potential conflict of interest could include various connections, please refer to Appendix B for further information.

## **3. The legal background to conflicts of interest**

Members of Usel Board and Senior Management must not act in their official capacity in matters which could lead to financial gain or benefit to themselves, family, or friends. They should confine their private business activities in order to ensure that they are not placed in a position where it becomes difficult or impossible to fulfil their official duties or where this might create an appearance of impropriety.

## Conflict of Interest Policy

Members of Usel Board and senior management are under an obligation to act in the best interests of the company and to service the public interest and ensure public confidence as members and employees of a public body. It does not matter how the member is appointed, while they are on the Board they have a duty to the organisation and this must take precedence. If this is unachievable or if the conflicts are so regular that the member's value to the organisation is significantly reduced, then they must resign from the post or cease the conflicting activity.

### 4. Declarations of Interest

Accordingly, we are asking Board members and Senior Management Team to declare their interests, and any gifts or hospitality received in connection with their role in Usel. They have a personal responsibility to declare conflicts of interest in order to fulfil their legal duty to act only in the best interests of Usel.

A declaration of interest's form is provided for this purpose, listing the types of interest you should declare please refer to Appendix A.

To be effective, our declaration of interests needs to be updated as per the below guidance:

**Upon appointment** – New appointees will be required to complete a Declaration of Interests form disclosing any interests or confirming they have none via a 'nil return'. For new staff this will be during the induction process and for Board Members a form will be issued with their letter of appointment.

**Annually** – All Board members, and Senior Management will be prompted annually to complete a Declaration of Interests form. These forms will be held by Corporate Services. It will be the responsibility of Head of Corporate Services to decide whether all employees in Usel should complete an annual Declaration of Interest form or whether completion should only go down to a particular level of management or staff.

**As and when** – Should an interest arise after declaration on appointment or after the annual declaration then it should be declared immediately by completing and submitting a Declaration of Interest form. Completed Board and Senior Management forms will be held by the Corporate Services Manager. All other forms will be the responsibility of the Compliance Manger.

**At meetings** - At the beginning of meetings, taking into consideration the meeting purpose/agenda/papers, any interest that presents a conflict must be declared and recorded in the minutes. Any action taken to manage any conflicts of interest e.g. the individual leaves the meeting for a particular agenda item, should also be recorded in the minutes.

If you would like to discuss this issue, please contact the Board Chairperson for confidential guidance. Interests will be recorded on Usel's register of interests, please refer to Appendix E which will be maintained by Head of Corporate Services. The register will be accessible by Board members and the Senior Management Team.

### 5. Recording Decisions

#### 5.1. Decisions taken where a Board or Senior Management member has an interest:

In the event of the Board and/or Senior Management Team having to decide upon a question in which a Board and/or Senior Management member 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. Interested Board members or Senior members may not vote on matters affecting their own interests.

## Conflict of Interest Policy

All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict.

Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

## 6. Data Protection

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998 & GDPR 2018. Data will be processed only to ensure that Board and Senior Management members act in the best interests of Usel. The information provided will not be used for any other purpose.

## 7. What to do if you face a conflict of interest

Any Board and Senior Management member who has a financial interest in a matter under discussion should declare the nature of their interest and withdraw from the room, unless they have dispensation to speak.

If a Board or Senior Management member has any interest in the matter under discussion, which creates a real danger of bias, that is, the interest affects the organisation which they represent, or a member of their household, more than the generality affected by the decision, they should declare the nature of the interest and withdraw from the room, unless they have dispensation to speak.

If a Board or Senior Management member has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision i.e. could be reasonably perceived to be a conflict, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if they wish. Each interest will be decided on a case by case basis before determining the appropriate method to manage.

In practice there are a number of ways of managing a conflict of interest:

- **Restrict** – where restrictions are placed on the employee/Board member's involvement in the matter;
- **Recruit** – where a disinterested third party is used to oversee part or all of the process that deals with the matter;
- **Remove** – where an employee/Board member is removed from the matter;
- **Relinquish** – where the employee/Board member relinquishes the private interest that is creating the conflict; and
- **Resign** – where the employee/Board member resigns from their position with the organisation.

The checklist at Appendix C can be used to help in determining if an actual, potential or perceived conflict of interest exists. Some examples of conflicts of interest are provided as a guide at Appendix D

If a Board or Senior Management member is in any doubt about the application of this policy, they should consult with the Chairperson.

If you fail to declare an interest that is known to the Chairperson, the Chairperson will declare that interest. All Board and Senior Management member interests are to be listed in a register

**DECLARATION OF INTERESTS FORM**

Name:	
Position Held:	

1. Company Interests – any relationship with a company or commercial organisation; Directorships, paid employment, consultancy; close family connection.

2. Self-Employment

3. Land or Property Holdings

4. Charities – trusteeships, governorships or employment with any charities or voluntary organisations.

5. Public Appointments – remunerated or unremunerated

6. Memberships – including membership of professional or external bodies, trade or other associations.

**Conflict of Interest Policy**

7. Family or Friends Links – specific family and/or friend’s interest in any of the above where there is interaction with Usel’s business

8. Other Interests – any other interests held by you and/or your family and/or friends.  
Use this section to note any other areas where you think you may have an actual or perceived Conflict of Interest. This will be very much dependent on your role within Usel.

**I confirm that the above declaration is complete and correct to the best of my knowledge and belief.**

Name: \_\_\_\_\_

Position \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Definitions of Family and Friends**

**"Family"**

A parent	A parent-in-law	A son
A spouse/partner	A daughter	A daughter-in-law
A son-in-law	A step-son	A step-daughter
A step-parent	A sister	A cousin
A brother	An aunt	An uncle
A grandparent	A niece	A nephew

A spouse of any of the above

Any relationship as above resulting from adoption

Or, if any of the above is one of an unmarried couple, the other member of that couple.

**"Friend"**

Usel will describe a friend as a person (other than a relative) with whom one is on terms of mutual affection; an ally, an associate, a helper, a sympathiser, or a person with whom a member of staff has social contact. There can be no absolute and definitive definition of a friend. Common sense and individual circumstances should be considered in any decision about who is a friend and who is not

## RECOGNISING A CONFLICT OF INTEREST

Do you think you have an actual, perceived or potential conflict of interest?

The following questions may help when assessing an issue being considered and the situation in which you are involved.

- Would I or anyone associated with me benefit from, or be detrimentally affected by, my proposed decision or action?
- Could there be benefits for me in the future that could cast doubt on my objectivity?
- Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?
- Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?
- Do I or a relative, friend or associate stand to gain or lose financially in some covert or unexpected way?
- Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
- Have I contributed in a private capacity in any way to the matter my organisation is dealing with?
- Have I made any promises or commitments in relation to the matter?
- Have I received a substantial gift, benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
- Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose by my proposed action or decision?

## Conflict of Interest Policy

- Could this situation have an influence on any future employment opportunities outside my current official duties?
  
- Could there be any other benefits or factors that could cast doubt on my objectivity?

**EXAMPLES OF CONFLICTS OF INTEREST**

<b>Activity</b>	<b>Consequence</b>
You (or a family member) are a director of a building supplies firm and the Board on which you sit is procuring building materials.	You or a relative could personally benefit from this decision.
A cash payment or other offer is made from a supplier to an employee.	You could be perceived as being influenced by the supplier.
Being involved with a body that is seeking funding/contracts from Usel or have inside knowledge of a funding/contractual application	You could be perceived as influencing either the funding application or the allocation of funds if the application is successful.
You have been asked to be a member of a recruitment/interview panel. One of the shortlisted candidates is a close relation.	You could be perceived as influencing the outcome of the recruitment process.
You have accepted hospitality from an organisation and the organisation has applied for funding.	You could be perceived as influencing the allocation of funds if the application is successful, even if the hospitality was in support of business objectives

**This list is not exhaustive as it is not possible to anticipate every situation. Furthermore, judgement will be required on a case by case basis.**

