

Conflict of Interest Policy



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1. Introduction

- 1.1 For all employees of the Loughs Agency, serving the interest of the public is our primary responsibility. It is an underlying principle which goes to the heart of the Loughs Agency and the way in which the Agency conducts itself. A fundamental part of this is the requirement that employees and staff of the Agency will at all times discharge their official duties in a manner which is seen to be honest, fair, unbiased, and free of anything which may compromise the integrity or reputation of that member of staff or the Agency as a whole.
- 1.2 This Policy is designed to ensure that any Conflicts of Interest which are currently present or will arise in the future are identified and managed in an effective way. This Conflict of Interest Policy will outline the key areas regarding conflicts of interest, the identification of possible conflicts, the procedure for dealing with any conflicts that arise, and proactive steps which the Agency has and will continue to take to safeguard the integrity of Loughs Agency staff and moreover to maximise public confidence in the organisation.
- 1.3 The main aims of this Policy are:
 - 1.3.1 To promote high standards in public life.
 - 1.3.2 Protect the integrity and reputation of the Loughs Agency, its Board Members, and its staff.
 - 1.3.3 To set out the Loughs Agency's commitment to the effective and efficient management of Conflicts of Interest.
 - 1.3.4 To identify clearly what Conflict of Interests mean, how they can be identified and how they should be avoided.
 - 1.3.5 Provide a procedural framework for dealing with Conflicts of Interest in a consistent and transparent manner.

2. Recognising a Conflict of Interest

- 2.1 A Conflict of Interest arises when an individual has two different interests that overlap.

This policy uses the following definition that is applicable throughout the public sector:

"A Conflict of Interest involves a conflict between the public duty and the private interest of a public official in which the official's private-capacity interest could improperly influence the performance of his/her official duties and responsibilities".

Conflict of interest is not limited to the individual's own private, financial or other interests. It may arise also because family, friends or associates have dealings which affect the business of the Agency directly or indirectly. Individuals need to ensure that they do not use their official position or knowledge to the advantage or what is perceived as the advantage of themselves or their families or friends or associates

who have dealings which affect the business of the Loughs Agency, both directly or indirectly (refer to **Appendix A** for examples of Conflicts of Interest).

- 2.2 A Conflict of Interest does not have to be a factual and active conflict, but it can also be a perceived conflict. A perceived Conflict of Interest exists where it could be perceived, or might appear to a member of the public, other staff, or any other person, that private-capacity interests could improperly influence the performance of an employee's official duties and responsibilities. It may not have any implication for the employee's official business however, it needs to be addressed and managed in order to minimise the risk of reputational damage both to the Loughs Agency and the employee concerned.

Official duty is defined as any duty or task an officer is required to carry out which is necessary for the formulation or implementation of Loughs Agency Policy.

2.3 **Is a Conflict of Interest always wrong?**

Just because a Conflict of Interest has arisen does not necessarily mean that it will be wrong or unethical. Conflicts can arise which, so long as the procedure set out in this policy are followed, can be permitted in the pursuit and advancement of the discharging of the staff members official duties. The focus for the Loughs Agency and individual staff members should be on ensuring that any Conflict of Interest is identified early and any risks are managed appropriately (refer to **Appendix D** for management strategies for dealing with Conflicts of Interest).

2.4 **What are the risks to an organisation?**

Actual, potential or perceived conflicts of interest can lead to doubt about the integrity of a member of staff or Board member and has the potential to impact on the reputation of the organisation itself. A conflict of interest that is concealed, even if unintentionally through ignorance of proper procedure, or managed poorly, creates at best a risk of allegations or perceptions of misconduct. It could potentially result in more serious consequences, such as disciplinary action against the employee or litigation against the organisation. A major conflict of interest violation can also breach other rules, for example appointment procedures and procurement policies. This can have major consequences for the organisation.

2.4 **How do I recognise a Conflict of Interest?**

The following checklist should be used to determine if an actual, potential or perceived Conflict of Interest exists. The underlying responsibility lies with the individual to ensure that all Conflicts of Interest (perceived or actual) have been declared using the pro forma at **Appendix B**.

- 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 decision or action?
- 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?

3. Avoiding Conflicts of Interest

- 3.1 The simplest way employees can avoid conflicts of interest is by not acting in their official capacity as Loughs Agency staff in personal matters, or where there is a personal interest, or has the potential to create a personal interest.
- 3.2 The following acts are regarded as being prohibited under the Loughs Agency's conflict of interest policy:
- Influencing or involvement in any decision, both individually and corporately, that could lead to financial gain or benefit to the individual, a relative or close friend;

- Influencing or involvement in any decision that could lead to the appointment of a relative or friend;
 - Influencing or involvement in the awarding of a contract, grant, sponsorship, or other funding or support mechanism where the employee is connected to any of the tenderers or applicants;
 - Carrying out business on behalf of the Loughs Agency with a company owned by themselves or a relative's company;
 - Owning shares in, or working for, organisations that have dealings, financially or otherwise, with the Loughs Agency; and
 - Accepting gifts and hospitality in connection with their official role. The Loughs Agency's policy on hospitality and gifts should be followed.
- 3.3 Staff should ensure that any personal or private business activities which they may be involved in should be restrained to ensure that the employee or staff member is not put into a position where it is or appears to be improper, or whereby they cannot carry out their official duties properly.

4. Employee obligations to Declare Interests

- 4.1 All Loughs Agency employees and Board Members will be required to complete a 'Declaration of Interests' form, both when first appointed and on an annual basis. All Agency staff and Board members are asked to complete an annual declaration which outlines details of associations and private activities and should their circumstances change advise their line manager accordingly. If this changes throughout the year they should inform their line manager and update their declaration. An example of an annual Declaration of Interest disclosure can be found at **Appendix B**.

Please note, all Conflicts of Interests will be recorded, including actual and potential conflicts.

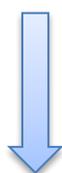
- 4.2 If staff are allocated work or required to perform any official duty which may be perceived as a conflict of interest they must advise their line manager who will arrange to reallocate work, reallocate area of responsibility or take other action as necessary to minimise the potential for conflict. Any Conflicts of Interest (whether actual or potential) may arise at any given time and must be declared immediately so that appropriate action can be taken. If there is a potential for conflict of interest with any agenda item at meetings these should be declared at the beginning of a meeting, noted in the minutes and they may be required to withdraw while the topic is being discussed.
- 4.3 Any employee who is concerned about a personal Conflict of Interest arising during the course of their employment should inform their line manager, Director of Corporate Services or the Chief Executive. In particular, the Chief Executive, Directors, and employees working directly with clients and contractors have a responsibility to ensure that any possible Conflicts of Interest are identified at an early stage and that appropriate action is taken to resolve them. It is the responsibility of an employee to ensure any personal Conflict of Interest is brought to the attention of their line manager,

and that this Conflict of Interest is subsequently declared to the Corporate Services Manager and their Director.

4.4 Where a Conflict of Interest is identified:

- A 'Declaration of Interests' form (**Appendix B**) should be completed.
- The form should be brought to their Director (or if necessary the Chief Executive Officer) to be assessed, and
- A copy of the form sent to the Corporate Services Manager in order for the Register of Interests to be updated accordingly.

4.5 Any employee who wishes to raise a genuine concern about a potential Conflict of Interest in relation to another member of staff should report the concern to the Director of Corporate Services (or Chief Executive Officer if appropriate) and detail the nature of their concern. The recipient of the concern shall then begin to investigate the potential connections between the individual and the other person and organisation, and work to establish whether or not this is a conflict of interests in keeping with the procedure outlines in Part 6.0 of this Conflict of Interests Policy.



- ***Conflict of interest is identified and reported to management***
- ***Conflict is considered and action is decided***
- ***Action is recorded and carried out (if necessary)***
- ***Declaration of interest form and register of interests are updated***

5. Register of Interests

5.1 A Register of Interests will be kept of all the conflict of interest reports completed by new employees and by all staff on an annual basis. The Register is the location to record all declared, actual and potential Conflicts of Interest. It will also detail the action, if any, taken to address the conflict (**Appendix C**).

5.2 The Register of Interests will be maintained and reviewed by the Corporate Services Administration Team.

6. Investigation of Conflicts of Interest

6.1 Where a Conflict of Interest has been identified, the Director of Corporate Services or the Chief Executive will initiate an investigation based on the following questions:

- 6.1.1 Could the employee's family or friends gain from his/her connection to the Loughs Agency?
- 6.1.2 How is the declared interest likely to be perceived externally?
- 6.1.3 Could the declared personal interest damage the reputation, impartiality or integrity of the Loughs Agency?

- 6.1.4 Is there a possibility that the declared interest might influence decision making by Loughs Agency?
- 6.2 Following the conclusion of the investigation of an identified Conflict of Interest, the Chief Executive will decide on which management strategy should be put in place in order to minimise risk to the Loughs Agency.

See **Appendix D** for the possible methods of dealing with Conflicts of Interest.

7. Breaching the Conflict of Interest Policy

- 7.1 Serious breaches of the Conflict of Interest policy may result in the Loughs Agency's Disciplinary Policy being invoked.

Serious breaches include the following:

- 7.1.1 Where there has been deliberate and repeated concealment or failure to disclose a Conflict of Interest, or
- 7.1.2 Where the employee repeatedly fails to comply with a management strategy put in place in relation to an identified Conflict of Interest.

Appendix A: Examples of Conflicts of Interest

The following examples of Conflicts of Interest are indicative of situations that could compromise an employee in the performance of their official duties and responsibilities.

- You (or a family member) own or are a director of a building supplies firm and the Loughs Agency is going to engage in construction work which you will be involved in organising.
You or a relative could personally benefit from this decision.
- Being involved in a body that is seeking funding or have inside knowledge of a funding bid.
You could be perceived as influencing a funding bid.

This list is not exhaustive as Conflicts of Interest can arise in various forms. If in doubt, it is necessary that an employee seeks guidance from their line manager, who may consult with the Corporate Services Manager or the Director of Corporate Services.

Case 1

Involvement in a decision that could lead to the appointment of a relative or friend.

A senior employee was asked to be a member of a recruitment panel for a job vacancy. The applicants had been narrowed down and prior to the interviews, all panel members had been given copies of the interviewees' applications.

On sifting through the applications, the senior employee realised one of the fifteen was a close relation. On informing HR, she was told she could still sit on the Panel but would have to be excused for her relation's interview.

What is the problem?

The senior employee may not have been involved directly with her relation's interview but could have had some influence over the filling of the vacancy. Consequently, the senior employee had the potential to compromise the credibility of the entire recruitment process, as well as the integrity of the recruitment panel.

What would be a possible solution?

The senior employee should have withdrawn from the whole recruitment process and should not have had any involvement until the position had been offered to the successful candidate.

Case 2

Involvement in, or influencing, the award of a contract or grant where the individual is connected to an applicant.

An employee of the Loughs Agency was involved in the allocation of grant funding to applicants to promote and develop angling in the Carlingford Area, while having a brother who owned a company which worked in that field which was tendering for the contract in question.

What is the problem?

The employee had the opportunity to provide confidential information to the company, giving it an advantage in tendering for the grant funding.

What would be a possible solution?

Good practice requires declaration of interest at various stages of the process, thus the employee should have disclosed this relationship when s/he became aware of the potential conflict and should not have had any further involvement in the procurement exercise.

Appendix B: Declaration of Interest Form

As part of the published accounts for 2016, and in compliance with the Conflicts of Interest Policy, the Loughs Agency has a duty to report all related party relationships that existed during 2016. The objective of the disclosure is to identify where a relationship existed between employees of or their close family members with third party entities who have transacted with the Loughs Agency. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. It encompasses the purchases and sales of goods, purchase and sale of property and assets, rendering or receiving of services, leases, provision of guarantees or collateral, and settlement of liabilities.

The Conflict of Interest policy should be referred to before completing this Declaration of Interest Form.

Conflict can arise through, not just the Agency employee or Board member, but can extend to their relationships, and these should also be declared.

The following relationship categories apply:-

- a) **Immediate family** – this is defined as self, spouse or partner, in-laws and step relations to the extent of parents, siblings, children, grand-parents
- b) **Business associates** - of self, spouse or partner, including the immediate family of those associates.
- c) **Others** – including close friends and those with whom an officer has regular dealings (business or personal) who would be regarded as an Agency “customer” within the current scope of your responsibility for transactions relating to Agency business.

Please provide as much detail as possible and consult with line management if uncertain as to what to include.

Register of Interests

Please state if Employee or Board Member	
Surname	
Forename	
Title	
Department	
Job Title	
Date of Appointment to Current Position	
Date of Appointment to Loughs Agency (if different)	

1. Company Interests – Do you have any relationship with a company or commercial organisation; Directorships, paid employment, consultancy, close family connection other commercial interest?

Yes No

If yes please give details:

2. Self-employment – Are you in self-employment or are others related to you in self-employment in an area where they would have business dealings with the Loughs Agency?

Yes No

If yes please give details:

3. Land or Property Holdings – owned or leased which could cause a conflict of interest?

Yes No

If yes please give details:

4. Charities – Are you involved with trusteeships, governorships or employment with any charities, community organisations or voluntary organisations?

Yes No

If yes please give details:

5. Public Appointments – have you been publically appointed to any position?
Applies to both remunerated and unremunerated.

Yes No

If yes please give details:

6. Memberships – Are you a member of any body, including membership of professional or external bodies, trade or other associations.

Yes No

If yes please give details:

7. Close Family Links – Do you have any family links or specific close family interest in any of the above categories which do, may, or may be perceived to be conflicts of interest?

Yes No

If yes please give details:

8. Gifts & Hospitality received /offered – Have you received any gifts or hospitality which could be considered to cause or perceive to cause a conflict of interest? Please see Gifts & Hospitality Policy for threshold amounts.

Yes No

If yes please give details:

9. Government Contracts – Have you or a close family member or friend been involved in Government Contracts / Tenders in a field which may be relevant to your work in the Loughs Agency?

Yes No

If yes please give details:

10. Other Interests – any other interests held by you or your close family

Please give details:

Tick the box as appropriate

- I confirm that neither I nor close family members have undertaken anything which might conflict with, or might have the potential to conflict with, my position within Loughs Agency. If I become aware of any such conflict or potential Conflict of Interest with my work in Loughs Agency, I will disclose it immediately to the Director of Corporate Services or the Corporate Services Manager.
- I declare that the details above accurately disclose any material transactions or other business that either I or close members of my family have undertaken which might conflict with or might have the potential to conflict with my position in Loughs Agency. If circumstances change, or I become aware of any further conflicts or potential conflicts of interest with my work in Loughs Agency, the Director of Corporate Services or the Corporate Services Manager.

I confirm that the above declaration is complete and correct to the best of my knowledge and belief. The interests I have declared include both direct and indirect interests (i.e. those of a partner, spouse or close relative) and any specific financial interests are shown.

Signature: **Date:**

Print Name:

**Appendix C
Register of Interests Template**

Ref	Date	Name	Location	Declared Actual Potential? or	Details Conflict Interest of of	Assessment undertaken	How matter was resolved or Risk reduced/ eliminated. Action taken by Loughs Agency.	Date Resolved

Appendix D

Management Strategies for dealing with identified Conflicts of Interest

Management Strategy	When most suitable	When least suitable
<p>Register</p> <p>Where details of the existence of a possible or potential Conflict of Interest are formally registered.</p>	<ul style="list-style-type: none"> • For very low-risk and potential Conflict of Interest. • Where the act of transparency through recording the Conflict of Interest is sufficient. 	<ul style="list-style-type: none"> • The Conflict of Interest is more significant or higher risk. • The potential or perceived effects of a Conflict of Interest on the proper performance of the employee's duties require more proactive management.
<p>Restrict</p> <p>Where restrictions are placed on the employee's involvement in the matter.</p>	<ul style="list-style-type: none"> • The employee can be effectively separated from parts of the activity or process. • The Conflict of Interest is not likely to arise frequently. 	<ul style="list-style-type: none"> • The conflict is likely to arise more frequently. • The employee is constantly unable to perform a number of their regular duties because of Conflict of Interest issues.
<p>Recruit</p> <p>Where a disinterested third party is used to oversee part or all of the process that deals with the matter.</p>	<ul style="list-style-type: none"> • It is not feasible or desirable for the employee to remove themselves from the decision-making process. • In small or isolated communities where the particular expertise of the employee is necessary and genuinely not easily replaced. 	<ul style="list-style-type: none"> • The conflict is serious and ongoing, rendering ad hoc recruitment of others unworkable. • Recruitment of a third party is not appropriate for the proper handling of the matter. • A suitable third party is unable to be sourced.
<p>Remove</p> <p>Where an employee chooses to be removed from the matter.</p>	<ul style="list-style-type: none"> • For ongoing serious Conflicts of Interest where ad hoc restriction or recruitment of others is not appropriate. 	<ul style="list-style-type: none"> • The Conflict of Interest and its perceived or potential effects are of low risk or low significance. • The employee is prepared to relinquish the relevant private interest rather than radically change their work responsibilities or environment.

<p>Relinquish</p> <p>Where the employee relinquishes the private interest that is creating the conflict.</p>	<ul style="list-style-type: none"> • The employee's commitment to public duty outweighs their attachment to their private interest. 	<ul style="list-style-type: none"> • The employee is unable or unwilling, for various reasons, to relinquish the relevant private interest.
<p>Resign</p> <p>Where the employee resigns from their position with the organisation.</p>	<ul style="list-style-type: none"> • No other options are workable. • The employee cannot or will not relinquish their conflicting private interest and changes to their work responsibilities or environment are not feasible. • The employee prefers this course as a matter of personal principle. 	<ul style="list-style-type: none"> • The Conflict of Interest and its potential or perceived effects are of low risk or low significance. • Other options exist that are workable for the employee and the organisation.

8.0 Document Review and Amendment

This policy will be formally reviewed every 36 months (or sooner if work processes change).

To ensure that each copy of the policy contains a record of all changes, a record of the change or amendments will be kept on the amendment list. The amendment list along with any revised or new pages will then be circulated to all staff.

Date	Section	Brief description of change	Page no.	Version no.
	All	Complete review of all policies	All	1
	All	General formatting	All	2
09/05/14	9	Inserted date column on amendment list	9	3
16/09/15		Removed Footer	All	4
01/04/16	All	Policy review	All	5
28/11/16	All	Policy Update	All	6
27/09/18	8	Review Frequency changed to 36 months New logo added to cover	3	7