



# Conflict of Interest Policy



Issued: Nov 2017

## Conflict of Interest Policy

### Terminology

The Term ...	Will hereinafter refer to...
Directors	The Directors of PAAH.
Company Directors	The Directors of PAAH Funded Organisations
Subcontractors	All PAAH Funded Organisations
Personnel	Any personnel employed by PAAH and/or the Subcontractors and partner organisations that are responsible for deliver or support of PAAH Funded Learners.
Partner Organisations	Employers and work placement providers of PAAH Funded Learners.

### Purpose

The purpose of this policy is to ensure the integrity of all Directors, Centre Directors, Personnel and Partners; to maintain an unblemished reputation for PAAH, ensuring learning programs and qualifications are protected and recognised for reliability, validity and quality. Additionally ensuring funding is used appropriately for the benefit of learners funded through PAAH by the ESFA (Education and Skills Funding Agency and European Social Fund).

This policy will also provide guidance on handling possible conflicts of interest that may arise, and who is responsible for managing these conflicts.

### What is a conflict of interest?

A conflict of interest is a situation in which an individual or an organisation has competing interests or loyalties. In the case of an individual, the conflict of interest could compromise PAAH or appear to compromise the individual's effectiveness in their job role if not properly managed. Some examples of conflicts of interest are...

- A PAAH Director with other business interests
- A Subcontractor with conflicting personal, financial or business interests
- An individual with a position of authority in one organisation that conflicts with their interests in another organisation
- An individual with personal, business or financial interests that conflict with their professional position
- PAAH Personnel, who have interests, paid or unpaid, in another business which is in competition with PAAH funded services or delivers similar services.
- PAAH Personnel with friends or relatives undertaking PAAH programmes, assessments and exams.
- Receipt of gifts from a person or organisation which is linked to PAAH funded learners.

*These are examples only and this is not exhaustive list.*

There is no right or wrong approach to handling potential conflicts of interest. Ultimately, the issue is about the application of common sense. To ensure an effective policy PAAH will within this policy...

- Define conflicts of interest as - a business conflict, a personal conflict or a financial conflict.
- Consider the future likelihood of such conflicts
- Agree the method of declaring an interest
- Agree the method of addressing the conflict

### **Persons Involved**

This policy applies to all PAAH Directors, Directors of current subcontracting organisations, PAAH personnel, associates, freelance staff and assessment associates as well as any subcontracting agreements proposed.

Each subcontractor must recognise situations in which they, or their personnel, may have an actual or potential conflict of interest. They must disclose that conflict to the appropriate Link PAAH Director as soon as they recognise that a conflict may occur.

- All PAAH funded staff within PAAH has responsibility for ensuring that they are familiar with the Conflict of Interest Policy and all relevant guidelines.
- All PAAH funded staff will be required annually to read and understand the Conflict of Interest Policy.
- All PAAH funded staff must disclose any activity that might give rise to a potential conflict of interest. If there is any doubt whether or not it represents a conflict of interest report it!
- The individual and Subcontractor are equally responsible for documenting the issue carefully.
- An individual may wish to raise concerns relating to conflict of interest directly with their PAAH. This may be done in confidence and they are entitled to receive a response to their concerns. It should be noted that individuals are protected under the company's Whistle Blowing Policy.
- Any staff member considering paid or unpaid work outside PAAH should inform their Director if they think there is any potential for a conflict of interest. If the staff member is unsure whether a conflict of interest might arise, they should discuss this with their Director first. The Directors if they need advice on whether a situation presents a conflict and a record should be kept of the discussion. A staff member must not take on any such activities that could be deemed to compete or conflict with PAAH activities.

**Time-scale**

This policy has no particular time constraints and is an ongoing process. Annual subcontracting due diligence checks will question for any conflicts of interest with Directors and their companies.

**Related Documentation**

Record	Purpose to record evidence of ...	Frequency
Due Dilligence Checks for Subcontractors	Any conflict of interest which may exit with subcontractors and PAAH and the agreed actions that will be taken to ensure conflicts of interest are managed effective	Annually

**Training and Induction to the Policy**

**Organisations Funded by PAAH**

All organisations will receive a copy of the PAAH Conflict of Interest Policy, or be provided with access to the policy on a virtual learning environment. Access and awareness of the policy will be raised through subcontractors’ meetings, and centre staff meetings. The Centre Directors have responsibility to ensure all new or existing personnel are aware of the policy and its meaning. Further training needs will be assessed on a continued basis and in response to audit outcomes. Organisations will be asked to sign a declaration to register their understanding and agreement with this policy.

**Procedure**

- **Consider the future likelihood of such conflicts** - PAAH will consider if any conflict of interest is it likely to be exceptional, in which case the person’s involvement within the normal decision-making role will be predominantly unproblematic, and an agreed procedure will be put into place to avoid the conflict. However, if the conflict of interest it is likely to be frequent or unmanageable PAAH will consider alternative personnel for the role.
- **Agree the method of declaring an interest** - All Directors, Company Directors, Personnel and Partners have an obligation to declare any known conflicts of interest. PAAH will keep written evidence of any declared conflicts of interests. Subcontracting Centres will be questioned annually prior to contract renewals in relation to any conflicts of interest. It will be the responsibility of the Company Directors to declare to PAAH any know financial, business or personal conflicts. PAAH will be responsible to decide how to best manage any conflict.
- **Agree the method of addressing the conflict** –there are numerous ways of addressing a conflict of interest. PAAH Directors have the ultimate responsibility to decide the most appropriate course of action when a conflict is declared. In the event the conflict relates to a PAAH Director, Director, or other personnel within a meeting these should be declared before the meeting, or immediately, should it become evident a conflict exists. The person with the conflict should not be involved in any decision making or vote taking and where necessary further guidance or advice should be sought from the link director (providing they are without a conflict).

Directors have an obligation to act in the best interests of PAAH and in accordance with PAAH Policy. Personnel, partners and volunteers have the same obligations. Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of PAAH.

Such conflicts may create problems; they can...

- Inhibit free discussion;
- Result in decisions or actions that are not in the interests of PAAH, and
- Risk the impression that PAAH has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

### **The declaration of interests**

Accordingly, we will ask Directors and Centre Directors to declare their interests, and any gifts or hospitality received in connection with their role. An annual due diligence form will record any actual or potential conflicts identified during discussion, the types of interests that should be declared include the following...

- Current employment and any previous employment in which you continue to have a financial interest
- Appointments (voluntary or otherwise) e.g. trusteeships, directorships, etc.
- Membership of any professional bodies, special interest groups or mutual organisations
- Gifts or hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months
- Investments in unlisted companies, partnerships and other forms of business, major shareholdings
- Any other types of financial, business or personal which may impact in a conflict of interest for PAAH

If you are not sure what to declare or if an update needs to be provided the Subcontractor will err on the side of caution and contact their Link Director.

### **Data Protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that Directors and Quality Leaders act in the best interests of PAAH. The information provided will not be used for any other purpose.

### **What to do if you face a conflict of interest**

You will declare your interest at the earliest opportunity and withdraw from any subsequent discussion. If you fail to declare an interest this could result in disciplinary action. Also if that conflict is known to others they have an obligation to declare the conflict and may be subject to disciplinary action if they fail to disclose pertinent information.

## Decisions taken where a Director has an interest

In the event Directors have to decide upon a question in which they have an interest, all decisions will be made by vote, with all Directors voting and the Director with the conflict of interest not present. A quorum of 3 must make the decision.

Interested board members may not vote on matters affecting their own interests. The Director with the conflict of interest can present their case and then remove themselves from the discussion. They will not participate or be present during the decision-making process.

All decisions under a conflict of interest will be recorded by minute taker and will be 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.

## Managing contracts

Directors or personnel will avoid contract conflicts of interest, they will not be solely responsible for the management or monitoring of a contract in which they have an interest. Monitoring arrangements for such contracts will include provision for independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

The centres will ensure no conflicts of interest impact negatively on PAAH by...

- Reviewing processes annually to ensure that all conflicts of interest or potential conflicts of interest are managed and resolved.
- Ensuring that all PAAH funded staff declare any interest for friends or family that may undertake learning programs, services or any types of PAAH business delivered within PAAH programs.
- Managing the potential and actual conflicts of interest at the highest level by ensuring the Directors of PAAH have ultimate responsibility for this. The Quality Improvement Team has responsibility for the dissemination of the policy.
- If any such conflicts of interest are raised, PAAH Directors will in the first instance discuss if there is a conflict of interest and the level of risk. Dependent on the agreed level of risk, PAAH Ltd Directors will issue an action plan and monitoring agreement for a low risk conflict and in the case of a high risk conflict, the SFA will be notified in writing.

## Impact Assessment

This policy will be impact assessed for equality and diversity and records will be maintained.

## Safeguarding

This policy will be reviewed to ensure it fully safeguards learners, personnel and other partners in relation to their levels of safety, health, achievement, enjoyment, contribution and well-being.

## Monitoring, Review and Evaluation

### **Monitoring of Process and Information**

PAAH Directors will monitor the Conflict of Interest Policy. In the case of a subcontractor non-compliance with the nature of this policy, the Directors, supported by the Quality Improvement Team will monitor the process and the Link Director will be kept informed and be involved as appropriate. All the Directors of PAAH will be informed and updated as necessary.

### **Monitoring of Documentation and Policy**

The Quality Improvement Team reviews the policy and documentation bi-annually (or earlier if required). Communications, either written or electronic, will notify subcontractors, of all monitoring processes. The updated policy will be submitted to PAAH Directors meetings for approval/ratification. The completed policy available on a VLE where possible or if not a copy will be made available within the centre.

### **Monitoring and escalation**

The Centre Managers are responsible for escalating reports of actual or potential conflicts of interest to the Directors. The Directors will begin an investigation of any issues identified by the Centre Managers within 24 hours. A preliminary report will be made available to the Centre Manager and Centre Director concerned within 5 working days.

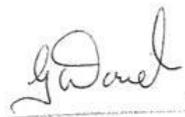
### **Grievances or Complaints in Relation to the Conflict of Interest Policy**

PAAH funded staff, learners or employers have the right to lodge a complaint or grievance about any of the areas covered under the Conflict of Interest Policy. A PAAH funded employee who is not satisfied with the action taken by PAAH and feels it right to question the matter further, may consider the following possible contact points:

- Education and Skills Funding Agency
- The employee's trade union
- The Citizens' Advice Bureau and / or law centre / firm
- Relevant professional bodies or regulatory organisations
- The local government ombudsman
- The information commissioner
- A relevant voluntary organisation

Approved by the Directors of PAAH on 1<sup>st</sup> Nov 2017

Signed:



G. Daniels