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Executive Summary

There is a conflict of interest if a member of staff or a board member has an interest, relationship, or friendship which could, or could be seen to, influence their ability to decide an issue in the best interests of the MSI entity for which they work or are a board member.

Where a member of staff or a board member has, or may be seen as having, a conflict of interest:

the member of staff or board member must **DECLARE** the conflict of interest; **ACT** to avoid biased decision-making; and **DOCUMENT** the conflict of interest and any avoidance action taken in the Conflicts of Interest Register

Purpose

The purpose of the Policy is to:

- avoid decision-making that is not in the best interests of MSI entities; and
- protect the integrity of decision-making processes so that stakeholders (e.g. clients, donors, partners etc.) have confidence in MSI entities.

Not declaring, or not dealing appropriately with, conflicts of interest can have serious consequences:

- Funds may be used inefficiently (e.g. paying a higher price, hiring a less capable candidate).
- Decisions that are taken by an MSI Person with a conflict may be challenged by an interested party, such as another supplier or a donor, and eventually overturned, with the result that selection processes may have to be repeated or funds returned to donors.
- Decisions made by a Board Member with a conflict may be regarded as invalid under the Constitution of
- the MSI Entity.
- The reputation of the MSI Entity may be damaged if decisions are perceived to be made to benefit a particular MSI Person or Board Member, and not the MSI Entity's mission.
- MSI Persons or Board Members with conflicts may be required to repay sums disbursed as a consequence of their influence, and/or face dismissal or removal for mismanagement and misconduct.

Although declaring conflicts of interest is primarily the responsibility of the affected MSI Person or Board Member, senior management in all MSI Entities must ensure that there are strong systems in place and a supportive organisational culture so that MSI Persons and Board Members:

- understand what a conflict of interest is;

- are aware of the sorts of circumstances that may give rise to a conflict of interest; and
- know how and when to declare a conflict of interest.

Scope

In this Policy:

- “Board Member” means a board member or trustee of an MSI entity.
- “MSI Entity” means MSI or any of its entities.
- “MSI Person” means any member of staff of an MSI Entity, and includes employees, contractors, trainees, volunteers, sessional workers and agency staff.

This Policy applies to all MSI Persons and Board Members.

Policy

The MSIA Conflicts of Interest Policy is divided into four sections:

1. Understanding Conflicts
2. Declaring and Documenting Conflicts
3. Taking Steps to Avoid Biased Decision-Making
4. Maintaining the Conflicts of Interest Register

2. Understanding Conflicts

Key Definition

- 2.1. There is a conflict of interest if an MSI Person or a Board Member has an interest, relationship or friendship which could, or could be seen to, influence their ability to decide an issue in the best interests of MSIA or are a Board Member.
- 2.2. It is possible to have a conflict of interest even if no actual impropriety occurs.
- 2.3. In addition to avoiding an actual or potential conflict of interest, MSI Persons and Board Members need to avoid any perception of a conflict. Even if they do not think that their relationship with a third party could affect their ability to make a decision, if someone else may have grounds for thinking that it could, they have a conflict of interest.

See the Appendix to this Policy for examples of conflicts of interest.

Connected persons or organisations

- 2.4. An MSI Person or Board Member may have a conflict of interest through their connection with another person or organisation. This will be the case if there is a risk that the connected person or organisation may benefit, or be seen to benefit, from the MSI Person’s or Board Member’s position.

- 2.5. The connected person or organisation may be:
- family or relatives of the MSI Person or Board Member, including direct connections (e.g. spouse, children, siblings, etc.), extended family (e.g. uncles, aunts and cousins at different degrees, in-law family etc.), and any other close relationship (e.g. friendship, previous employers etc.); or
 - a business partner or business in which the MSI Person or Board Member has an interest through ownership or influence.

Personal relationships at MSIA

- 2.6. MSIA considers personal relationships between senior managers and others within the organisation to be potential conflicts. While such relationships are permitted, they must be declared, documented and the appropriate action taken to ensure that there is no actual or potential bias, or perceived bias. Senior managers must never have a family member as a direct report, or be in a position where they contribute, or appear to contribute, to a family member's performance review.

3. Declaring and Documenting Conflicts

- 3.1. All MSI Persons and Board Members must declare a conflict of interest as soon as they are aware of any possibility that their personal or wider interests could influence, or be seen to influence, a decision-making process. This conflict of interest must be documented in the Conflicts of Interest Register.
- 3.2. When deciding if an association with a connected person or organisation (see section 1 above) should be disclosed, the MSI Person or Board Member should consider the situation from the perspective of an outsider. Could the nature of such association lead to an allegation of a conflict of interest? If so, the MSI Person or Board Member should act in an open and transparent manner and declare the conflict. This will should help to alleviate or avoid potential misunderstandings.
- 3.3. Two types of declaration should be made and documented:
- Annual declarations
 - 'Decision' or 'transaction' specific declarations.

Annual declarations

Making annual declarations

- 3.4. All senior and key MSI Persons and Board Members must declare, at the start of each year, that:
- they have no conflicts of interest; or
 - they have one or more conflicts of interest, and give details of what that /those conflict(s) is/are.

If their situation changes, they will need to update their declarations in the course of the year.

- 3.5. The following people are considered to be “senior and key MSI Persons”:
- MSI Persons in executive teams and senior management teams
 - MSI Persons who are directors and who are not part of the teams mentioned above or Board Members
 - All MSI Persons in procurement teams
 - Any other MSI Person considered likely to be subject to potential conflicts by Board Members or senior management teams.

See the Appendix to this Policy for examples of annual declarations.

Documenting annual declarations

- 3.6. Senior and key MSI Persons and Board Members must communicate their declarations to the CEO, or the Finance Director, using an agreed mechanism (e.g. via email, formal form, etc.). The CEO will ensure that:
- any declarations of conflicts of interest by senior and key MSI Persons and Board Members are disseminated to relevant heads of departments and other Board Members, respectively, so that all relevant people are aware of these conflicts and can ensure that appropriate action is taken if necessary; and
 - the annual declarations, including “no conflicts” declarations, are documented in the Conflicts of Interest Register – see Template: Conflicts of Interest Register.
- 3.7. Declarations of new senior and key MSI Persons and new Board Members will be documented in the Conflicts of Interest Register at the start of their employment or engagement.

‘Decision’ or ‘transaction’ specific declarations

Making ‘decision’ or ‘transaction’ specific declarations

- 3.8. All MSI Persons or Board Members who:
- are part of a committee or board making a decision, for example on contractual commitments (e.g. finance staff taking part in the selection of a supplier), or
 - can influence any decision-making process (e.g. HR staff screening CVs),

must declare to the person leading the decision-making process, or to their line manager (in the case of MSI Persons), or the Chairperson of the Board (in the case of Board Members), any conflict of interest that arises as a result of the decision-making process, and they must do so as soon as they become aware of the conflict.

At the commencement of every Board Meeting, all Board Members must declare any potential conflicts of interest that may impact the Board's decision-making processes.

See the Appendix to this Policy for examples of declarations of 'decision' or 'transaction' specific conflicts.

Documenting 'decision' or 'transaction' specific declarations

- 3.9. The person to whom a 'decision' or 'transaction' specific conflict is declared must ensure that the conflict is documented in the Conflicts of Interest Register.
- 3.10. If an MSI Person or Board Member is aware of any undeclared conflict of interest affecting another MSI Person or Board Member, they must notify:
 - a) the CEO, where the person notifying is an MSI Person, or
 - b) the Chairperson of the Board and the CEO, where the person notifying is a Board Member.

4. Taking Steps to Avoid Biased Decision-Making

- 4.1. If a conflict of interest can influence, or appear to influence, the decision-making process, the MSI Person or Board Member with the actual or potential conflict must step aside from the process, or the relevant MSI Entity must stop working with the relevant connected person or organisation (see section 1 above). In the case of a Board Member with a conflict, this may mean that, in the relevant board meeting, he/she cannot participate in discussions, or vote, on the subject to which the conflict relates.
- 4.2. If withdrawal or removal is not possible, because other policies will be affected (e.g. segregation of duties, minimum number of bids etc.), or it would significantly affect the efficiency of the relevant MSI Entity's operations (e.g. the two people in a relationship are key staff etc.), the MSI Person leading the relevant decision-making process must bring the case to the CEO or Finance Director, in order to set up alternative arrangements that ensure the best interests of the MSIA are safeguarded.
- 4.3. The avoidance action that is taken in each situation, its justification and the relevant authorisations will be:
 - included in the records relating to the relevant decision-making process; and
 - documented in the Conflicts of Interest Register.

5. Maintaining the Conflicts of Interest Register

- 5.1. It is the responsibility of the CEO to ensure that the Conflicts of Interest Register is kept up-to-date throughout the year, and to maintain written records of any action taken to avoid biased decision-making.
- 5.2. The Conflicts of Interest Register, containing the annual and transaction- or decision- specific declarations, will be signed at the end of the year by the CEO, confirming that this Policy has been followed and MSIA's interests have been appropriately protected. This Register should then be sent to the Legal and Donor Compliance Team in London: legal@mariestopes.org.
- 5.3. The CEO can delegate to other members of staff the maintenance of the Conflicts of Interest Register. However, they remain ultimately responsible for its accuracy and completeness.

6. Related Policies

Appendix: Examples of Conflicts and Declarations

Examples of Conflicts

- An MSI Person is a member of a procurement committee and has an interest in a business that may be awarded a contract to do work for, or provide services to, the MSI Entity for which the MSI Person works.
- An MSI Person is a member of the HR team that is making a decision on a role that has been applied for by a relative or friend of that MSI Person.
- An MSI Person has an interest in another organisation which is competing for the same funding as the MSI Entity for which the MSI Person works.
- A senior MSI Person has a relative working in the same MSI Entity (raising perceptions of bias and favouritism).

Annual Declarations

- The Head of Human Resources declares that her daughter works as the Country Director's personal assistant.
- A Board member declares that he is the father of the owner of one of three pharmaceutical distributors in the country.
- The Country Director declares that her husband works as a sessional doctor for the country programme.
- The Head of Procurement declares that he is a non-executive director of a manufacturer of contraceptives in the country.
- The Deputy Country Director declares that his brother-in-law is a partner in the legal department of the accountancy firm that conducts the country programme's external audit.

Decision- or Transaction- Specific Declarations

- A board meeting is held to approve a country programme's entry into an agreement for the supply of pharmaceuticals. One of the Board Members declares that the Finance Director of the supplier is his wife.
- The country programme is interviewing for a new Operations Manager. The head of the appointments panel declares that one of the applicants is the girlfriend of her son.
- A line manager is asked to preside over a disciplinary hearing. He declares that the employee in question is the ex-wife of his best friend.
- A member of the procurement team is asked about the benefits of using a new supplier to distribute IUDs
- to the country programme. He declares that his uncle is the supplier's Sales Director.
- The senior management team meet to approve a new large donor agreement. One of the members of the senior management team declares that his cousin is senior Operations Manager in the donor's local office.