

# Conflicts of Interest Policy

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## 1 PURPOSE

The purpose of this Policy is to encourage the disclosure of potential conflicts of interest in order to protect the integrity and reputation of the IFS. The IFS strongly encourages staff to seek advice where necessary.

This Policy applies to all IFS employees. This Policy also applies to Trustees and any individual actively involved in the work of IFS. Those to whom the policy applies will be made aware of the policy and will be encouraged to report any conflict of interest between the interests of the IFS on the one hand, and personal, professional, and business interests on the other so that they may be appropriately managed. The policy seeks to promote the management of the perception of conflicts of interest as well as actual conflicts.

It is the responsibility of each individual to recognise situations in which a conflict of interest might arise, or which might reasonably be seen by others to involve a conflict, and to disclose that actual or perceived conflict by taking the appropriate steps identified in this Policy.

## 2 WHAT IS A “CONFLICT OF INTEREST”?

A conflict of interest arises where there is an actual or potential risk or a perceived conflict of commitments between acting in the best interests of the IFS and formal and/or informal commitments, obligations or undertakings to another body/association/affiliation in relation to the same or related matters, and those duties conflict.

A conflict of interest may arise where an individual might be seen to be influencing IFS matters for actual or potential personal benefit. Such a conflict may arise in a situation when a member of staff is in a position to influence, directly or indirectly, IFS business, research or other decisions in ways that could lead to gain for them, their family or others.

No one should be involved in making decisions in relation to their commitments to the IFS from which they, or anyone with whom they have a close financial or personal relationship, stands to personally benefit.

Examples of situations in which conflicts of interest, both for financial or personal gain, include:

- a) Where there is, or there is the potential for there to be, personal gain or gain to immediate family/close contact/associate;
- b) Where there is, or there is the potential for there to be, any financial gain which may be seen to influence action or decision making; and
- c) Where an individual is in a position to directly or indirectly enhance their career or the career of others with whom they are personally associated.

The individual concerned should also consider the perspective of an independent external observer and whether they would perceive there to be a conflict of interest.

## **2.1 When should a potential conflict of interest be declared?**

All individuals to whom this policy applies should disclose any conflict of interest or potential perception of conflict of interest as soon as they are aware of it. As such, a declaration of a conflict of interest should be made at the time the conflict first arises or when it is first recognised that a conflict might be perceived.

While an interest may not necessarily give rise to a conflict, in the interests of transparency, it should be declared.

## **3 HOW TO DECLARE AN INTEREST**

Whilst it is primarily the duty of the individual to declare interests, others, such as a manager, may become aware of conflict of interest and should make a declaration.

### **3.1 To declare an interest**

a) An *individual* – A declaration can be made in writing to the Head of Finance. The Head of Finance will ensure that an accurate central register of interests is maintained.

b) At any *meeting of the Trustees or Council* – At the start of the meeting, members should declare any conflict or potential conflict of interest that may arise in the course of the meeting. Any members that become aware of a conflict that they have not declared at the start of the meeting should do so as soon as they become aware of the conflict. The minutes of each meeting should record whether or not any conflicts were declared. The Chair of the meeting should decide if any declarations should lead to the member excusing themselves from all or part of the meeting. If the Chair has a conflict, an alternative member should act as Chair for the item.

*Trustees:* All trustees have a legal duty to act only in the best interests of the IFS. As such, there is a duty to not put yourself in any position where your duties as trustee may conflict with any personal interest that you may have. All trustees have a legal duty to avoid conflicts of interest under section 175 of the Companies Act 2006.

The Declaration of Interest register will be maintained by the Head of Finance. This will include details of the facts, who undertook the assessment and how, and what action was taken as a result. The register is here (restricted access) S:\Administration\Personnel\Employees\AA Register of Other Activities and possible Conflicts

Staff should use the form provided to declare an interest:

[https://intranet.ifs.org.uk/share/page/site/ifs-net/wiki-page?title=Declaration\\_of\\_Interest](https://intranet.ifs.org.uk/share/page/site/ifs-net/wiki-page?title=Declaration_of_Interest)

### **3.2 What happens when you declare an interest?**

The Head of Finance reviews all declared potential conflicts of interest to determine what, if any further action is required. Several factors may need to be considered. These include:

- a) the type or size of the other interest;
- b) how closely the two interests concern each other;
- c) the magnitude of the potential effect of one on the other;
- d) the nature or significance of the particular decision or activity being carried out;

- e) the extent to which the individual's other interest could specifically affect, or be affected by, the IFS's decision or activity;
- f) the nature or extent of the individual's current or intended involvement in the IFS's decision or activity; and
- g) the seriousness of the potential conflict.

In the instance that the overlap of two or more interests is so slight that it does not constitute a real conflict of interest, for example, where the connection between the interests is remote or insignificant, then it may be determined that such interests are not a conflict of interest.

## **4 POTENTIAL OUTCOMES**

### **4.1 No conflict exists**

Where it is determined that there is no conflict of interest, this should be formally recorded by the Head of Finance.

### **4.2 Conflict does exist**

Once a conflict of interest is declared, the Director will determine the appropriate resolution. This may include requesting that the individual:

- a) be permitted to continue, where the conflict is considered to be insignificant;
- b) request the consent from all affected parties that they can continue with their involvement;
- c) seek a formal exemption to allow participation (if such a legal power applies);
- d) is subjected to additional oversight or review over their activity in relation to the particular project;
- e) withdraw from any discussions in relation to the particular project;
- f) withdraw from making any decisions in relation to the particular project;
- g) refer the decision, tasks or duties to others; or
- h) to stand aside from any involvement in the particular project.

In the rare circumstance where an individual's involvement is absolutely necessary, it may be concluded that the individual can continue to act despite the conflict of interest. However, appropriate steps should be taken to manage the conflict of interest.

## **5 TYPES OF INTEREST TO BE DECLARED**

The exact nature of the interest will vary according to personal circumstances but the following are examples of interests which should be declared if relevant to IFS duties:

- company: any relationship with a named company with which the IFS might do business. Such interests would include:
  - ownership or part ownership;
  - share-holdings or other beneficial interest such as options, warrants etc. (Only share-holdings above the 3% notifiable level need be declared);
  - directorships;

- paid employment, specifying position held (a lower limit of £1,000pa);
- partnership, consultancy, or close family connection.
- self-employment: names of any client accounting for more than 5% of your total annual earned income;
- charities: trusteeship or governorship of or employment with, any charities or voluntary organisations;
- public appointments: paid or unpaid;
- memberships: membership of professional bodies, trade or other association, or external bodies;
- close family links: specified close family interest in any of the above.

## 5.1 Exclusions

The activities listed below are exempt from IFS's Conflict of Interest policy. You do not require permission to undertake the exempt activities listed below, nor do you need to declare these:

- Acting as a referee, assessor (e.g. an external examiner of a PhD viva) or moderator;
- The production of scholarly works such as books, articles and papers;
- Membership of residents' association;
- Non-active membership of a political party;
- Member of a charity, unless you are a board member or trustee, or where there is a link between the charity and work carried out by the IFS;
- Shareholding in companies, unless such shareholding is >3% AND is relevant to IFS duties (including a company which may engage in business with the IFS).

## 6 FAQs – Conflicts of Interest

As a new IFS employee, do I need permission to continue with any external interests that I have prior to my IFS employment?

Yes, prior to commencing employment or as soon as possible thereafter, new members of staff are required to seek approval from their Head of Sector or delegated line manager to continue with these where necessary.

As a full time or part time employee it is my intention to work for another organisation, do I need to seek permission for this?

Yes, permission is required to ensure this does not impact on the delivery of or conflict with your role and responsibilities at the IFS.

Is there a minimum number of days that have to be declared?

All days must be declared.

I am a shareholder in a company. Do I need to declare this?

You need to declare shareholdings greater than 3% in any company which may engage in business with the IFS.

Once authorisation is given for an external interest, does this need to be re-authorised if the interest goes on for more than a year or evolves into a different interest?

If permission is granted for an interest that extends beyond a year, then it does not need to be re-authorised, but it must be declared for its duration. However, if that interest evolves into a different interest or requires an extension, permission must be sought for that.

The external interest I am seeking permission for is sensitive. Once I have submitted an approval request, who has access to this information?

Access to the ‘Register of Interests’ is limited

Do I need to declare if I am a Member of a Research Council/Professional Body/ Royal Society/Committee?

Yes, you are required to declare these positions.

## 7 Policy review

### 7.1 Summary of reviews

Date	Reviewed by	Issues found	Action taken	Notes
18/10/2022	EH	N/A	N/A	Reviewed policy but no changes needed.
28/9/23	EH	N/A	N/A	Reviewed policy but no changes needed.

### 7.2 Log of changes made

Date	Changes made	Changes made by	Major or minor change?	Approved by (major changes only)