

Conflict and Competing Policy and Procedure

2025 26

Conflict and Competing Interests Policy

MI ComputSolutions trading as MI Skills Development Centre (MISDC)

1. Introduction

This policy applies to all MISDC employees, contract staff, volunteers, and Board/Advisory members. It aims to ensure that the business of the organisation is conducted with integrity, transparency, and accountability. As a not-for-profit organisation, MISDC is accountable to a range of stakeholders and the organisation considers conflicts of interest carefully. MISDC works in sensitive areas, involved with large sums of money, or subject to a high level of scrutiny, and we may need to be extra vigilant. MISDC Conflict of Interest policy in place is to find a balance between accountability and unwarranted intrusion into the affairs of their employees. MISDC recognise the potential for conflicts and competing interests to arise and is committed to managing them effectively.

Rationale and importance of a policy on conflicts of interest

Conflicts of interest cannot be avoided altogether, hence, organisation has developed a policy to manage them effectively, when they arise. The existence and application of a conflicts of interest policy will serve as a means of demonstrating good practice and governance under external scrutiny. A properly implemented policy will support the organisations and employees in establishing that they have acted in the organisation's best interest.

2. Purpose

The purpose of this policy is to promote the disclosure and appropriate management of actual, potential, or perceived conflicts of interest. It protects the integrity of MISDC's decision-making processes, supports stakeholder confidence, and safeguards the reputation of the organisation and its staff.

3. Scope

This policy applies to all MISDC employees, volunteers, contractors, and Board/Advisory members.

4. Definition

A conflict of interest occurs when an individual's personal, financial, or other interests could interfere with their ability to make impartial decisions in their role within the organisation.

Conflicts may be:

Actual – the conflict already exists

Potential – a conflict may arise in the future

Perceived – there appears to be a conflict, even if none exists

4a. Competing Interests

In addition to conflicts of interest, all individuals must also be aware of any ***competing interests*** that may impact on their role within the organisation.

A competing interest arises when an individual has obligations or loyalties that may compete with the interests of the organisation, potentially affecting impartiality, credibility, or public trust.

Examples of competing interests include:

- Serving on the board of a competing training provider
- Holding a role in another organisation with overlapping beneficiaries or funders
- Engaging in advocacy or lobbying that conflicts with the organisation's mission or contracts

Staff must disclose all competing interests as they arise and ensure transparency in any potentially conflicting situations and sign the **Confidentiality Declaration**.

5. Definitions of Conflict of Interest

A conflict of interest is any situation where an individual's personal interests or obligations to another body may compromise or appear to influence decisions made on behalf of MISDC.

Types of conflicts include:

- **Conflict of Interests:** A conflict of interest arises where there is an actual or potential risk or a perceived conflict in duties between acting in the best interests of the organisation and formal and/or informal commitments, obligations or undertakings to another body/association/affiliation in relation to the same or related matters;
- **Conflict of Loyalty:** where overlapping personal interests or loyalties could, or be perceived to, prevent an individual from making a decision only in the best interests of the organisation;

employees may have competing loyalties between the organisation to which they owe a primary duty and some other person or entity.

- **Conflict of Commitment:** where an individual's engagement in outside professional activity, paid or unpaid, involves a commitment of time that may conflict with their role and obligations to the organisation.

Upon appointment all employees, contractors, and volunteers will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest or competing interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

In the course of meetings or activities, , managers, contractors, volunteers and staff members will disclose any interest in a transaction or decision where there may be a conflict between the organisation's best interests and the individual's best interests or a conflict between the best interests of two organisations that the contractor, manager, volunteer or member of staff is involved with. If in doubt, the potential conflict must be declared anyway and clarification sought.

In the case of a conflict of interest arising from a contractor, manager or member of staff because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the memorandum or the articles, and all other potential conflicts of interest, the advice of a legal representative and/or appropriate statutory agency will be sought and the advice recorded in the minutes. All steps taken to follow the advice will be recorded.

Where a member of staff teaching, assessing or internally quality assuring a qualification is related to or known to a learner, in general, the learner would be placed with a different teacher, or a different assessor or internal quality assurer will mark and check the work. If this is not possible, additional scrutiny of the learner's work would take place. 100% sample of the work would be completed by the internal quality assurer and, where the conflict of interest is with the IQA, the IQA records would be checked by the Curriculum Delivery Lead or Head of Programmes. Details of the conflict of interest would be logged with the Curriculum Lead and made available to the awarding organisation on request.

Where a member of staff is undertaking a qualification which would be delivered, assessed or internally quality assured by members of the MISDC team, the work would be subject to 100% internal quality assurance sample and the IQA would be checked by the Curriculum Lead or Head of Programmes. The awarding organisation must be made aware that members of staff are completing the qualification prior to the start of the course. Once approval is given by the awarding organisation, details of the conflict of interest will be logged with the Head of Programmes and made available to the awarding organisation on request.

5a. The most common types of conflict include:

Direct financial interest: - when an employee obtains a direct financial benefit, for example:

1. the award of a contract or assignment to a company with which an employee is involved
2. the sale of property, equipment, or other assets at below market value to an employee

Indirect financial interest: - this arises when a close relative, friends of an employee benefits from the organisation, for example:

The awarding of a contract to an employee's family member or friends

Non-financial or personal conflicts: – occur where employees receive no financial benefit, but are influenced by external factors, such as:

1. influencing decisions on service provision to their own advantage, perhaps because they use the organisation's service themselves or care for someone who does
2. to gain some other intangible benefit or kudos
3. awarding contracts to friends

6. Identifying potential conflicts of interest

A key means of preventing conflicts of interest from affecting decision making is to identify potential conflicts in advance. This gives time to consider the implications and to respond appropriately. To ensure that the organisation remain in an optimal position to manage any real or perceived conflict, it should be standard practice to ask for any such declarations at the start of employment and on a regular basis thereafter.

Employees should be directed to report potential conflicts at any time that these may arise.

It is, therefore, essential that all employees are fully aware that they must act in the best interests of the organisation alone.

The interests of the beneficiaries (service users) and those of the organisation will - for the most part - be consistent or complementary, but on the occasions where a conflict does arise, the responsibility of all employees is to the organisation. This includes any access that employees may gain to confidential or privileged information by virtue of their role. All employees should remain alert to the fact that whatever information they acquire in their role should remain confidential and not be used to the advantage of themselves, any external individual, or entity.

Occasionally there may be cases where an apparent conflict is in the organisation's best interests. While employees may well act with integrity, the mere appearance of a conflict can be damaging to both the organisation and its employees, so conflicts need to be managed effectively.

We an organisation operates a **code of conduct for employees**; it is essential that the document is consistent with and supports the conflicts of interest policy and vice versa

By asking employees to declare their interests and keeping a register of such interests, organisations can monitor potential conflicts of interests on a continuous basis. A policy on the management of conflicts of interest will inform employees and interested parties how any conflict will be dealt with and provide a framework for leadership decision-making when conflicts do arise.

6a. Identifying and Declaring Interests

All individuals must declare any interests that may conflict with the interests of MISDC. This includes financial, non-financial, direct or indirect interests. Declarations must be made upon appointment and updated annually or when material changes occur.

To ensure transparency and accountability, the following roles and responsibilities apply to the management of conflicts of interest:

- The **HR Manager** is responsible for maintaining the **Conflict-of-Interest Register** and for receiving and recording all declarations.
- Declarations of interest will be **reviewed** by the HR Manager and, where necessary, the individual's line manager or the Company Secretary.
- Decisions about whether a disclosed interest constitutes a conflict and what mitigation or action is required will be made by the **Company Secretary**, with an oversight from the **CEO**

Declaration of interests

Potential and new employees should be informed that they will be expected to declare their interest on appointments and subsequently, when they arise. They should also be provided with a copy of the conflicts of interest policy, preferably before appointment. If the potential employee is concerned about a possible conflict of interest, they should view the policy and discuss the matter with the HR Manager and Managing Director before agreeing to take up the position.

On appointments, employees should be asked to complete a declaration of interests. New employees may be uncertain as to what comes under this heading (in which case they should consult the HR Manager), but as they gain more experience within the organisation, their understanding of exactly what constitutes a potential conflict will develop. The declaration of interests needs to be updated whenever any material changes occur and reviewed on a regular basis – **at least annually**.

Examples of Other Conflicts of Interest

Other Examples of conflicts of interest include but are not limited to:

- Personal relationships with learners, staff, or contractors
- Personal financial interest in a supplier or partner organisation
- Outside work or business that competes or conflicts with your organisational duties
- Use of organisational resources for personal gain
- Teaching or assessing a relative or close associate.
- Holding shares in a business contracted by MISDC.
- Making decisions affecting a service you or a family member use.
- A manager or staff member who is also a user and who must decide whether fees from users should be increased.
- A manager or staff member who is related to a member of staff and there is a decision to be taken on staff pay and/or conditions.
- A manager or staff member who is also on the committee of another organisation that is competing for the same funding.
- A manager, volunteer or staff member who has shares in a business that may be awarded a contract to do work or provide services for the organisation.
- A teacher who is related to, or is a friend, colleague, manager or employer of a learner, teaching and assessing a learner.
- A member of staff undertaking a qualification which is being delivered, assessed and internally quality assured by other members of staff employed by MISDC.
- Upon appointment all employees, contractors, and volunteers will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest or competing interest. This written disclosure will be kept on file and will be updated annually or as appropriate.

7. Teaching, Assessing, and IQA Conflicts

Special procedures apply when staff are involved in the assessment or internal quality assurance of learners to whom they are connected. In such cases, additional scrutiny will apply, and awarding organisations will be informed where necessary.

Any conflict of interest that intersects with **safeguarding responsibilities**, for example, where personal relationships could compromise professional judgment must be reported immediately in accordance with **MISDC's Safeguarding Policy**.

8. Managing contracts

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

9. Dangers of conflicts of interest

If employees allow factors such as other external interests to influence their decision-making, they may make decisions that are not in the organisation's best interest. This could be costly to them and damage the work and reputation of the organisation.

The most common dangers arising out of a conflict of interest are:

- poor decision-making
- unfair, biased or inappropriate actions
- legal challenge
- loss of trust within the organisation
- reputational damage

All Conflicts and Competing Interest must be disclosed using the form at Appendix A and submitted to the HR Manager.

9a. What to do if you face a conflict of interest

If you believe you have a perceived or real conflict of interest, you should:

- declare the interest at the earliest opportunity
- withdraw from discussions relating to the conflict.

The company secretary should take special care to ensure that minutes or other documents relating to the item presenting a conflict are appropriately redacted for the person facing the conflict. A balance needs to be made to ensure that the person still receives sufficient information about the activities of the organisation generally without disclosing such sensitive information that could place the individual in an untenable position.

9b. Conflicts at Board Level

Where a conflict of interest arises at Board or Advisory level:

The affected Board or Advisory member shall declare the conflict at the earliest opportunity.

- The affected member shall **not participate in discussion or voting** on matters related to the conflict.
- The conflict and any mitigation actions will be formally recorded in the Board or Committee minutes and/or Board reports.
- Where sensitive information is discussed, minutes or documents may be appropriately **redacted** for the conflicted member to protect confidentiality while ensuring transparency.

10. Managing conflicts

Employees have a multiplicity of interests, personal, domestic and professional, that may, on occasion, compete with those of the organisation. It is almost impossible to avoid conflicts altogether, particularly in the context of organisations seeking to appoint senior staff with skills and experience of the wider community.

If conflicts cannot be avoided, they need to be managed effectively by having in place a policy relating to conflicts of interest and implementing it consistently and transparently.

Where a member of MISDC's staff is connected to a party involved in the supply of a service or product to the organisation, this information will be fully disclosed in the annual report.

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

Procedures for Managing Conflicts

Where a conflict of interest arises, it must be disclosed using the Declaration of Interest Form (Appendix A). Affected individuals must recuse themselves from related decision-making. Conflicts will be recorded and monitored by the HR Manager, with oversight by the Company Secretary and CEO.

11. Data Protection

All data related to conflicts of interest will be managed in line with the Data Protection Act 2018 (GDPR). Personal information will be handled securely and only accessed by authorised personnel.

12. Consequences of Non-Compliance

Failure to disclose or manage a conflict of interest may result in disciplinary, dismissal or legal action. It could also lead to reputational damage or a breach of public trust.

Employees are encouraged to declare potential conflicts early, even where they are unsure if a conflict exists.

No one will be disadvantaged or penalised for declaring a conflict in good faith. Concerns about undeclared conflicts may be raised confidentially and without fear of reprisal through MISDC's Whistleblowing Policy.

13. Legal Framework

This policy aligns with the Companies Act 2006 and Charity Commission guidance. Directors must avoid conflicts and may need to seek authorisation or approval for certain transactions.

In line with **Public Funding Compliance** (e.g., DfE, GLA, or other relevant bodies), MISDC will make declarations of interest available for **audit purposes** and will report material conflicts to funders or auditors where necessary.

14. Monitoring and Review

The policy will be reviewed annually and updated as necessary to remain compliant with legal obligations and sector best practice.

Annual training on recognising and managing conflicts of interest will be provided to all staff. This will include updates on policy changes and case studies to support understanding and compliance.

Appendix A – Declaration of Interests Form

Personal Information

Full Name: _____

Position/Role: _____

Date: _____

Declaration of Interests

In accordance with MISDC's **Conflict and Competing Interests Policy**, you are required to declare any actual, potential, or perceived conflicts or competing interests that may affect your ability to act in the best interests of MISDC.

Please complete the sections below. If you are unsure whether something constitutes a conflict, **declare it anyway** or seek guidance from the HR Manager.

1. Financial Interests

Do you, a family member, or close associate have a financial interest in any supplier, contractor, partner, or competitor of MISDC?

(e.g., ownership of shares, directorship, employment, contract, or property)

☐ **Yes**

☐ **No**

If yes, please provide details:

2. Non-Financial or Personal Interests

Do you, a family member, or close associate have any personal or professional relationships, obligations, or roles that may influence your decisions or actions at MISDC?

(e.g., personal relationships with learners or staff, involvement with competing organisations, teaching or assessing a relative, etc.)

☐ **Yes**

☐ **No**

If yes, please provide details:

3. Conflict of Loyalty or Commitment

Do you hold any roles, responsibilities, or obligations (paid or unpaid) outside MISDC that may compete with or compromise your role within MISDC? (e.g., serving on the board of another organisation, advocacy conflicting with MISDC mission, excessive external commitments affecting your availability)

☐ **Yes**

☐ **No**

If yes, please provide details:

4. Other Potential or Perceived Conflicts

Is there any other situation that might reasonably be perceived as a conflict of interest or competing interest, even if you believe it does not influence your decisions? (e.g., using organisational resources for personal gain, decision-making in areas where you or a family member are service users)

☐ **Yes**

☐ **No**

If yes, please provide details:

Acknowledgement

I confirm that the above information is complete and accurate to the best of my knowledge.

I undertake to notify the HR Manager of MISDC **immediately** if any material changes to these interests occur.

I understand that failure to disclose or properly manage a conflict of interest may result in disciplinary action.

Signature: _____

Date: _____

Reviewed by (HR Manager): _____

Date: _____

For Office Use Only:

- Logged in Register of Interests: ☐ Yes / ☐ No
- Additional Action Required: ☐ Yes / ☐ No
- If yes, specify: _____