Conflict of Interest Policy

PRN-33 Conflict of Interest Policy

Company Name: AI Auto-Tech Ltd

Trading/Business Name: Trusted Companionship

Company Registration Number: 15556946

SIC Code: 88100 – Social Work Activities Without Accommodation for the Elderly and Disabled

Email: info@trustedcompanionship.com

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Purpose

The purpose of this policy is to establish a framework for identifying, declaring, managing, and monitoring conflicts of interest to ensure organisational decisions are made fairly, objectively, and in the best interests of the organisation.

The organisation is committed to maintaining integrity, transparency, accountability, and public confidence. The effective management of conflicts of interest helps protect organisational reputation, supports ethical decision-making, and reduces legal and governance risks.

Scope

This policy applies to:

- All employees.
- Directors, trustees, governors, and board members.
- Senior leaders and managers.
- Volunteers and agency personnel.
- Contractors, consultants, and advisors.
- Individuals acting on behalf of the organisation.

This policy applies to all organisational activities, decision-making processes, procurement activities, recruitment processes, and business relationships.

Policy Statement

The organisation recognises that conflicts of interest may arise from personal, financial, professional, family, or other relationships.

All individuals covered by this policy must:

- Act in the best interests of the organisation.
- Avoid situations where personal interests improperly influence professional decisions.
- Declare actual, potential, or perceived conflicts of interest promptly.
- Cooperate with measures implemented to manage conflicts.
- Maintain transparency in decision-making processes.

Failure to disclose a conflict of interest may result in disciplinary action and, where appropriate, legal or regulatory consequences.

Responsibilities

Board of Directors / Trustees

The Board is responsible for:

- Approving this policy.
- Promoting ethical governance practices.
- Reviewing significant conflict of interest disclosures.
- Ensuring appropriate conflict management arrangements are in place.

Senior Management

Senior Management shall:

- Implement and monitor this policy.
- Ensure conflicts are identified and assessed appropriately.
- Promote a culture of openness and transparency.
- Maintain suitable reporting and recordkeeping arrangements.

Line Managers

Line Managers are responsible for:

- Encouraging timely disclosure of conflicts.
- Reviewing declarations within their areas.
- Escalating significant concerns.
- Supporting appropriate conflict management measures.

Employees and Representatives

All individuals covered by this policy must:

- Declare conflicts promptly.
- Update declarations when circumstances change.
- Refrain from participating in decisions where conflicts exist.
- Comply with conflict management requirements.

Governance or Compliance Function

The designated governance function shall:

- Maintain conflict of interest registers.
- Provide guidance on conflict management.
- Monitor compliance.
- Support investigations where required.

Procedures / Standards

1. Types of Conflict of Interest

Conflicts may include:

Actual Conflict

A direct conflict exists between an individual's personal interests and organisational responsibilities.

Potential Conflict

A situation may develop into a conflict in the future.

Perceived Conflict

A reasonable person could believe a conflict exists, even if no improper influence occurs.

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2. Examples of Conflicts of Interest

Examples include:

- Participating in recruitment involving a family member.
- Awarding contracts to a business owned by a friend or relative.
- Holding an external role that competes with organisational interests.
- Receiving gifts, benefits, or hospitality that may influence decisions.
- Having a financial interest in a supplier or service provider.
- Using organisational information for personal gain.

These examples are not exhaustive.

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3. Declaration Process

Individuals must disclose conflicts:

- Upon appointment or engagement.
- Annually, where required.
- Whenever circumstances change.
- Before participating in relevant decisions.

Declarations should be submitted using approved organisational procedures and forms.

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4. Assessment of Conflicts

Declared conflicts shall be assessed according to:

- Nature of the interest.
- Degree of risk.
- Potential impact on decision-making.
- Reputational implications.
- Legal and regulatory obligations.

The assessment shall be documented appropriately.

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5. Managing Conflicts

Management actions may include:

- Recording the conflict.
- Limiting involvement in relevant matters.
- Restricting access to information.
- Independent oversight or review.
- Withdrawal from discussions.
- Exclusion from decision-making processes.
- Reassignment of responsibilities where necessary.

The chosen approach shall be proportionate to the identified risk.

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6. Conflict of Interest Register

The organisation shall maintain a register containing:

- Declared conflicts.
- Risk assessments.
- Actions taken.
- Review dates.

Registers shall be reviewed periodically to ensure accuracy and completeness.

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7. Failure to Declare

Failure to disclose a conflict may result in:

- Formal investigation.
- Disciplinary action.
- Governance review.
- Contractual remedies.
- Referral to relevant authorities where required.

8. Training and Awareness

The organisation shall provide:

- Policy awareness programmes.
- Governance training.
- Manager guidance.
- Periodic refresher training.

Training shall reinforce responsibilities and reporting expectations.

Case Study

Scenario

A manager is part of a panel evaluating bids for a service contract. One of the companies submitting a bid is owned by the manager's sibling.

Risk

The manager's family relationship may influence, or appear to influence, the procurement decision, creating a conflict of interest and potential reputational risk.

Required Action

The manager should:

1. Declare the relationship immediately.
2. Record the conflict through the approved process.
3. Withdraw from procurement discussions and decision-making.
4. Allow an independent panel member to undertake the evaluation role.

Outcome

The procurement process remains transparent, fair, and defensible. Stakeholder confidence is maintained, and allegations of bias are avoided.

Monitoring and Quality Assurance

The organisation shall monitor compliance through:

- Conflict of interest register reviews.

- Internal audits.
- Governance reviews.
- Procurement oversight activities.
- Recruitment process reviews.
- Management assurance reporting.
- Investigation outcomes.

Corrective actions shall be implemented where deficiencies are identified.

Review Arrangements

This policy shall be reviewed:

- Every two years; or
- Earlier where regulatory requirements, governance expectations, or operational arrangements significantly change.

The review shall consider:

- Emerging risks.
- Compliance outcomes.
- Audit findings.
- Stakeholder feedback.
- Lessons learned from conflict management cases.

Related Policies

This policy should be read in conjunction with:

- Code of Conduct Policy
- Anti-Bribery Policy
- Fraud Prevention and Detection Policy
- Procurement and Purchasing Policy
- Gifts and Hospitality Policy
- Whistleblowing Policy

- Governance Framework Policy
- Risk Management Policy
- Recruitment and Selection Policy