

**Agenda Item 2.2: Conflict of Interest Policy for IPPF's Governing Bodies****Summary:**

The Board of Trustees approved in December 2021 the principles that shall guide the management of conflicts of interest within IPPF the governing bodies. This policy builds on those principles and includes various components common to all newly developed IPPF policies.

Procedures related to senior staff and other managers are covered in an existing document that guides the management of conflict of interest among employees.

**Action Required:**

The Board of Trustees is requested to **review and approve** the proposed policy

## **Proposed policy 1.24:**

### **Conflict of Interest Policy for IPPF's Governing Bodies**

#### **Introduction**

1. IPPF has a responsibility to ensure that it always acts in the best interests of its stakeholders (clients, supporters, volunteers, staff, etc). This includes ensuring that for all members of IPPF governing bodies (Nominations and Governance Committee-NGC, Board of Trustees-BoT, Board's Committees, etc.) personal interests or loyalties do not prevent them from deciding in the best interests of the Federation.
2. Conflict of interest cases can damage the reputation, confidence, and trust of the Federation's clients, supporters, volunteers, staff, donors, and the public. These harmful effects and impacts can be avoided by proactively identifying and dealing with any conflict of interest held by the Federation's trustees/Committee members.
3. As per the Charity Act 2011, Section 122, a trustee of a Charitable Incorporated Organisation (CIO) may not benefit personally from an arrangement or transaction entered by the CIO if, before the arrangement or transaction was entered into, the trustee did not disclose to all the charity trustees any material interest (whether direct or indirect) which the charity trustee had in it or any other person or body party to it. Hence, the UK Charity Commission (CC) expects each trustee to take appropriate, timely steps.

#### **Purpose and Scope**

4. The purpose of the conflict of interest policy is to ensure that the integrity and reputation of the governing bodies of IPPF are not compromised. IPPF is committed to ensuring transparency in its governance practices and processes and complying with legal requirements. This policy sets out IPPF's approach to managing actual, perceived, and potential conflict of interest.
5. The board of trustees and committees must act in the best interest of the Federation. Hence, this responsibility passes down to all members of IPPF Governing Bodies.
6. Wherever the policy refers to IPPF's Governing Bodies, it applies to Nominations and Governance Committee, Board of Trustees, Board Committees, etc. It does not cover IPPF's Member Associations or any other partnerships.
7. This policy sets guidance for IPPF's staff and members of the governing bodies to initiate and implement the conflict of interest policy. The standard form "Declaration of Material Transactions and Interests" will be used alongside this policy.
8. The trustees/committee members must share the conflict-related information in a timely way – generally at the start of every year and any time when any change affects the previously declared status reported to governance authorities.

## Definitions

9. **Trustee** means a person who is serving within IPPF's board of trustees as a voting member. The board of trustees has ultimate responsibility for overseeing the activities of IPPF Secretariat, in line with the requirements of the Charities Act, 2011 and as prescribed by IPPF Act and Regulations, its Procedural Byelaws and the relevant policies.
10. **Committee member** refers to a person either serving in IPPF's Nominations and Governance Committee (NGC) or one of IPPF's board committees.
11. **Conflict of interest** is also known as a duality of interest. A conflict, or duality of interest, concerns a member of the board/committee who has a barrier that prevents them from being impartial and loyal to IPPF. Conflicts can be nuanced and have more to do with a "duality of interests" than a financial conflict. Conflicts can arise from personal, professional, or volunteer positions or relationships. In case of such situations, it can lead to decisions that are not in the interests of IPPF.
12. **Breach of duty** occurs when a trustee/committee member fails to do something that he/she/they is/are legally or ethically responsible for.
13. **Connected person** means family, relatives, or business partners of trustee/committee member of IPPF, as well as businesses in which a trustee/committee member has an interest through ownership or influence.
14. **Violations** mean if IPPF has reasonable evidence that a trustee/committee member has failed to disclose actual or possible conflict of interest. There are two common types of conflict of interest: financial conflict and loyalty conflict.
15. **Financial conflict** means the conflict that happens when a trustee or person or organisation or any entity connected to an IPPF trustee/committee member, could get money or something else of value due to a decision from an IPPF trustee/committee member.
16. **Loyalty conflict** is beyond money or other benefits to trustees/committees members. It happens when a trustee/committee member owes or may feel loyalty towards family, friends or other people or organisations who are part of his/her/their network. It does not allow a trustee/committee member to make decisions that are not in the best interest for IPPF. For example, when a global trustee/committee member serves on a national board, it can be a reason for a loyalty conflict if IPPF's interest is not prioritised over the national organisation.
17. **Expenses** mean refunds by IPPF of legitimate payments that a trustee/committee member has had to meet personally in order to carry out his/her/their duties. They are reasonable costs normally supported by bills or receipts, except where it is impractical to expect this.

18. **Trustee/Committee member benefit** means any instance where money, or other property, goods, or services, which have a monetary value, are received by a trustee/committee member from IPPF.
19. **User trustee/committee member** means any trustee/committee member who makes use, as a beneficiary of IPPF, of the equipment, facilities, services, or support that are provided as part of the charitable purposes from IPPF.

### **Guiding Principles**

The conflict of interest policy for IPPF's Governing Bodies is guided by the following principles:

20. **Always act in the public interest:** All IPPF trustees/committee members must place the public interest above their private interests when carrying out their official functions.
21. **Ethics and Integrity:** IPPF expects that each trustee/committee member must demonstrate a strong commitment to integrity and ethical values and possess the highest personal and professional ethics and be committed to representing the long-term interests of the Federation and its stakeholders.
22. **Transparency:** IPPF expects from each trustee/committee member total openness when undergoing the conflict of interest process. On the other hand, IPPF commits transparency when undergoing conflict of interest management as per its transparency policy.
23. **Accountability:** All IPPF trustees/committee members must take decisions considering themselves accountable for any actual, potential, or perceived conflict of interest that apply to them.
24. **Fairness:** IPPF ensures that each trustee/committee member must be treated equally and in the same way irrespective of their role or responsibilities or positions in IPPF.
25. **Risk-based approach:** IPPF commits to a risk-based approach in assessing and managing conflict of interest risks.

### **Policy**

26. The conflict of interest policy is prepared in alignment with: 'IPPF Act and Regulations', 'Charity Commission', and the Charity Act, 2011, UK.
27. This policy applies to all IPPF's Governing Bodies and does not cover Governing Bodies of Member Associations (MAs) or IPPF's other collaborative partners. It is the responsibility of individual MAs and collaborative partners to develop their policies.
28. All trustees/committee members are duty-bound to act only in the best interests of IPPF. Each trustee/committee member of IPPF has an individual responsibility

to declare any potential conflict of interest that affects them. The onus of the timely declaration is on trustees/committee members.

29. Each trustee/committee member is to undergo the following steps at least annually. This process will be repeated when any change affects the previously declared status reported to governance authorities:
  - i. Step 1: Initiate the process
  - ii. Step 2: Identify and declare a potential conflict of interest proactively
  - iii. Step 3: Follow the laid down process and deal with a conflict of interest
  - iv. Step 4: Document and develop a brief report
  - v. Step 5: Take appropriate actions advised by the governing body of relevant authorities
  
30. Each trustee/committee member before the schedule or after the distribution of the agenda of their governing body meeting, shall declare to the meeting chair any agenda item that they may conflict with. Such declaration shall be recorded in the minutes of the meeting as well as the subsequent action taken to protect the interest of the Federation.
  
31. In cases of a conflict of interest, it may mean the trustee/committee member decides to remove the conflict by:
  - i. Recusing him/herself/themselves from the discussion or decision of a particular agenda item
  - ii. Not pursuing a course of action
  - iii. Proceeding with the issue differently so that a conflict of interest does not arise
  - iv. Not appointing a particular trustee/committee member or securing a trustee/committee member resignation
  
32. Conflict of interest often arises because a decision involves a potential trustee/committee member benefit. Where this is the case, the policy advises that:
  - i. The trustee/committee member shall recuse (or be asked to recuse) him/herself/themselves from any involvement in the decision-making process until the decision is made.
  - ii. The trustee/committee member must follow any conditions attached to the authority which say how the conflict of interest should be handled.
  
33. All trustees/committee members should formally record any conflict of interest and how they were handled in IPPF.
  
34. All trustees/committee members must make their decisions only in the best interests of IPPF. This means that they must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated.
  
35. The conflict of interest policy will be updated by IPPF from time to time.

## Implementation

36. The conflict of interest process will be initiated by completing the form designed (Annex 1) for declaring the information regarding any conflict of interest:
  - i. On the appointment of new trustees and committee members.
  - ii. At the start of each year for all trustees and committee members.
  - iii. Any time a change occurs in the status of a trustee/committee member in respect to any of the questions in IPPF's form "Declaration of Material Transactions and Interests" which is used to declare potential conflict of interest information.
  - iv. Whenever information concerning conflict of interest of a trustee/committee member is brought to IPPF's notice by any internal or external party.
  - v. Before or when any decision is to be made and the trustee/committee member becomes aware of a potential conflict of interest.
37. The conflict of interest form will be provided to trustees and committee members in IPPF's working languages for declaring the information regarding conflicts.
38. Each trustee and committee member will fill and complete the form "Declaration of Material Transactions and Interests", providing a declaration in respect to each question and signing the document accordingly. The declarations must include disclosure of actual and potential conflict of interest.
39. Completed/filled forms are to be returned to IPPF within a week of their receipt.
40. The filled form of each trustee/committee member will undergo an initial review by IPPF's governance department.
41. Where IPPF's authorities identify a potential material conflict of interest, the case will be followed up with IPPF's Legal, Risks & Assurance Team. If required, additional information will be requested from the trustee/committee member.
42. Where it is deemed that a conflict of interest requires resolution, a brief report will be submitted to the appropriate body/authority in the governance team: i.e., the Board or Committee Chair, in consultation with IPPF Honorary Legal Counsel.
43. If the conflict of interest concerns a Board Committee Chair, the matter shall be considered by the Chair of the Board of Trustees, in consultation with IPPF Honorary Legal Counsel. If the conflict of interest concerns the Chair of the Board of Trustees, the matter shall be considered by the Chair of NGC, in consultation with IPPF Honorary Legal Counsel. Similarly, if the conflict of interest concerns the Chair NGC, this will be considered by the Honorary Legal Counsel in consultation with IPPF Board Chair and IPPF Director General.

44. In consultation with the Governance Team, and/or with the Director General and/or IPPF Honorary Legal Counsel as appropriate, the relevant authority will determine the next steps. If required, additional legal advice (internal or external) may be sought.
45. Where a case of conflict of interest is established to be material, the relevant governance authority, in consultation as appropriate, will determine the course of action to be taken to remove or resolve the conflict of interest.
46. The trustee/committee member is obliged to comply with the required action.
47. The overall process will be facilitated by the Governance Team in consultation with the Legal, Risk & Assurance Team.

Annex 1

## Declaration of Material Transactions and Interests

*(to be completed by each trustee /committee member)*

**Name:**

\_\_\_\_\_

**Position in the Board/ Committee:**

\_\_\_\_\_

Question	Answer
1. Do you hold a position within a Member Association? If so, please provide details.	
2. Do you hold a position within any other organisation that receives funds from IPPF? If so, please provide details.	
3. Do you hold a position with any of the donors that provide funding to IPPF? If so, please provide details.	
4. Do you hold a position, paid or unpaid, with any supplier of goods or services directly to IPPF, or members of IPPF, or organisations receiving funds from IPPF? If so, please provide details.	
5. If you have received any of the following benefits as a result of your position in IPPF, or in a member organisation or one funded by IPPF, please provide details of: <ul style="list-style-type: none"> <li>a. a salary, honorarium, fee or allowance;</li> <li>b. a loan of any kind *;</li> <li>c. provision of accommodation;</li> <li>d. free or discounted travel (except exclusively when on IPPF business);</li> <li>e. gifts of goods or services;</li> <li>f. goods or services supplied below market value;</li> <li>g. any other benefit.</li> </ul>	

*\*If a loan of any kind, please provide the current balance and the highest balance in the previous 12 months.*



Question	Answer
<p>6. Please provide details of the following:</p> <ul style="list-style-type: none"> <li>a. Please describe any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest:</li> <li>b. Any possibility, connection, or potential conflict with any of the work items of Board/Committee (e.g., work plan, etc) regarding your role and responsibility at IPPF.</li> </ul> <p><i>(A trustee/committee member is expected to report proactively on point 'b' when it is applicable, and share the form with governance authorities)</i></p>	
<p>7. Does any <i>relative</i><sup>1</sup> have any of the interests (financial or non-financial) in IPPF which may put the trustee/committee member into a conflict of interest situation?</p> <p>If so, please provide details.</p>	
<p>8. Is any <i>relative</i> (as defined in the footnote below) employed by a Member Association or a partner receiving funds from IPPF, either as a staff member or as a consultant?</p> <p>If so, please provide details including position held.</p>	

I certify that the information given above is complete and correct, to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Place (Country)

\_\_\_\_\_  
Date

\_\_\_\_\_  
<sup>1</sup> Relatives include 'spouses, partners and co-habitees, parents, grandparents, siblings, children, grandchildren, cousins and in-laws'.