

AUGUST 2014

## Conflicts of Interest and Gifts & Hospitality

### 1. Our Standards

- 1.1. DFID is committed to ensuring the highest standards of conduct in all that it does. For Civil Servants, these standards are reinforced by the [Civil Service Code](#), which clearly stipulates the behaviour expected from all civil servants. This is supported by [DFID's Code of Conduct](#) and the [Standards of Propriety](#) set out in the Blue Book. We know that **Conflicts of Interest** and the offer of **Gifts and Hospitality** can occur in the course of your work and it is important that you know what to do if or when this happens. This policy also applies to non-civil servants who work for DFID including contractors, secondees and staff on loan.

### 2. Responsibilities

- 2.1 Conflicts of Interest, Gifts and Hospitality are areas where staffs integrity or personal judgment can be or perceived to be compromised. This perception can and will have an adverse effect of DFID's reputation and the objectives we aim to achieve.
- 2.2 You should maintain integrity and professionalism when undertaking your job, acting in DFID's best interest at all times. You must ensure that your private interests, whether these are of a personal, financial or political nature, do not impact adversely upon your ability to undertake your official duties responsibly. You must not put yourself in a position where your actions, can reasonably be perceived to be open to improper influence.
- 2.3 To alleviate this risk all staff **must** ensure that they make a declaration at the earliest opportunity once they have:
  - become aware that a Conflict of Interest may exist; or
  - been offered a Gift or Hospitality (accepted or declined).
- 2.4 As soon as a declaration has been made, line management **must**:
  - ensure that they review all declarations within five working days and agree any mitigating actions if required;
  - monitor the frequency of declarations made by staff who have accepted gifts and hospitality.

### 3. What Is a Conflict of Interest?

- 3.1 A Conflict of Interest arises where an employee has a private or personal interest which may, or could be perceived to compromise their ability to do their job. Actual, potential (could develop) or perceived (could be considered likely) Conflicts of Interest can arise across all areas of our work. Conflicts may be of a personal, financial or political nature.

### 4. Deciding Whether There Is a Conflict of Interest

- 4.1 In deciding whether a Conflict of Interest exists, you should consider whether the interest (private or personal) is likely or could appear to interfere with your, or an employee's, objective judgement when undertaking your duties.

#### 4.2 Personal Interests

- 4.2.1 DFID recognises that employees will develop relationships, friendships and contacts in their personal and working lives that may influence their objectivity. The majority of these relationships will not give rise to any concern and can be regarded as a private matter.

- 4.2.2 However, a Conflict of Interest arises where one party in the relationship can grant the other an unfair advantage or disadvantage or can exert improper influence over a decision relating to the other. This might attract perceptions of bias and unfair treatment where, for example, you:

- make or significantly influence any decisions about the other party in the relationship, such as selection for employment/promotion, pay and grading, performance management, discipline, access to opportunities and resources or the awarding of contracts for goods and services;
- have responsibility for the direct or indirect supervision of the other party.

#### 4.3 Financial Interests

- 4.3.1 A financial Conflict of Interest may arise where it could be perceived that you (or someone you have a personal relationship with) have:

- the opportunity to gain financially, prevented someone from gaining financially or placing that individual at a disadvantage from your decisions or actions;
- financial interests which may influence your independent judgement and integrity in carrying out your role;
- the opportunity to gain from the award of a particular contract for goods or services; or
- been declared bankrupt and your financial status makes you more vulnerable to situations which could be seen to compromise your official position.

#### 4.4 Political Interests

- 4.4.1 Staff may have strongly held political views but under no circumstances must these be reflected in any decision making process or alter aspects of your work. Staff must ensure that they do not:

- take part in any political or public activity which compromises, or might be seen to compromise their impartiality;
- allow their personal or political views to determine any advice they give or their actions. This includes publishing personal comments in blogs or other web based applications.

4.4.2 The above examples are not exhaustive since circumstances and relationships vary considerably. A good practice list of 'do's and don'ts' can be found at Appendix A. If you remain unsure about whether a Conflict of Interest exists you should discuss this further with your line manager and if still in doubt, escalate this via the appropriate management chain.

## 5. Gifts and Hospitality

5.1 It is widely recognised that it is important for DFID employees to maintain and build effective networks in order to support the work of the Department, and to gain a real understanding of the views of stakeholders. However, contact with organisations outside government can give rise to offers of Gifts and Hospitality. While accepting Gifts and Hospitality in certain circumstances may further the Department's interests this must be balanced with upholding high standards of propriety and guarding against any reasonable suspicion of perceived or actual conflicts of interest or an undue obligation being created.

## 6. Acceptance

- 6.1 You should not normally accept Gifts & Hospitality but DFID recognises that in some cases non acceptance may cause embarrassment to the provider. All offers of Gifts and Hospitality which might be perceived to compromise your personal judgment or integrity should be declined.
- 6.2 Employees must be aware that offers of this kind may place them in a difficult position, because to refuse may cause misunderstanding or offence, particularly if the offer comes from an overseas Government or Government organisation. On the other hand, to accept could involve criminal liability or give rise to questions of impropriety.
- 6.3 All staff **must** declare and record all Gifts & Hospitality (accepted or declined) that are valued over £25.
- 6.4 If there is any doubt on whether or not hospitality or gifts should be accepted, you should seek advice and guidance from your line manager or Head of Department or Office.

## 7. Gifts

7.1 Gifts should not normally be accepted. The only exceptions are those which would normally be considered as isolated trivial gifts e.g. low value items that can be used or displayed in the workplace such as office stationery or mouse mats or inexpensive seasonal gifts such as diaries and calendars.

- 7.2 Gifts which cannot be refused without causing offence for example a picture or an ornament must be accepted “on behalf of the department”, making it clear that it is not being accepted as a personal gift. Such gifts must be kept within the department and displayed in a general area.

## 8. Hospitality

- 8.1 Any hospitality accepted should be in the interests of the Department and help further its objectives. It should not be over-frequent or over-generous. Accepting hospitality from the same organisation could lead to a perception that the work of the Department is being influenced by the objectives of a single organisation. Any hospitality accepted should not seem lavish or disproportionate to the nature of the relationship you have with the provider.

## 9. Why Registering a Declaration Is Important

- 9.1 To maintain public confidence and protect the integrity of both DFID and its staff, it is important you register a declaration. This will remove any question of improper conduct and drive transparency within the organisation.
- 9.2 At no time should you let yourself be, nor give the impression that, you have been influenced by your private interests, a Gift or Hospitality when undertaking your job.
- 9.3 If you have accepted a Gift or Hospitality and find yourself in the position of taking a decision or making a judgement on the provider you should declare a potential Conflict of Interest.
- 9.4 Further details concerning this can be found in the [Standards of Propriety](#) and the [Bribery Act Factsheet](#), which came into force on 1 July 2011, replacing the Prevention of Corruption Act 1889 – 1916.

## 10. What Does This Mean For Me?

- 10.1 If a Conflict of Interest (actual, perceived or potential) arises or you are offered a Gift or Hospitality (accepted or declined) you **must** disclose this to your line manager and record the information on **HAGRID** (Hospitality and Gifts, Register of Interest Database), DFID’s centralised online reporting facility.
- 10.2 You must take no further part in the situation until the matter has been resolved. If you are unable or unwilling to disclose details to your line manager then you should escalate this via the appropriate management chain.
- 10.3 All interests should be declared as and when they arise. HAGRID will prompt staff to complete a **mandatory** declaration every six months to ensure compliance with the policy. Under **no circumstances** should you wait to receive this prompt before updating HAGRID. Individual members of staff are responsible for ensuring that their declarations are kept up to date at all times.

## 11. What Is Required To Complete HAGRID?

- 11.1 HAGRID enables staff to record actual, potential or perceived Conflicts of Interest and Gifts & Hospitality offered and accepted, providing a **centralised repository** of all declarations across DFID. To enable confidential reporting, access to the system will be restricted to the reporting officer, their line management chain and Risk and Control.
- 11.2 All staff members are required to complete a declaration **at least** every six months. Even if you have no declaration to make, you are still required to complete the form and register a 'Nil Return' to confirm you have read and understood this policy.
- 11.3 HAGRID replaces **any** existing arrangements adopted by spending departments and country offices for recording Conflicts of Interest and Gifts & Hospitality declarations.
- 11.4 A process flowchart for HAGRID can be found at appendix B.

## 12. Data Protection

- 12.1 The Data Protection Act (DPA) 1998 requires anyone who handles personal information to comply with a number of important principles. It also gives individuals rights over their personal information. Within DFID, the Information Rights and Public Enquiries Team is responsible for ensuring that we adhere to these principles and respond appropriately to any requests from individuals.
- 12.2 All declarations held on HAGRID will be handled in accordance with the 8 principles of the DPA – personal information will be:
  - fairly and lawfully processed;
  - processed for limited purposes;
  - adequate, relevant and not excessive;
  - accurate and up to date;
  - not kept for longer than is necessary;
  - processed in line with the data subjects' rights;
  - held securely; and
  - not transferred to other countries without adequate protection.

In particular, declarations will be retained for the duration the interest exists plus another 7 years in accordance with DFID's disposal schedules.

- 12.3 A potential breach of the DPA could occur if personal information was lost, stolen or inappropriately disclosed. All such breaches **must** be reported immediately on discovery to the Data Protection Officer at the Information Rights and Public Enquiries Team either by email to [foi@dfid.gov.uk](mailto:foi@dfid.gov.uk) or by telephone +44(0)1355 843 549. Failure to report a potential breach of the DPA could result in disciplinary action being taken against the individual(s) concerned.

### 13. Line Management Responsibility

- 13.1 As a line manager you will receive an automatically generated email from HAGRID informing you that a declaration has been raised. You must review this declaration within five working days, and where necessary, implement any mitigating actions. You should meet with your line report to discuss the matter in more detail including any mitigating action to be taken. You must subsequently document this within HAGRID.

### 14. Resolving Conflicts of Interest

- 14.1 Through discussion with your line manager you may agree:

- that there is no Conflict of Interest;
- to continue with the activity but implement actions to mitigate any risk. This could include closer monitoring, revisions to plans, exclusions from decision making activities and disclosure of all relevant information to others involved in the process;
- to be excluded from the activity.

- 14.2 If you cannot agree what action should be taken with your line manager you should escalate this via the appropriate management chain.

### 15. Failure to Make a Declaration

- 15.1 If you fail to declare a Conflict of Interest (actual, potential or perceived) or the offer of a Gift or Hospitality (accepted or declined), appropriate action will be taken in line with DFID's Disciplinary Policy. This could result in a referral being made to the [Counter Fraud and Whistleblowing Unit](#) and the potential of dismissal. Any criminal offences will also be referred to the relevant authorities.

### 16. Enquiries

- 16.1 All enquiries concerning this policy should be directed to Risk and Control via the new centralised inbox at [HAGRID@dfid.gov.uk](mailto:HAGRID@dfid.gov.uk).

The list detailed below is for illustrative purposes only and is not exhaustive.

**Do:**

- declare and maintain details of actual, potential or perceived Conflict of Interest and the offer or acceptance of Gifts & Hospitality on HAGRID as soon as they occur;
- ensure 'Nil Returns' are also recorded on HAGRID;
- at a minimum, HAGRID must be updated every 6 months, unless a declaration is required to be made within that period;
- make a declaration, even if you are uncertain if it's an actual or a potential Conflict of Interest.

Specifically for those involved in any part of the procurement cycle:

- award work based upon VFM criteria and not simply the lowest price. Where appropriate, VFM criteria should include relevant environmental factors in accordance with agreed HM Treasury/Department for the Environment, Transport and the Regions guidelines;
- ensure there are clear segregation of duties;
- ensure that Aries guidance and ADAMANT (hyperlink) principles are adhered to;
- declare any personal or financial interests in a supplier so that professionalism is not compromised.

**Do not:**

- misuse information acquired in the course of your business;
- behave in a way which could give rise to suspicion of any real or perceived Conflicts of Interest between their official duty and private interests;
- disclose official information without authority. This duty continues to apply after you leave the Civil Service;
- take part in your official capacity in surveys or research projects, even non-attributably, if they deal with attitudes or opinions on political matters or matters of policy;
- take on roles in organisations funded or part funded by DFID unless an exemption has been agreed by the Director of Value for Money (VFM);
- take part in any political or public activity which compromises or might be seen to compromise you impartiality;
- misuse your official position to further your own or others private interests;
- give the impression that you have or may have been influenced by a gift or consideration to show favour or disfavour to a person or organisation. Staff should not normally accept gifts or hospitality;
- abuse or ignore DFID's procedures relating to Conflicts of Interest or Gifts & Hospitality;
- publish material (including books, journals, blogs, broadcasts, or other public discussions) which draws from official information or experience without obtaining prior permission from the Director of VFM;
- allow personal/political views to determine any advice given or actions including publishing personal comments online.

# HAGRID Process Flowchart

# APPENDIX B

