

ICAI CONFLICT OF INTEREST POLICY

1. Our Standards

- 1.1. ICAI is committed to ensuring the highest standards of conduct in all that it does. Given our mandate to independently scrutinise UK aid spending, we aim to ensure we are always acting fairly and transparently in the best interest of both UK aid beneficiaries and UK taxpayers; we also aim to provide Parliament and all our stakeholders with confidence in the probity, integrity and fairness of our assessments. In this regard, we recognise the particular importance of identifying and adequately managing potential and actual conflicts of interest across all levels of our work.
- 1.2. A conflict of interest arises where someone has a private or personal interest which may – or could be perceived to – compromise their ability to do their job i.e. actual, potential (could develop) or perceived (could be considered likely by a reasonable member of the public). Conflicts of interest may be of a personal, financial or political nature.
- 1.3. ICAI recognises the importance of the risk of conflicts of interest and their impact on how our decisions and operations are perceived. We acknowledge that a failure to address a conflict of interest could compromise the independence, impartiality and integrity of our work, or give the impression that ICAI is not acting in the public interest. This would result in damage to our reputation and undermining of confidence in ICAI's role as a scrutiny body. We also recognise that conflicts can arise across all areas of our work; they can naturally occur and cannot always be prevented. It is likely that some individuals will find themselves with conflicts of interest in the course of their ICAI work, for example because they have been recruited to ICAI as a result of their previous aid-related experience.
- 1.4. To mitigate this risk, we have set out a clear and proportionate approach that reflects the nature and scale of the conflicts to which ICAI is exposed. This document outlines ICAI's policies and procedures for identifying and managing conflicts when these arise. The objectives of this policy are: to prevent conflicts of interests arising as far as possible; to establish the rules to address conflicts when they do arise; and to provide guidance to help individuals protect themselves and for ICAI to manage the risks appropriately. These apply to ICAI Commissioners, Secretariat staff, and the Supplier Consortium.
- 1.5. The standards and measures laid out in this policy are informed by:
 - [DFID Policy: Conflicts of Interest and Gifts & Hospitality \(Aug 2014\)](#)
 - [Triennial Review of the Independent Commission for Aid Impact \(2013\)](#)
 - [Model code of practice for board members of advisory NDPBs \(2014\)](#)
 - [DFID Blue Book chapter F: Conduct and Propriety - Gov.uk](#)
 - [NAO Conflicts of interest report \(Jan 2015\)](#)
 - [Cabinet Office Code Of Conduct For Board Members Of Public Bodies \(2011\)](#)
 - [Commissioners for Public Appointments - Code of Practice for Ministerial Appointments to Public Bodies \(2012\)](#)

2. Recognising a conflict of interest

- 2.1. In deciding whether a conflict of interest exists, Commissioners, Secretariat staff and the Supplier Consortium should consider whether there is an actual, potential or perceived conflict of interest, what the nature of the conflict is, and whether it is likely to or could appear to interfere materially with their objective judgement when undertaking an ICAI review. With regards to defining 'materiality', this would be the risk that the identified conflict is of such a magnitude it is likely to affect the process, findings, conclusions or recommendations of a review.
- 2.2. This policy details the three main types of interests: financial or professionally relevant, personal and political interests. This list is not exhaustive as circumstances and relationships vary considerably.

2.3. Financial or Professionally Relevant Interests

- 2.3.1. Such a conflict of interest may arise where it could be perceived that a Commissioner, member of the Secretariat or Supplier Consortium has financial or professionally-relevant reputational interests which may influence their independent judgement and integrity in carrying out their scrutiny role.
- 2.3.2. Conflicts may arise if the concerned individual involved in an ICAI review is, for example:
 - a former consultant for a DFID programme under review;
 - a former adviser or employee for a DFID programme or policy under review;
 - a consultant or adviser to a non-governmental programme funded by DFID; or
 - an executive or non-executive member of an organisation commissioned to deliver UK aid services.
- 2.3.3. No-one who has been employed by DFID in the past five years may take part in ICAI reviews unless specifically approved by ICAI's Head of Secretariat. This policy and timeline applies to Commissioners, Secretariat and Supplier Consortium members.
- 2.3.4. Commissioners and Secretariat staff may not be contracted by DFID or another government department to carry out UK ODA-funded work for the duration of their appointments. Other work involving UK ODA funds (e.g. a sub-contract) will be considered on a case-by-case basis, taking into account the materiality and proximity of the work to ICAI's programme of reviews and the possibility for mitigation or recusal to resolve the conflict.
- 2.3.5. By extension, Commissioners and Secretariat members may not use ICAI reviews as an opportunity to pursue additional consultancy, advisory or executive roles. When bidding for contracts, they must disclose in their bid their role with ICAI, including the details of any specific ICAI reviews in which they participated that relate to the subject of the contract.
- 2.3.6. During her appointment and for a period of two years following the end of her appointment, the Chief Commissioner will not accept any UK ODA-related contracts i.e. any contract let by DFID and any contract let by another UK Government department that relates to a UK ODA-funded activity, or any subcontract thereof.
- 2.3.7. In addition, lead and peer Commissioners for a review may not seek or accept the following UK ODA-related contracts for a period of two years after the publication of the review, without the permission of the Chief Commissioner, in consultation with the Head of Secretariat. UK ODA-related contracts covered by this restriction are those that:

- i. relate to projects/programmes that were case studies in that review, or their successors;¹ or
- ii. relate to projects/programmes that were the subject of a desk review, or their successors; or
- iii. follow on directly from a finding or recommendation of the ICAI review.

Permission will be withheld only if the proposed work poses undue risk to ICAI's independence.

2.3.8. For a period of one year following the publication of an ICAI review, Secretariat members leading the oversight of particular reviews² may not seek or accept UK ODA-related contracts that:

- i. relate to projects/programmes that were case studies in that review, or their successors; or
- ii. relate to projects/programmes that were the subject of a desk review, or their successors, without the permission of the Head of Secretariat; or
- iii. follow on directly from a finding or recommendation of the ICAI review, without the permission of the Head of Secretariat.

The Head of Secretariat may not seek or accept ODA-related contracts as per the above clauses i-iii for any ICAI review undertaken during their time in post, for a period of one year after its publication, without the permission of the Chief Commissioner. In all cases, permission will be withheld only if the proposed work poses undue risk to ICAI's independence.

2.3.9. Beyond consultancy work, Secretariat staff members are subject to the Civil Service Business Appointment Rules³ with regard to employment they wish to take up outside the Civil Service, for a period of one year after leaving the Civil Service.

2.3.10. Further details of how Supplier Consortium conflicts will be considered can be found in Section 3 below.

2.4. Personal Interests

2.4.1. Commissioners, Secretariat and Supplier Consortium members may have working and personal relationships and contacts in DFID and other development organisations. Whilst the majority of these can be regarded as a private matter, ICAI members will ensure that they will not allow any relationship to bias their judgement in ICAI work, or to exert improper influence over a decision relating to another person.

2.5. Political interests

2.5.1. Commissioners, Secretariat staff and Supplier Consortium members may have strongly held political views and political activity in itself is no bar to appointment; however all persons must ensure that they do not allow these to determine any advice they give or their actions.

¹ A successor programme is a subsequent phase of a long-term intervention or a new programme which is formally stated to be following on from the programme reviewed, as set out in programme documentation.

² The Head of the Review Oversight Unit and Review Oversight Managers divide up responsibility for overseeing ICAI reviews. In addition, if any other member of the Secretariat takes responsibility for overseeing a review, this restriction will also apply to them for that review.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382937/Business_Appointment_Rules_2014_.pdf

- 2.5.2. In accordance with the [Code of Practice for Ministerial Appointments to Public Bodies](#), all ICAI Commissioners are required to declare any significant political activity (which includes holding office, public speaking, making a recordable donation, or candidature for election) which they have undertaken in the last five years.
- 2.5.3. During the term of their engagement, Commissioners should be, and be seen to be, politically impartial. They should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. They should abstain from all controversial political activity and comply with [Cabinet Office rules](#) on attendance at Party Conferences.
- 2.5.4. On matters directly related to the work of ICAI, Commissioners should not make political statements or engage in any other political activity. In their official capacity, they should be even-handed in all dealings with political parties.
- 2.5.5. Subject to the above, Commissioners may engage in political activity but should, at all times, remain conscious of their responsibilities as a board member and exercise proper discretion. They should inform the Head of Secretariat before undertaking any significant political activity.
- 2.5.6. As set out by the [Civil Service Code](#), ICAI Secretariat members are required to adhere to strict standards of political impartiality.

3. Conflicts within the Supplier Consortium

- 3.1. ICAI's Supplier Consortium comprises three firms: 1) *Agulhas Applied Knowledge*, which leads the Consortium; 2) *Integrity Research and Consulting*, which provides project management and analytical support and; 3) *Ecorys*, which provides analytical support. This section sets out the principles, in addition to those in Section 2 above, which will apply to the different consortium members. In this section, 'ODA-related contract' means any contract let by DFID and any contract let by another UK Government department that relates to a UK ODA-funded activity, or any subcontract thereof.
- 3.2. Agulhas may not bid for or accept UK ODA-related contracts whilst in contract with ICAI without the express permission of ICAI's Head of Secretariat, given in writing in advance.
- 3.3. Ecorys and Integrity may bid for UK ODA-related contracts, but all three Consortium members will operate under the following conditions:
- 3.3.1. The Supplier Consortium will provide ICAI with a register of all recent and on-going ODA-related contracts of its three members. It will also include on this register any other work carried out within this timeframe which could reasonably be perceived as a conflict in terms of its materiality and/or proximity to ICAI's work programme.
- 3.3.2. The Supplier Consortium will inform ICAI whenever one of its three members accepts a new ODA-related contract or other piece of work which could reasonably be perceived to conflict with ICAI's work.
- 3.3.3. Consortium members will avoid any action that gives rise to an actual, potential or perceived conflict of interest in respect of any ICAI review on which they are engaged and will notify ICAI of any circumstance that might give rise to such a conflict of interest as soon as it comes to light.
- 3.3.4. For a period of one year following the publication of an ICAI review, individuals working for the Supplier Consortium as team members on a particular review may not seek or accept ODA-related contracts that:

- i. relate to projects/programmes that were case studies in that review, or their successors; or
- ii. relate to projects/programmes that were the subject of a desk review, or their successors, without the permission of the Head of Secretariat; or
- iii. follow on directly from a finding or recommendation of the ICAI review, without the permission of the Head of Secretariat.

Permission will be withheld only if the proposed work poses undue risk to ICAI's independence.

3.3.5. When bidding for ODA-related contracts, Consortium members will disclose in their bid their role with ICAI, including the details of any specific ICAI reviews in which they participated that relate to the subject of the contract;

3.3.6. Prior to agreeing the participation of Ecorys or Integrity personnel on particular review teams, ICAI may choose to set down additional conditions regarding the ability of those individuals to participate in future ODA-related contracts in related areas.

3.4. These detailed rules and processes on the management of the Supplier Consortium's conflicts of interest are also set out in the Supplier Consortium ICAI Handbook.

4. Registering a Conflict of Interest

4.1. All Commissioners, Secretariat staff and Supplier Consortium members have an obligation to declare to ICAI's Head of Secretariat any real, potential or perceived conflicts of interest as soon as these are identified. Nil returns will also be recorded to indicate that people have read and understood ICAI's Conflict of Interests Policy.

4.2. Conflicts should be declared by the affected individual or organisation using the form provided and emailed to ICAI's Head of Secretariat. Where an individual is aware of a conflict of interest that has not been declared by others, they should report this to the Head of Secretariat – or Chief Commissioner where a conflict relates to the Head of Secretariat – who will treat the communication confidentially.

4.3. ICAI's Head of Secretariat is responsible for: reviewing the case, assessing the materiality of the conflict of interest and any necessary mitigation measure (in consultation with the Chief Commissioner where this involves a Commissioner or the Supplier Consortium; or in consultation with another Commissioner where this involves the Chief Commissioner), informing the Commissioner or staff member of the final decision on how to proceed. Where the Head of Secretariat encounters a conflict, this shall be reviewed by the Chief Commissioner in consultation with a peer Commissioner.

4.4. The Head of Secretariat will ensure they review and respond to all declarations within five working days.

4.5. Standard actions following the disclosure of a conflict would include:

- the individual continues in their role as normal, transparency being a sufficient control in the circumstances;
- the individual continues in their role with actions taken to mitigate the risk (such as exclusion from certain decision making);
- the individual is required to withdraw from the activity altogether.

4.6. ICAI will maintain a Conflict of Interest Register in which all declarations and their outcomes must be recorded. Protocol for registering potential conflicts must include the following information:

- nature of the person's existing/former work with the organisation/programme or financial or other interest;

- whether this work constitutes a conflict of interest with ICAI work; and
- Head of Secretariat (or Chief Commissioner) response and any mitigation measures taken.

4.7. ICAI's Head of Secretariat will ensure that this is updated on a quarterly basis or when a conflict arises, whichever comes first.

5. Register of Interests for Commissioners

5.1. As set out in the [Model Code of Practice for Board Members of Advisory NDBPs](#), and recommended in the [Triennial Review \(2013\)](#), ICAI will also maintain a Register of Interests for Commissioners. This shall be made available to the public through ICAI's website.

5.2. This Register of Interests will list all director, executive and non-executive positions and UK aid-related consultancy work. It will also include any material pecuniary or non-pecuniary interests which may, or may be perceived (by a reasonable member of the public) to influence Commissioners' judgement during the course of their scrutiny activities for ICAI.

5.3. Material pecuniary interests include being a significant shareholder of any company. Non pecuniary interests include those arising from membership of relevant clubs and other organisations.

5.4. The Register will also include directorial positions and material investment interests of close family members and of people living in the same household. ICAI's Secretariat will ensure this Register of Interest is accurate and updated every six months.

5.5. A declaration of any interest should also be made at any board meeting if it relates specifically to a particular issue under consideration for recording in the minutes (whether or not a board member also withdraws from the meeting). Board members should not participate in the discussion or determination of matters in which they have an interest and should normally withdraw from the meeting (even if held in public) if:

- their interest is direct and pecuniary; or
- their interest is covered in specific guidance issued by this body or the sponsor department which requires them not to participate and/or to withdraw from the meeting.

6. External scrutiny

6.1. As an advisory Non-Departmental Public Body (NDPB), ICAI's policies, procedures and operations are internally audited on an annual basis. ICAI's Conflict of Interest policy and procedures will be reviewed annually as part of this to ensure conflicts are appropriately managed and the policy remains fit for purpose.