CONFLICT OF INTEREST POLICY

SKILLS TRAINING AND REHABILITATION SOCIETY (STARS)

Kabul –Afghanistan

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INTRODUCTION

Conflict of interest policies address situations and circumstances in which an employee's personal interests are - or can appear to be - in conflict with the organization's interest.

STARS Conflict of Interest Policy refers to any case where an employee's personal interest might contradict the interest of the STARS. This is an unwanted circumstance as it may have heavy implications on the employee's judgement and commitment to the organization, and by extension to the realization of its goals.

This policy will outline the rules regarding conflict of interest and the responsibilities of employees and the organization in resolving any such discrepancies.

There are many different definitions of conflict of interest. Often, definitions focus on opportunities an employee may have to abuse his position for personnel benefit for the benefit of his friends, family members and other relatives.

Conflicts of interest can occur quite frequently and are not necessarily corruption. How they are identified and managed are impotent. If conflict of interest situations are not properly identified and managed, they can endanger the integrity of STARS and can result in corruption. All employees are expected to show good judgment and when in doubt, contact the superiors. In questions of conflict of interest, it is important to use personal judgment and common sense to make the right decisions.

SCOPE

This policy applies to all prospective or current employees of the STARS, as well as independent contractors and persons acting on behalf of STARS.

ESSENCE OF THE POLICY

The relationship of STARS with its employees is based on mutual trust and understanding. As STARS is committed to preserve the interests of people under its employment, it expects them to act only towards its own fundamental interests and follow the rule and regulation of the organization

CONFLICT OF INTEREST SITUTAIONS

A conflict of interest occurs when an employee, officer, or agent of STARS participates in the selection, award or administration of purchases or contracts where immediate family member (parents, children, siblings, wife/husband and wife/husband's parents and siblings), or partners have a financial interest in the supplier's organization.

A conflict of interest occurs when suppliers participate in the development of specifications, requirements, requests for quotes, or requests for proposals (that include proprietary knowledge or equipment).

Avoiding conflicts of interest is the overall principle in fighting corruption. STARS policy requires the existence of any conflicting interests described in this document to be fully disclosed before any transaction is consummated.

This situation may take many different forms that include, but are not limited to, conflict of interest examples:

- Employees engaging in activities that will bring direct or indirect profit to a competitor
- Employees' ability to use their position with the organization to their personal advantage
- Employees using organization equipment or means to support a personal or an external business
- Providing services as a consultant to outside organizations,
- Employees acting in ways that may compromise the organization's legality (e.g. taking bribes or bribing representatives of legal authorities or using organization's legality for personal matters)
- Having personal interest in the selection of a particular employee/or supplier while working in procurement/human resource division,
- Activities or requests for which employees are personally remunerated from an external source
- Abuse of power and undue influence to gain personal advantage

MANAGING CONFLICT OF INTEREST

There are three aspects to deal with particular situations

1. Disclosing the conflict of interest (primarily the responsibility of the member or official concerned)
2. Assessment of the seriousness of interest.
3. Deciding what action (if any) is necessary to best avoid or mitigate any effects of the conflict of interest

1. Disclosure

The member or official with the conflict of interest is obliged to disclose it to the relevant people in a timely and effective manner.

All employee should have full knowledge of their affairs and be in the best position to realize if there will be any perceived or actual situation of conflict of interest.

How to disclose

a. If a matter in which an employee has an interest arises in a formal meeting, the employee should declare to the meeting his concern, the matter is discussed. The declaration should be recorded in the minutes of the meeting.

b. In other situations, the matter should be raised and discussed with a relevant person as soon as the potential for a conflict of interest is identified. For most staff, the relevant person will be their Manager. It is always wise to disclose any conflict of interest in writing. A **Conflict of Interest Disclosure form** should be used for this purpose

2. Assessment of the Seriousness of Interest

Several factors may need to be weighed in assessing the seriousness of the conflict of interest. They include,

- the type or size of the employees' other interest;
- the nature or significance of the particular decision or activity being carried out by STARS;
- the extent to which the member's or official's other interest could specifically affect, or be affected by, STARS's decision or activity; and
- the nature or extent of the employees current or intended involvement in the STARS's decision or activity.

Seriousness is a question of degree. It involves a spectrum of directness and significance. Directness is about how closely or specifically the two interests concern each other. Significance is about the magnitude of the potential effect of one on the other.

It is about the seriousness of the connection between the two interests.

3. Mitigating the Effects

The possibility that a conflict of interest may occur can be addressed and resolved before any actual damage is done. Therefore, when an employee understands or suspects that a conflict of interest exists, they should bring this matter to the attention of management so corrective actions may be taken. Supervisors must also keep an eye on potential conflict of interests of their subordinates.
The responsibility of resolving a conflict of interest starts from the immediate supervisor and may reach senior management. All conflicts of interest will be resolved as fairly as possible. Senior management and finally BT members have the responsibility of the final decision when a solution cannot be found.

In general, employees are advised to refrain from letting personal and/or financial interests and external activities come into opposition with the organization's fundamental interests.

Note: The same principles apply to the organization in regards to its clients. When applicable, we are committed to not offer services or form partnerships with organizations who are in direct

competition with one of our existing partners. Anyone who has placed its confidence and trust in us will not be exploited for the organization's interests.

Selecting a suitable mitigation option will largely be informed by the judgement about the seriousness of the conflict of interest in each particular case. It may also be necessary to take into account the practicability of any options for avoiding or mitigating the conflict.

Following are the some of the options that can be used to mitigate the effects of conflict of interest

- Imposing additional oversight
- withdrawing from discussing a particular item of business at a meeting
- re-assigning certain tasks or duties to another person
- agreement or direction not to do something
- withholding certain confidential information
- transferring the official (temporarily or permanently) to another position or project
- withdrawing and re-performing

Many situations are not clear-cut, and so a range of possible judgments could be reasonable. The decision about what to do in any particular case is an internal matter.

Once a conflict of interest is recognized, the most common response should be withdrawal or exclusion from considering the matter.

It is wise to make a written record about any decision. This might include details of the facts, who undertook the assessment and how, and what action was taken as a result.

If an employee fails to disclose his interest in any of the activities STARS carried out, He/she will be charged with disciplinary proceedings as per the direction of management and as per the provisions of HR policy. STARS should keep records of conflict of interest and STARS HR team should provide all its employee with a conflict of interest declaration form. This form should be updated or renewed annually by STARS administration.