



Policy, Procedure and Strategies

Conflict of Interest Policy

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01	Conflict of Interest Policy	October 2015		Stephen McCartney/ Catherine Pickles

A. Policy Statement

NASMA is a student money-adviser membership organisation and encourages its staff and Board members to engage in a wide variety of external activities, such as serving on business and community boards, providing expert advice, media commentary, professional practice, schools outreach and collaborations with the commercial world.

NASMA considers that such activities are in the public interest and are also of benefit to the organisation and the individuals concerned. On occasion, however, they may give rise to conflicts of interest, whether potential or actual, perceived or alleged.

All NASMA Board members and staff are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are properly managed or avoided.

If properly managed, activities can usually proceed as normal whilst at the same time upholding the person's obligations to the organisation, meeting regulatory and other external requirements and protecting the integrity and reputation of NASMA and its members. By contrast, conflicts which are not managed effectively may jeopardise NASMA's public standing and may cause serious damage to the reputation of the organisation and of the individuals concerned.

It is therefore NASMA's policy to encourage and foster external activities whilst ensuring that when conflicts or perceived conflicts of interest arise they are acknowledged, disclosed, and properly managed.

B. Scope

This Policy applies to all staff, Regional Chairs and Board members of NASMA, to all NASMA committees and any individual or organisation working with NASMA. It is the responsibility of each individual to recognise situations in which he or she has, (or may be seen by others to have a conflict of interest) to disclose that conflict to the appropriate person and to take such further steps as may be appropriate as set out under the procedure in Section D below.

If an individual is uncertain about how this Policy might affect his or her activities or has any questions about its application, he or she should contact the NASMA Chair.

C. Recognising Conflict of Interest

A conflict of interest arises where the commitments and obligations to NASMA or other bodies on behalf of NASMA, by an individual member of staff, or member of the Board, are likely to be compromised, or may *appear* to be compromised, by:

- personal gain, (including gain to immediate family/personal friends*), financial or otherwise; or
- the commitments and obligations that a person owes to another person or body.

There may be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all staff and Board members when evaluating a potential conflict of interest to consider how it might be perceived by others.

The duty to declare a possible conflict applies to the perception of the situation rather than the actual existence of a conflict. However, the duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

Conflicts of interest may be financial or non-financial or both. Further information about both types is set out below.

Financial conflicts of interest

A financial conflict of interest, for the purposes of this Policy, is one where there is, or appears to be, opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions.

Financial interest means anything of monetary value, for example:

- payments for services;
- equity interests (e.g. stocks, stock options or other ownership interests); and/or
- intellectual property rights (e.g. patents, copyrights and royalties from such rights).

The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an incentive to the individual which affects their actions and where he or she has the opportunity to affect a NASMA Board decision or other activity (because for example he or she is the decision-maker).

Non-financial conflicts of interest

Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to NASMA or to other bodies, for example the individual's other body of which he or she is a trustee. Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, education or gain to immediate family (or a person with whom the person has a close personal relationship)*.

D. Procedure

It is the duty of every member of staff or Board member to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest. Apparent or perceived conflicts of interest can be as damaging as actual conflicts of interest.

The general rule, is that disclosure should be made *at the time the conflict first arises, or it is recognised that a conflict might be perceived*, in writing to the NASMA Chair. If the NASMA Chair has an interest in the matter to be discussed, the disclosure shall be made to the NASMA Vice-Chair Governance and Operations.

Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in NASMA's records. Some instances will however need to be dealt with by agreeing how the conflict can be actively managed. The approach adopted should be documented and copies provided to the relevant parties. A copy of the final plan must be held in NASMA's records.

One or more of the following strategies may be appropriate to manage the conflict of interest:

- not taking part in relevant discussions;
- not taking part in relevant decisions;
- referring certain matters for decision to other people;
- divesting or placing in trust certain financial interests;
- standing aside from any involvement in a particular project;
- declaring an interest to a particular sponsor or third party.

It is the responsibility of those affected to comply with the approach that has been agreed. Any unresolved matter shall be referred to the Board for advice or resolution.

Board meetings:

At each Board or committee meeting there should be a standing item on the agenda about conflict of interest. This item should cover what a conflict of interest is and how the members of the Board should declare such an interest if and when such circumstances arise.

It is also recommended that committees adopt the practice of including a statement to the following effect on each agenda:

'Members of the Board will be asked to declare any interest that could give rise to conflict in relation to any item on the agenda at the beginning of the item in question. All interests so disclosed will be recorded in the minutes. If the Chair of the meeting deems it appropriate, the member shall be asked to leave for all or part of the Board's discussion of the matter.'

Annual declaration of external interests:

In addition to declaring any conflict or potential conflict in accordance with the procedure above, NASMA staff and Board members shall be required to submit an annual declaration of external interests (if any) to the NASMA Chair. Anyone with grounds to inspect declarations of conflict of interest shall be allowed access at the discretion of the NASMA Chair.

E. Review of the Conflict of Interest Policy

This Policy shall be the subject of regular review by the Board and, as necessary, other relevant bodies, such review to take place in the light of guidance on best practice issued by outside bodies and, in any event, not less than once every three years.

* For the purpose of this policy, 'immediate family' is defined as follows: spouse or civil partner, mother, father, son, daughter. However, the 'close personal relationship' giving rise to an interest could extend to the following (this is not intended to be an exhaustive list): unmarried partner, parent, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, the (unrelated) child of an unmarried partner, as well as half and step members of family.