



CONFLICT OF INTEREST POLICY

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1. INTRODUCTION

The interests of an organisation must be safeguarded at all times and be protected against those who control, manage and engage in business relations with it. Good corporate governance prescribes that policy on conflict of interests be adopted to ensure that the best interests of an organisation are upheld. Conflict of Interests is provided for in the BOU Act and the Conditions of Service. In addition, the King IV Code on Corporate Governance provides for it in relation to the Governing Body.

In compliance with this, all Council Members, Staff Members and stakeholders are required to complete the Declaration of Interests Form at every meeting. In addition to this, Council Members and Staff Members shall complete and submit the Annual Declaration form.

The University recognises that conflict of interest may arise where a Council/Staff member or stakeholder's personal or family loyalties conflict with those of BOU. Such conflicts may create problems as they may inhibit free discussion, result in decisions or actions that are not in the best interests of BOU or may risk the University not acting properly. It is therefore important to manage such conflicts carefully.

Council has a fiduciary duty towards the University to act honestly and in good faith. Staff Members are also in a position of trust for the University. They must be loyal to the University and must always act in the best interests of the University. Stakeholders have a duty to act honestly and in good faith in any dealings with the University. It is on this basis that this Policy is developed.

2. INTERPRETATION

“Act” shall mean the Botswana Open University Act No 13 of 2017;

“BOU” shall mean the Botswana Open University;

“Conflict of interest” means when one or a related party has a financial interest or any other interest, actual or perceived, that is likely to create or actually creates bias or compromises independence and objectivity in decision making.

“Direct interest” shall mean when the interest relates to the Council Member, Staff Member or a Stakeholder in person.

“Fiduciary” shall mean being in a position of trust and with the obligation to act in the best interests of the University; and

“Good faith” shall mean with honesty and in the best interests of the University.

“Financial Interest” shall mean a material interest of a financial, monetary or economic nature, or to which a monetary value may be attributed.

“Indirect interest” shall mean where the interest relates to a related party.

“Related Party” shall mean first degree relatives such as a spouse, children, parents, siblings and in-laws (mother and father in law, sisters and brothers in law), and second degree relatives such as grandparents, grandchildren, aunts, uncles, nephews, nieces or half-siblings. A juristic person is also a related party if one directly or indirectly controls the juristic person.

3. PURPOSE

3.1 This policy seeks to prevent the interests of Staff Members, Council Members, and Stakeholders from interfering with the performance of their duties to BOU at the expense of BOU.

3.2 This Policy aims to clarify the types of interests that need to be declared, the process for declaring such interests and the procedure for dealing with them. It also seeks to protect Council, Staff Members and the University from any appearance of impropriety.

4. SCOPE

This Policy applies to Council, its Committees, Staff Members and Stakeholders and to disclosures relating to financial interests as well as other non financial interests, both direct and indirect.

5. DECLARATION OF INTERESTS

- a. BOU requires its Council Members, Staff and Stakeholders to declare their interests at every meeting.
- b. At the beginning of each meeting all attendees shall be required to declare interests.
- c. A Declaration of Interests Form will be provided for this purpose. The completed Declaration of Interests Forms will be kept in a Register of Interests.
- d. In addition to this, Council Members shall complete and submit the Annual Declaration form to the Secretary and update the form as and when there are changes. With regard to the annual declaration for Staff Members, only members of the Senior Management Team and Procurement Officers as described in the Declaration of Assets and Liabilities Act shall make declarations. Staff declarations shall be made to the Director, HR biennially, and shall be updated by the Declarant as and when changes arise.

6. TYPES OF INTERESTS TO BE DECLARED

Conflict of interest may occur in many different situations. Interests may be direct or indirect, and financial or otherwise.

a. Personal/Direct financial gain or benefit

A direct financial gain or benefit arises through employment by BOU of the Council Member as an employee, consultant or advisor or by virtue of employment of a Staff member. It also applies to any company to which the Council/Staff Member/ or a related party is a Director or shareholder being considered for a contract by BOU. It is therefore important to disclose as necessary the following interests in relation to agenda items for consideration:

- i. any employment in which one continues to have a financial interest;
- ii. appointments, voluntary or otherwise e.g. trusteeships, directorships;
- iii. investments in organisations, shareholding, partnerships and other beneficial interests;

b. Indirect financial gain - An indirect financial interest arises when a related party benefits financially.

c. Non Financial interests - could be direct or indirect and could also arise through personal relations, be political, academic, or religiously inspired.

d. BOU recognises that it is not possible to define all circumstances which may lead to a conflict of interest. It is therefore the responsibility of each individual to declare any matters which may present actual or potential conflicts, or the perception of such conflicts. If in any doubt, it is better to err on the side of caution and make a declaration.

7. PROCEDURE IN THE EVENT OF CONFLICT OF INTEREST

a) Deciding whether or not there is a conflict

If an individual cannot decide whether or not a conflict exists, s/he must make a declaration and the meeting shall decide. The meeting must be quorate for the discussion and decision. The action to be taken will be recorded in the minutes of the meeting. The minutes shall record:

- i. nature and extent of interest;
- ii. an outline of the discussion; and
- iii. decision taken i.e whether or not it has been decided that a conflict exists

b) Action to be taken where a conflict exists

In accordance with Section 16 of the BOU Act and based on best practise, when a conflict is found to exist, the person with a conflict may be allowed to be present in the meeting and at the discretion of the meeting, take part in the discussions for the purposes of providing clarity. However, such person shall not vote on any question relating to that matter. The meeting may direct that the person with conflict be recused for the item for which the interest has been declared.

Where it is decided that the one conflicted should exit the meeting, it shall be recorded in the minutes when they exit and when they rejoin the meeting.

c) **REVIEW**

This Policy shall be reviewed every three years or earlier as necessary.