



# CONFLICT OF INTEREST POLICY

POL110 - Conflict of interest policy - 2021-11-22

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# Conflict of Interest Policy

## Introduction

### I The Humanitarian Quality Assurance Initiative

HQAI's objective is to improve the Quality and Accountability of organisations working with people in need through the provision and promotion of meaningful and adapted independent quality assurance. Its services are intended to build capacity in the sector and provide consistent measurable data in the delivery of quality action, thus improving principled, accountable, efficient provision of aid to vulnerable and at-risk populations.

To all its stakeholders, HQAI is an accountable, open and trustworthy partner, which applies the internationally recognised ground rules of auditing that are impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints. Our policies, procedures and tools for independent quality assurance follow relevant ISO standards requirements. HQAI's CHS certification scheme is accredited against ISO/IEC 17065:2012.

HQAI has developed robust tools to measure efficiently where an organisation stands in relation to the [Core Humanitarian Standard \(CHS\) on Quality and Accountability](#). Tools related to other standards may be developed in the future.

HQAI is committed to the nine fundamental principles of the CHS and implements them as far as they are applicable to its own activities. These are:

- delivery of services that respond to the needs of users
- timely delivery of these services
- avoidance of negative effects
- transparency and participation in decision-making
- provision of safe complaint mechanisms
- avoidance of duplication
- well management of staff, including non discrimination
- responsible use of resources

### II Scope

This document describes the framework for ensuring the absence of conflict of interest.

### III References

The following referenced documents can usefully complement this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

HQAI GOV001 - Articles of Association

HQAI ADM022 - Conflict of interest agreement for auditors

HQAI ADM023 - Conflict of interest agreement for secretariat staff

#### **IV Definitions**

**Conflict of interest:** Situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional or public interest.

*Note: a conflict of interest can be real or perceived, but needs to be managed in both cases.*

## 1. General considerations

- 1.1 As a body providing third-party quality assurance services, HQAI shall ensure its independence through the absence of conflict of interest.
- 1.2 There are three types of actors for whom there is a need to ensure the absence of conflict of interest:
  - i. auditors (see section 2);
  - ii. secretariat staff (see section 3); and
  - iii. members of governing bodies (see section 3);
- 1.3 HQAI's Executive Director shall be responsible for ensuring that any conflict of interest, real or perceived, is managed and avoided.
- 1.4 All cases where a real, potential or perceived conflict of interest has been reported shall be documented by HQAI's Executive Director and this document shall be available on request.
- 1.5 The Executive Director shall report on any issues which could compromise HQAI's independence to HQAI's Advisory and Complaint Board.
- 1.6 Where a perceived conflict of interest is reported, HQAI's Executive Director shall investigate the matter and make a decision as to whether the conflict of interest is real or perceived.
- 1.7 Where a perceived conflict of interest concerns the Executive Director, it shall be reported to the President of the Board of Directors who shall investigate the matter and make a decision as to whether the conflict of interest is real or perceived.
- 1.8 Decisions on perceived conflicts of interest and mitigation measures shall be communicated to interested parties.

## 2. Auditors

- 2.1 HQAI registered auditors shall declare having no conflict of interest with the audited organisation by signing the conflict of interest agreement (ADM022) before each audit.
- 2.2 An auditor who is at the same time a staff member of an NGO shall not audit an organisation that is operational in the same country as the organisation for which s/he works.
- 2.3 If, in addition to 2.2, the auditor is employed by an HQAI audited partner,
  - i. on a case by case basis, the Head of Quality Assurance (QA) shall assess the risks to impartiality and propose mitigating measures;
  - ii. the ED shall, based on the recommendation of the Head of QA make a decision before the auditor can be allowed to participate to an audit.
  - iii. the Head of QA shall document the process and include this documentation in the auditor's file regarding the audit in question.

- 2.4 A registered **Lead Auditor** shall be prohibited from leading the team if s/he:
- i. has been employed by the legal entity being audited or any legal entity in which the applicant/certified legal entity holds a majority share, during the preceding three years;
  - ii. has provided consulting services related to the aspects being audited in the legal entity during the preceding three years;
  - iii. has worked as a contractor or subcontractor for the legal entity being audited during the previous two years;
  - iv. has any personal relationship, either good or bad, with personnel of the organisation being audited which compromises the objectivity of his/her judgement;
  - v. currently works for an organisation which has provided consulting services within the previous two years to the organisation being audited.
- 2.3 A registered **Auditor** shall be prohibited from joining the audit team if he/she has:
- i. been employed by the organisation being audited during the preceding two years;
  - ii. worked as a contractor or subcontractor for the organisation being audited during the previous two years;
  - iii. any personal relationship, either good or bad, with personnel of the organisation being audited which compromises the objectivity of his/her judgement.
- 2.4 HQAI's means of verification to detect conflict of interest are, but not limited to the following:
- i. CVs provided by the auditors;
  - ii. declaration on recruitment or affiliations with potential organisations;
  - iii. audit offers and assignments records;
  - iv. conflict of interest agreement for auditors (ADM022);
  - v. feedback from the audited organisation who is entitled to refuse the participation of an auditor if they fear a conflict of interest.

### 3. Secretariat staff and members of HQAI's governing bodies

- 3.1 Secretariat staff and members of HQAI's governing bodies shall declare having no conflict of interest with HQAI's client and partner organisations by signing the conflict of interest agreement (ADM023).
- 3.2 Secretariat staff and members of HQAI's governing bodies shall comply with the following:
- i. declare to the best of their knowledge any interests in organisations outside HQAI whether these be clients of HQAI, suppliers of goods and/or services to HQAI or any enterprise which has a business relationship with a client or a member of HQAI;
  - ii. declare to the best of their knowledge any close relative who has any interests in organisations outside HQAI whether this be suppliers of goods and/or services to HQAI or any

enterprise which has, at the relevant time, a business relationship with a client or a member of HQAI;

- iii. declare any representation, holding of office, directorship or employment of, any other organisation with which HQAI has a business or competitive relationship;
- iv. declare to the best of their knowledge any close relative who is a director or employee of any organisation with which HQAI has a business or competitive relationship.
- v. abstain from any discussion and decision related to an organisation with which he/she has a relationship, as described in point 3.2.i to iv, above.

- 3.3 Should any of the above points not be satisfied or any other circumstance arise that may turn into a real or perceived conflict of interest, **Secretariat staff** shall inform the HQAI's Executive Director of such circumstance, which will be dealt with in a case by case basis.
- 3.4 Should any of the above points not be satisfied, the **Executive Director and members of HQAI's governing bodies** shall inform HQAI's President of the Board of Directors of such circumstance, which will be dealt with in a case by case basis.
- 3.5 A member of a governing body other than the General Assembly who would be in a position to offer services to HQAI and be clearly the best qualified person for providing this service would have to resign from the body in question before HQAI could sign a contract with her/him.
- 3.6 Notwithstanding clause 3.5 above, If the option is absolutely not applicable, HQAI shall set up an independent selection panel to hire the consultant based on objective evaluation of the qualification of candidates.

#### 4. Giving advise during audits

- 4.1 During audits or thereafter, HQAI registered auditors, Secretariat staff and members of governing bodies are not allowed to give advice on the implementation of the system or how to address any non-conformities and/or weaknesses identified during the audit.
- 4.2 Auditors shall inform HQAI if they are involved in any training programme; the ED shall assess the risk to impartiality and if any prescribe mitigation measures.
- 4.2 HQAI staff and members of governing bodies can, however, assist the organisations in understanding what the standard(s) require, and what questions the auditor will be asking during the audit.