

# UK Accounting Standards Endorsement Board

## Conflicts of Interest Policy

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## I General Principles

The UK Accounting Standards Endorsement Board (UKEB) operates in the public interest, guided by the key principles of Accountability, Independence, Transparency and Thought Leadership. This Conflicts of Interest Policy exists to ensure that the decisions made by UKEB Members are, and are perceived to be, free from improper influence and aligned to the seven principles of public life (see Appendix I).

By maintaining and enforcing this policy the aim is to ensure that Members understand what is required in respect of identifying and declaring interests so that the UKEB can work with them to effectively consider and manage actual and perceived conflicts.

Members must:

- Complete a Register of Interests Declaration (see Appendix II). Each Member is responsible for keeping their declaration up to date. Any changes should be notified to the Chair or Operations Director, via e-mail, as soon as reasonably practical.
- Submit Transparency Register declarations to the UKEB Secretariat in respect of external meetings (see Appendix III). Each Member is responsible for the completeness and accuracy of their declarations.
- Report on a timely basis, to the Chair or Operations Director, any information which could lead to an actual or perceived conflict of interest or give rise to a risk of reputational damage to the UKEB.
- Exercise judgement when considering a given situation and the potential for actual or perceived conflict. If in doubt, consult with the Chair or Operations Director before submitting a formal declaration.

Individual Members have a responsibility to identify, declare and manage conflicts of interest in order to protect the integrity and independence of the UKEB's decision-making process and its wider reputation.

## 2 What is a Conflict of Interest?

A conflict of interest may arise when a Member's UKEB work could be affected by any personal or business interest which may, or may (by a reasonable member of the public) be perceived to, influence their judgement in performing their functions and obligations. These interests include (without limitation) personal direct and indirect pecuniary interests and any such interests of their close family members and/ or of people living in the same household as them or their close family members.

### 2.1 Principles

- Be open and act with honesty and integrity.
- Be transparent about interests and relationships which could influence judgement.

- Be objective in all decision-making. Personal interests should never influence decisions at work.
- Be alert to actual or perceived improper influence through the receipt of gifts, hospitality or favours.
- Be responsible. Exercise judgement to identify, disclose and manage any actual or potential conflicts of interest.

Conflicts of interest can be both direct and indirect and can arise in many ways. The potential for conflict will depend on a number of variables, including the precise nature of the interest, the individual circumstances and the Member's role within it. Members are expected to exercise judgement when considering a given situation and the potential for actual or perceived conflict. When in doubt, Members should consult with the Chair or Operations Director before submitting a formal declaration.

## **2.2 Personal Relationships**

Conflicts of interest can arise from many different types of relationship. These include (without limitation) Members close family members and people living in the same household as them or their close family members. Members are expected to exercise judgement and consider how any relationship might be perceived by a reasonable member of the public.

Matters to consider when forming a view on whether a personal relationship should be declared include:

- The context of the relationship.
- The precise role and seniority, in an organisation, of the individual.
- The potential impact of the Member's UKEB work on the individual.

Members are asked to declare personal relationships within Part A of the Register of Interests Declaration (see Appendix II). This information will be published on the UKEB website. If in doubt, Members should consult with the Chair or Operations Director before submitting a formal declaration.

## **2.3 Financial Interests**

Members must declare financial interests which may, or may (by a reasonable member of the public) be perceived to, influence their judgement in performing their functions and obligations. These interests include (without limitation) personal direct and indirect pecuniary interests and any such interests of their close family members and/ or of people living in the same household as them or their close family members.

Members are expected to exercise judgement. Matters to consider when forming a view on whether a financial interest should be declared include:

- The interest is linked to a company that could be impacted by UKEB decisions.

- The Member is, or should reasonably be, aware of the existence and nature of the interest.
- The value of the interest and potential for any financial gain or loss on the part of the Member or an individual with whom they have a personal relationship
- Whether a reasonable member of the public may perceive that the interest could influence the Member's judgement.

Members are asked to declare interests within Part B of the Register of Interests Declaration (see Appendix II). This information will not be published on the UKEB website. If in doubt, Members should consult with the Chair or Operations Director before submitting a formal declaration.

## **2.4 External Meetings**

Members are asked to declare relevant external meetings to the UKEB Secretariat for inclusion on the Transparency Register (see Appendix III). Members will be requested to provide updated information, regarding relevant external meetings attended since the previous Board meeting, in advance of the next Board meeting. The updated Transparency Register will be submitted for approval at that meeting and then published on the UKEB website.

What is a relevant external meeting?

- Members are asked to declare all meetings attended in their capacity as a UKEB Member.
- For meetings attended in a non-UKEB capacity, Members are expected to exercise judgement. Meetings should be declared if, based upon the nature of the meeting and discussions held, a reasonable member of the public may interpret your views as being those of the UKEB. It is likely that the majority of meetings attended in a non-UKEB capacity would not require a declaration.

If in doubt, Members should consult with the Chair or Operations Director before submitting a formal declaration.

## **2.5 External Appointments and Memberships**

It is acknowledged that Members will probably have other appointments and memberships and, indeed, the UKEB actively seeks to appoint Members with broad experience and skills. It is not necessarily the case that this will give rise to a conflict of interest but, in line with the UKEB's focus on transparency, this information will be declared on the Register of Interests Declaration (Part A) and published on the UKEB website (see Appendix II).

If a Member applies for a role, they should consider the impact of the application on the UKEB and how it could be perceived by a reasonable member of the public. For example, an informal conversation about a prospective role is unlikely to lead to a perceived conflict of interest. However, reaching the final stages in a recruitment process could lead to a reasonable member of the public questioning whether a Member may have a conflict. In such cases the Member should discuss, in confidence, with the Chair.

### **2.5.1 Political Interests**

Members are not expected to occupy paid party-political posts or hold particularly sensitive or senior roles in a political party. Subject to the foregoing, Members are free to engage in political activities, provided they are conscious of their general, public responsibilities and exercise proper discretion, particularly, with regard to the work of the UKEB.

Members are expected to inform the Chair of any intention to accept a prominent position in any political party and to understand that their appointment as a Member may be terminated if the Chair feels that the positions are incompatible. If a Member accepts a nomination for election to the House of Commons etc. then they will resign the appointment, and this will be notified to the Secretary of State.

### **2.5.2 Alignment with UKEB Principles**

It is important that Members uphold the UKEB's guiding principles of accountability, independence, transparency and thought leadership. Therefore, organisations that Members are associated with should also be seen to uphold those principles.

The UKEB expects Members to give careful consideration before accepting other appointments, consultancy or advisory roles and memberships, including any potential reputational risk to the UKEB.

## **3 What Members Should Do – Identify, Declare and Manage**

### **Identify**

- Members are asked to declare their interests on a two-part Register of Interests Declaration (see Section 2 above and Appendix II for further detail).
- Members are asked to declare external meetings on a Transparency Register (see Section 2 above and Appendix III for further detail).

### **Declare**

- Members are responsible for keeping their own entries in the registers up to date. Any changes should be notified in a timely manner.
- Members are under a duty to identify and declare their interests should a potential conflict come to light following the circulation of meeting agendas or papers or during a discussion at a meeting.
- Members must review and confirm, annually, the completeness and accuracy of their Register of Interests Declaration.

## Manage

- It is the Member's responsibility to ensure that the Chair is aware of a potential conflict so agreement can be reached as to whether it is necessary for them to withdraw from the discussion.
- It will be the Member's responsibility to withdraw from any discussions where they have any interests that may, or may be perceived to, influence their judgement.

## 4 Breach Reporting

It is the responsibility of the Member to notify the Chair or Operations Director as soon as they become aware of a breach or potential breach. Timely notification will afford greater opportunity to address the situation effectively and minimise its impact.

Breaches of this policy could pose a serious risk to the reputation of the UKEB and the individual involved. Members' terms of appointment require compliance with the policy. Failure to comply will result in such action as the UKEB considers appropriate in the circumstances. This may result in disciplinary action or termination of appointment.

## 5 Gifts and Hospitality

Members must comply with the UKEB Gifts and Hospitality Policy and ensure that acceptance of gifts and hospitality can stand up to public scrutiny.

## 6 Data Protection

The information provided by UKEB Members will be processed in accordance with the data protection principles as set out in Regulation 2016/679 on General Data Protection. Data will be processed only to ensure that UKEB members act in the best interest of the UKEB. The UKEB follows FRC information and GDPR policies which are available on the FRC website and explain how the FRC collects, uses, protects or otherwise handles personal data.

All information on actual or potential conflicts of interest will be held by the FRC and could be disclosed to the public under the Freedom of Information Act (2000). In accepting the appointment, Members thereby consent to this disclosure.

## Appendix I – Seven Principles of Public Life

### **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## Appendix II – Register of Interests Declaration

### Part A – Appointments & Personal Relationships:

This information is published on the UKEB website.

<b>Name</b>	
<b>UKEB appointments/ offices held</b>	
<b>Current other appointments, offices and directorships (including public and not-for-profit organisations)</b>	
<b>Other consultancy/ advisory roles</b>	
<b>Previous appointments, offices and directorships held (within the past ten years - including end date)</b>	
<b>Membership of Professional Bodies &amp; Trade Unions</b>	
<b>Relevant declarations in respect of personal relationships</b>	

### Part B – Financial Interests:

This information is not published on the UKEB website.

	<b>Company/ Organisation</b>	<b>Interest Type</b>
<b>Relevant financial interests of the member</b>		
<b>Relevant financial interests of related parties</b>		

Refer to the UKEB Conflicts of Interest Policy for guidance on how to complete the form.

Signed..... Dated.....

