



**BURGE AL-WEAAM COMPANY  
FOR GENERAL CONTRACTING  
LIMITED**

**Doc. No.:**  
**BAC-HR-ST-0003**

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## **CONFLICT OF INTEREST POLICY**

Rev.	Date	Description	Prepared by	Checked by	Approved by
0	15 <sup>th</sup> April 2024	Issued For Implementation	Alaa Ibrahim	M. Kashmola	Dheyaa Mohammed
A	13 <sup>th</sup> Mar. 2024	Issued for Review	Alaa Ibrahim	M. Nashaat	M. Kashmola



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**Revision History**

<b>REV.</b>	<b>DATE</b>	<b>DESCRIPTION OF CHANGE</b>
0	15/4/2024	Issued For Implementation
A	13/3/2024	Issued For Review



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## 1. Purpose

This policy states the BACO's position on conflict of interest, including the requirement of employees that conflict of interest is avoided wherever possible, or:

- identified and declared; and
- actively managed.

Employees will encounter conflict of interest and BACO acknowledges that conflicts will not always be able to be avoided. They must however be identified and appropriately managed to ensure we earn and maintain the highest levels of integrity and public trust in BACO and broader public sector.

BACO has issued this policy to support behavior consistent with the *Code of Conduct* (the Code). All employees are required to comply with this policy.

## 2. Application

This policy applies to all workplace participants. For the purpose of this policy, this includes: employees, contractors, consultants and any individuals or groups undertaking activity for or on behalf of BACO.

## 3. Policy principles

BACO is committed to and will uphold the following principles in applying this policy:

BACO interest: all employees have a duty to place the BACO interest above their private interests when carrying out their official functions.

Accountability: all employees are accountable for avoiding wherever possible or identifying, declaring and managing any actual, potential or perceived conflict of interest that applies to them. Employees with direct reports are accountable for overseeing management of their direct reports' conflict of interest, modelling good practice and promoting awareness of conflict-of-interest policies and processes.

Risk-based approach: BACO will take a proactive approach to assessing and managing conflict of interest risks. Employees with direct reports will ensure they are aware of the conflicts inherent in their team's work and functions and monitor the risks to which their direct reports are exposed.

## 4. Definitions

### *Conflict of interest*

A conflict of interest is where an employee has private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their public duties.

Conflicts may be actual, potential or perceived:

**Actual** conflict of interest: there is a real conflict between an employee's public duties and private interests.

**Potential** conflict of interest: an employee has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.

**Perceived** conflict of interest: the public or a third party could form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future.

*Private interest*

A private interest means anything that can influence an employee. Private interests include **direct** interests, such as an employee’s own personal, family, professional or business interests. They also include **indirect interests**, such as the personal, family, professional or business interests of individuals or groups with whom the employee is, or was recently, closely associated.

Private interests may be **pecuniary** (i.e. financial), which includes any actual, potential or perceived financial gain or loss. They may also be **non-pecuniary**, which includes any tendency toward favor or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting, cultural or social activities.

*Consensual personal relationships*

Consensual personal relationships include consensual sexual, intimate and/or romantic relationships between adults of any sex or gender identity. Relationships of this kind may be on a casual, periodic or regular basis and may or may not constitute a primary relationship.

A familial relationship of spouse or de facto partner also constitutes a consensual personal relationship.

**5. Process**

Employees must avoid wherever possible or identify, declare and manage conflict of interest in accordance with this policy.

Specific processes have been established to manage consensual personal relationships as a specific category of interest.

A) *Identify conflict of interest*

Employees should regularly consider the relationship between their private interests and public duties in order to identify any conflict of interest (for example, in recruitment, before major projects, tender decisions, legal proceedings or policy development).

Private relationships, including family relationships, business relationships and consensual personal relationships carry a high risk of conflict with public duties.

Additionally, employees with direct reports must consider the risk profile of their team and its functions and ensure direct reports are aware of any increased risks of conflict of interest in their work.

Whilst conflict of interest may occur in any part of the Department, some functions and activities are higher risk than others and may require increased risk mitigation measures.

The following functions are high risk within the Department (not exhaustive):

- recruitment;
- procurement, contract management and tendering;
- internal committee governance;

*B) Declare conflict of interest*

A conflict of interest **must be declared using Conflict of Interest Delectation Form.**

Employees should discuss any conflict of interest with:

- their manager; or
- a designated disclosure officer (e.g. Human Resources officer); or
- a designated management representative.

Employees are to complete and submit a *Conflict-of-Interest Declaration Form*. The declaration form sets out specific instructions for completing and submitting the form and details a conflict-of-interest to management.

Employees should also complete the declaration form in the following circumstances, regardless of whether a conflict of interest is identified:

- They are directly involved in a procurement activity.
- They are directly involved in Tendering.
- They are directly involved in Provider selection.

Their manager or HR has assessed them as warranting declaration on the basis of potential, perceived or actual conflict of interest risk. Employees with direct reports must work with the employee to manage the conflict of interest and related risks and provide completed declaration forms to HR for risk management, reporting and auditing purposes.

*C) Manage conflict of interest*

Employees' conflict of interest management will ensure conflicts are managed and resolved in favor of the BACO interest rather than that of the employee and will be based on the following mitigation strategies:

- Restrict:** restrictions are placed on the employee's involvement in the matter.
- Recruit:** a disinterested third party is used to oversee part or all of the process that deals with the matter. In most circumstances, a subordinate would not be considered a disinterested third party.
- Remove:** the employee removes themselves, or is removed, from the matter.
- Relinquish or Resign:** the employee relinquishes the private interest that is creating the conflict. Where relinquishing the interest is not possible (e.g. relationship with family) and the conflict cannot be managed in the BACO interest using one of the other options above, the employee may consider resigning.

Employees with direct reports should review management plans regularly to ensure they remain effective (for example, annually, before recruitment decisions are made, major projects, tender decisions or policy development).

BACO considers any consensual personal relationships involving people in a direct hierarchical relationship (i.e. in the same reporting line, where one person has supervisory or decision-making authority over the other) to represent a potential conflict of interest. The risks

of potential conflicts of interest are likely to be heightened for officers in senior leadership positions. Employees who are in a consensual personal relationship with a direct hierarchical relationship, must disclose the relationship to their manager, a designated disclosure officer (e.g. Human Resources officer) or a designated management representative. This disclosure will allow any necessary arrangements to be put in place to manage the conflict of interest, which may include temporary or permanent changes to reporting or supervisory arrangements. Any process must avoid discrimination or action that unfairly impacts upon a person's employment and should be commensurate with the seriousness of the identified risk.

Employees who are in a consensual personal relationship without a direct hierarchical relationship, are required to manage the risk of a conflict of interest arising. Employees without a direct hierarchical relationship are required to confidentially disclose a consensual personal relationship where an actual, potential or perceived conflict of interest cannot be appropriately avoided.

Declarations of consensual personal relationships can be made in confidence to protect personal privacy, with only relevant persons in the Department being advised of the conflict of interest and any arrangements necessary to manage it. Representatives of the Employer involved in a matter raised under this policy are required to respect the privacy of personal information provided and the sensitivity of the matters raised. Disclosure of personal information should be limited to a strict 'needs to know' basis.

## 6. Declaration and management of private interests

The following employees must complete BACO's *Declaration and Management of Private Interests Form* upon appointment, annually after appointment and within five working days after the employee's circumstances change (i.e. their circumstances as they relate to the topics covered in the declaration form):

- All Head of Departments.
- Employees holding a financial delegation or more.
- Employees assessed by HR as warranting declaration of private interests on the basis of potential, perceived or actual conflict of interest risk.

The declaration form sets out specific instructions for the employee and their manager or authorized representative for completing and submitting the form. It also provides instructions and guidance to employees, including that an employee is only required to record family interests that are known to them and that may reasonably raise an expectation of a conflict of interest. Where family members are in a direct hierarchical relationship, this relationship must be disclosed.

## 7. Policy Review

This policy is subject to annual review.

## 8. Breaches

An employee's failure to avoid wherever possible or identify, declare and manage a conflict of interest in accordance with this policy could lead to disciplinary action including dismissal. Contractors may be subject to contract re-negotiation, including termination.

## 9. Speak up

Employees who consider that conflict of interest within BACO may not have been declared or is not being appropriately managed should speak up and notify their manager or authorized representative.



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BACO will take decisive action, including possible disciplinary action, against employees who discriminate against or victimize those who speak up in good faith.

### 10. Contacts for further information

A conflict of interest is not always clear to those who have them. Employees who are unsure about a possible conflict of interest, or the application of this policy, should ask their manager or authorized representative for advice.