



បណ្តាញជំនួយកុមារកម្ពុជា
CHILD HELPLINE
CAMBODIA

KINGDOM OF CAMBODIA
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Policy of Conflict of Interest

Section 1: Purpose

The purpose of the conflict interest policy is to protect Child Helpline Cambodia (CHC)'s interest when it is considering entering into a transaction or arrangement that might benefit the private interest of an officer or staff member of CHC or might result in a possible excess benefit transaction. This policy is intended to supplement but not to replace any applicable law such as the anti-corruption law governing conflict of interest applicable to non-profit and charitable organizations.

Section 2: Definitions

2.1 Interested person

Any staff members, volunteers, executive director, officers, or member of management committee or Board of Directors, who has a direct or indirect financial interest, as defined below is an interested person.

2.2 Financial interest

- A person has a financial interest if the person has directly or indirectly through business, investment or family.
- An ownership or investment interest in any entity with which CHC has a transaction or arrangement.
- A compensation arrangement with CHC or with any entity or individual with which CHC has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which CHC is negotiating a transaction or arrangement.
- Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors or management committee decides that a conflict of interest exists.

A conflict of interest occurs when the professional actions of a CHC employee are not solely based upon the best interest of CHC but upon another interest from which the CHC employee or an **immediate relative**¹ may benefit personally. CHC employees and their immediate relatives are therefore not permitted to enter into a business relationship with any organization or person with whom CHC has business dealings if that business relationship creates a potential conflict of interest.

¹ Immediate relative means the person's spouse, children, parents, siblings, and similar relations due to marriage, such as brothers-in-law, sisters-in-law, parents-in-law and step children.

A conflict of interest may occur when a CHC employee or immediate relative:

- Has a business relationship with a company, other organizations, or person with whom CHC does business;
- Is employed by a supplier to CHC;
- Is employed by another CHC employee's business or household;
- Own or partially owns any enterprise, or receives a portion of the profit of an enterprise, which is a supplier to CHC;
- Runs a business together with other CHC employees.

The above situations do not necessarily lead to a conflict of interest if reported and managed appropriately. However, any perceived conflict of interest including any of the above mentioned situations must be brought to the attention of the Management Committee or Board of Directors to decide on how to deal with the situation. The decision will be based on actual and potential effects on CHC.

CHC does not hire property or other equipment or secure services from the current employees or blood relatives or relatives in laws of the current employees, and members of Board of Directors unless a written justification signed by the Executive Director is provided and explains that no other options was practical and available/possible.

CHC does not permit its employees to use the organization's assets including vehicles for personal use which are unrelated to the conduct of CHC's official functions and duties except a written justification signed by the Executive Director.

2.3 Work Conflict of Interest

CHC's staff handbook prohibits employees from undertaking "any other job that might, in the judgment of the employer, interfere with his or her duties with CHC or be in conflict with CHC's philosophy. A conflict of interest may occur when a CHC staff acts as a consultant, manager, director, employee or representative of another organization if such actions:

- Interfere with the employee's obligation to CHC because of demands of time or interest,
- Identify CHC with an activity or cause with which it does not want to be identified.

Any employee considering undertaking any additional employment outside CHC or already undertaking such employment should first report to the Executive Director so that a determination can be made.

A conflict of interest may also occur if a relative of CHC staff member is applying for a job, consultancy or seeking other benefit from CHC. All such cases must be reported to the Executive Director so that steps may be taken to avoid a conflict of interest. Staff may not sit on a recruitment panel for which one of the applicants is an immediate relative. For further details about staff recruitment and hiring of relatives, please read the CHC's Resource Manual on page 17 and page 27.

In general, employment of relatives is not recommended, especially where a staff member may end up supervising a relative. Staff in management, finance and administrative positions shall never be relatives of each other. CHC does not employ spouses, blood relatives or relatives in law at the level of all management staff including Board of Directors, Executive Director, Program Manager, Finance and Administration Manager, and Human Resource Manager. The ordinary staff may be blood relatives or in laws including spouse, parents, siblings, nephews, nieces, cousins, aunts, uncles unless they are not in direct management line or not in the same target location or not in the same office.

Section 3: Procedures

3.1 Duty to disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the executive director or management committee for considering the proposed transaction or arrangement.

3.2 Determine Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the Management Committee or Board of Directors meeting while the determination of a conflict of interest is discussed upon. The remaining committee or board members shall decide if a conflict of interest exists.

3.3 Procedures for addressing the conflict of interest

- An interested person may make a presentation at the Management Committee or Board of Directors meeting, but after the presentation, s/he shall leave the meeting during the discussion of the transaction or arrangement involving the possible conflict of interest.
- The Chairperson of the Management Committee or Board of Directors shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the committee or board shall determine whether CHC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the committee or board shall determine by a majority of vote whether the transaction or arrangement is in the best interest of CHC and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy

- If the committee or board has reasonable cause to believe a member has failed to disclose actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- After hearing the member's response and after making investigation, the committee or board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4: Records of Proceedings

The minute of the Management Committee or Board of Directors shall contain:

- The names of the person who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision of the committee or board as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection with the proceedings.

Section 5: Approval, Amendment and Validity

The approval of the policy on conflict of interest shall be done with the 50% plus one voice of all staff in attendance prior to submitting the policy for approval to the Board of Directors, who will also make the approval based on the 50% plus 1 voice of the members of Board of Directors in attendance.

The policy on conflict of interest shall be amended when one third of staff or one second of members of management team or one second of members of Board of Directors make request for the amendment. The amendment shall be done in the purpose of strengthening good practice or operation of CHC or in compliance with the social and legal context or national policies or the policies and activities of CHC.

The policy on conflict of interest is entered into forced on the signature date.

Phnom Penh, 4 March 2016

Reviewed and Approved



H.E Nhep Sopheap
Chairperson of Board of Directors