



Lizu Community Network

CONFLICT OF INTEREST POLICY (2025 Edition)

INTRODUCTION

Lizu Community Network (Lizu) is committed to promoting transparency, accountability, and integrity in all its operations. This policy ensures that staff, board members, consultants, and associates always act in the best interests of the organization.

Conflicts of interest, if unmanaged, can compromise decision-making, harm donor and community trust, and damage the credibility of the organization. Lizu therefore adopts this policy to identify, disclose, and address actual, potential, or perceived conflicts of interest.

This policy aligns with Lizu's core values of *information, innovation, and transformation*, and complements other institutional policies such as the Financial Management Manual, Procurement Policy, Human Resource Manual, and Safeguarding & SHEAR Policy.

1. Purpose and Scope

The purpose of this policy is to prevent and manage conflicts of interest that may arise in the course of Lizu's work. It applies to all employees, board members, consultants, and volunteers who act on behalf of Lizu Community Network. This policy ensures that organizational decisions are made objectively and in the best interests of Lizu and its beneficiaries.

2. Legal and Ethical Framework

This policy is informed by:

- The Anti-Corruption Act No. 3 of 2012
- The Public Finance Management Act No. 1 of 2018
- The Companies Act No. 10 of 2017
- The NGO Act No. 16 of 2009
- Donor Ethics and Compliance Standards

3. Definition of Conflict of Interest

A conflict of interest occurs when an individual's personal, financial, or relational interests compromise or appear to compromise, their objectivity, independence, or ability to act in the best interest of the organization.

Conflicts may be:

- **Actual** – where a conflict currently exists.
- **Potential** – where a conflict could arise in the future.
- **Perceived** – where others might reasonably think a conflict exists.

4. Types of Conflicts of Interest

1. Financial: direct or indirect financial gain through organizational decisions. (e.g. A staff member approving payments to a business they own or control or A board member influencing a procurement decision that benefits a family member.)
2. Personal/Relational: close relationships influencing professional judgment. ((e.g. Hiring or supervising a close friend or relative or participating in decisions involving an intimate partner or family member.)
3. Organizational: loyalty divided between Lizu and another organization or project. (e.g. Serving as a board member or consultant for another organization competing for the same donor funding.)
4. Perceived: situations that may appear as a conflict to external observers. (e.g. Situations that may appear improper even if no unethical action has occurred (e.g., attending donor meetings representing two organizations simultaneously)

5. Guiding Principles

All Lizu representatives shall act with honesty, transparency, fairness, and integrity. Decisions must always prioritize the interests of the organization and beneficiaries over personal gain.

Lizu adopts the following principles to guide all actions under this policy:

- **Integrity:** Act honestly and ethically always.
- **Transparency:** Declare all potential conflicts openly.
- **Accountability:** Take responsibility for one's actions and decisions.
- **Impartiality:** Base decisions solely on merit and organizational interest.
- **Professionalism:** Always uphold donor and beneficiary trust.

6. Identification of Conflicts

Staff and board members must constantly be alert to situations that could lead to conflicts. Common red flags include:

- Financial gain or personal benefit from organizational transactions.
- Dual roles in related or competing organizations.
- Bias in recruitment, procurement, or funding allocation.
- Using insider information for personal advantage.

When in doubt, individuals should always **declare rather than conceal** a potential conflict.

7. Disclosure and Declaration

All staff, board members, and contractors must complete a Conflict of Interest Declaration Form annually and update it whenever a potential conflict arises. Disclosure must be made by writing to the Executive Director or the Board Chairperson.

Disclosure and Declaration Procedures

Annual Declaration:

- All staff, board members, and key consultants must complete and sign a Conflict-of-Interest Declaration Form each year.

Event-Based Disclosure:

- Any new or emerging conflict must be disclosed immediately when it arises, not only during the annual review period.

Submission:

- Declarations are submitted to the **Executive Director** (for staff) or **Board Chairperson** (for board members).

Acknowledgment and Review:

- The recipient acknowledges receipt in writing within five (5) working days and forwards the form to the Finance and Administration Officer for filing.
- The Executive Director or Board will review the disclosure and recommend a resolution within fourteen (14) working days.

8. Management of Conflicts

Once declared, the Executive Director or Board will assess the conflict and determine an appropriate mitigation measure, such as:

- Exclusion from decision-making related to the matter
- Reassignment of responsibility
- Termination of conflicting activity or relationship

All conflict resolutions must be documented in the **Conflict of Interest Register** and reported to the Board during quarterly governance meetings.

9. Roles and Responsibilities

Role	Responsibility
Board	Provide oversight, approve policy, and review annual conflict reports.
Executive Director	Ensure implementation, review disclosures, and report to the Board.
Finance & Administration Officer	Maintain the Conflict Register and ensure records are secure.
All Staff & Associates	Declare conflicts honestly, avoid conflicts, and act transparently.

10. Sanctions for Non-Compliance

Failure to disclose or manage a conflict of interest constitutes misconduct and may result in disciplinary action such as:

- Written warning
- Suspension or termination of employment or contract
- Removal from the Board of Directors
- Referral to relevant authorities under the Anti-Corruption Act

Sanctions will align with Lizu's **Human Resource Manual** and **Code of Conduct**.

11. Training and Awareness

Lizu shall:

- Include conflict of interest awareness in staff induction and board orientation.
- Conduct annual refresher sessions.
- Circulate the policy to all employees and partners.
- Integrate conflict of interest clauses into contracts and partnership agreements.

11. Reporting and Record Keeping

All declarations and conflict resolutions shall be documented and securely filed by the Finance and Administration Officer. A summary report shall be presented annually to the Board.

- All disclosures and resolutions must be securely filed by the Finance and Administration Officer.
- The records shall be treated as confidential and only accessible to authorized officers.
- An annual summary report shall be presented to the Board and may be shared with donors upon request.
- Whistleblowers shall be protected under Lizu's internal grievance and safeguarding procedures

12. Monitoring, Review, and Amendments

This policy shall be reviewed every two (2) years or sooner if legal, organizational, or donor requirements change. The Executive Director on behalf of the Lizu Community Network will propose amendments for Board approval.



Annex 1: Conflict of Interest Declaration Form

Name: _____

Position: _____

Nature of potential or actual conflict:

Relationship or Interest Involved:

Proposed Action/Mitigation:

Signature: _____ **Date:** ____/____/____

Reviewed by (Supervisor/Director): _____

Decision/Action Taken:



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Annex 2: Conflict of Interest Declaration Form

No.	Name	Position	Description of Conflict	Date Declared	Action Taken	Status	Remarks