

DECLARATION AND MANAGEMENT OF INTERESTS

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RELATED POLICIES

[Welsh Government Code of Conduct for Staff](#)

[Welsh Government Terms and Conditions of Service](#)

[Propriety in Financial Dealings Policy](#)

[Gifts, Rewards and Hospitality Policy](#)

[Business Appointment Rules](#)

[Political Activities Policy](#)

[Appeals Against Management Decisions Policy](#)

[Principle Accounting Officer Note 003: Attendance at and Membership of External Boards and Committees](#)

[Privacy Notice](#)

FORMS

[Declaration of Interests \(DOI\) form for Agency Workers / Contractors / Locally engaged staff \(overseas\)](#)

DECLARATION AND MANAGEMENT OF INTERESTS

POLICY SUMMARY

The Civil Service Code, underpinned by the requirements of the Constitutional Reform and Governance Act 2010, sets out the fundamental principles which frame how civil servants discharge their duties. These principles form part of the Welsh Government's (the WG's) own Terms and Conditions of Service and are also set out in the WG Code of Conduct for staff.

The requirements to act with integrity and honesty prohibit WG employees¹ from misusing their official position or information acquired in the course of their official duties to further their private interests or those of others.

To protect employees from laying themselves open to suspicion that they are misusing their official position for personal gain, all WG employees must declare certain outside interests (defined in section 2 of the guidance) as they arise and confirm their declaration is accurate on a regular basis, including when moving to a new role within the WG. **Interest declarations must include a 'nil return' if employees do not have any relevant interests to declare.**

In the main, employee interest declarations will only be stored on internal WG systems, however a small sub-set of declarable interests will be published to [Declarations of interests | GOV.WALES](#) to fulfill external disclosure requirements. Details of what is published and why are clearly set out in section 5 of this policy.

Failure to declare a relevant outside interest or to comply with management decisions in respect of conflict mitigation could result in action being taken in line with the WG Discipline Policy. A **deliberate** failure to declare any interests which give rise to a conflict with official duties could be deemed gross misconduct, leading to disciplinary action up to and including dismissal.

Through this policy and related processes the WG aims to safeguard both the organisation and its employees from potential issues which could cause difficulties for either party if not properly declared. In particular this policy provides:

- a. a consistent approach to understanding what constitute relevant outside interests and what we mean by a perceived, potential or actual conflict with official duties;
- b. a standard process for declaring and recording relevant interests, including clarity on when a declaration needs to be made or reviewed, e.g. prior to appointment to the WG, when moving to a new role with the WG or as relevant outside interests change; and
- c. details of the follow-up action that may be required if a conflict is identified including examples of conflict scenarios and appropriate mitigating actions.

¹ For the purposes of this policy the term 'WG employee' should be taken to refer to directly employed staff (temporary or permanent), agency staff or contractors and individuals on secondment or loan to the WG.

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This policy does not cover standards of propriety for WG employees in relation to financial dealings (including bankruptcy or insolvency)², offers of gifts and hospitality, political activities or taking up outside appointments / employment **after** leaving the WG. These are separate matters and employees should refer to the relevant policies for further information – see ‘Related Policies’ overleaf.

All our policies are fully inclusive of all staff regardless of age, marriage and civil partnership (both same sex and opposite sex), pregnancy and maternity, race, religion or belief, sex, sexual orientation, whether they have an impairment or health condition, are neurodivergent or use British Sign Language, their gender identity or gender expression. We acknowledge that the terms ‘gender identity’ and ‘gender expression’ are not protected characteristics as defined by the Equality Act 2010, however, we believe that Government policy which includes provision for those persons who identify within the ‘trans’ umbrella (rather than on the basis of binary gender) is a more inclusive approach and one which ensures the Welsh Ministers are in a position to comply with all their statutory duties related to equality and the promotion of well-being in Wales. If you have any feedback on the inclusivity of this policy, please email EqualityintheWorkplaceTeam@gov.wales

This policy will be reviewed every two years or whenever a relevant change in legislation occurs.

GUIDANCE AND PROCEDURES

1. WHAT IS A CONFLICT OF INTEREST?

1.1 The National Audit Office defines a conflict of interest as:

“A set of circumstances that creates a risk that an individual’s ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation (private or government) can exploit a professional or official role for personal or other benefit. Conflicts can exist if the circumstances create a risk that decisions may be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.”

1.2 Employees may not always realise they hold outside interests which give rise to a conflict of interest³. In most cases, there will likely be nothing wrong or unethical in relation to the circumstances leading to a conflict arising, but

² Staff who are declared bankrupt or insolvent must follow the notification process set out in the Propriety in Financial Dealings Policy.

³ Including an actual, potential or perceived conflict – see section 1.4 for more information

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when it does, the WG will take immediate steps to resolve the matter to ensure adherence to the Civil Service Code (see Section 4 and Annex B).

- 1.3 When determining whether a conflict exists, the starting point is to consider whether an employee's outside interests are **'relevant'** – i.e **whether the outside interest (financial or otherwise) could be thought to have a bearing on or overlap with the individual's official role/duties or have the potential to do so.**
- 1.4 Section 2.3 sets out a (non-exhaustive) list of outside interests which **may** be relevant to an employee's official duties. For each relevant interest identified, the decision-maker (usually the line manager in the first instance) should decide whether, in the context of the employee's official duties, the interest gives rise to an actual, potential or perceived conflict of interest as follows:
 - a. **Actual conflict** - there is a risk that the employee's ability to apply judgement or act in their official role is or could be impaired or influenced by an extant secondary interest.
 - b. **Potential conflict** - there is a risk that the employee's ability to apply judgement or act in their official role could be impaired or influenced by a secondary interest in the foreseeable future.
 - c. **Perceived conflict** - there is a risk that the employee's ability to apply judgement or act in their official role could reasonably be perceived as impaired or influenced by a secondary interest (i.e. it could cause a reasonable person to think there was a conflict of interest).

In some cases, the decision-maker may conclude that the interest is relevant but presents **no issue** (i.e. it does not meet the definition of an actual, potential or perceived conflict of interest).

2. WHAT INTERESTS MUST BE DECLARED?

- 2.1 WG employees must declare outside interests as soon as they become **relevant**. There are also some outside interests which must always be declared, regardless of relevance to the employee's current role (see 2.3). When declaring their outside interests, employees are encouraged to err on the side of caution, as the onus is on the individual to consider all interests that could be relevant and declare them. Employees are encouraged to discuss their outside interests with their line manager (and Senior Management if appropriate) so that an objective judgement can be made about the actual relevance to their current role. Employees whose personal circumstances have the potential to create a short term or temporary conflict with their official position (e.g. if they are taking legal action against a public body) should contact the HR Director for advice.

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- 2.2 In addition to an employee's own interests, those of close⁴ family members (for example spouse/partner, adult children, parents and siblings) and close friends/associates may form part of the consideration of outside interests. This is limited by the relevance of those interests to the employee's official duties and the extent to which the employee can **be expected to know** of such interests at the time they make a declaration. When declaring a relevant interest of a close family member/friend/associate, only the nature of the relationship (e.g. spouse, sibling, business partner) and details of their interest should be recorded. **It is not necessary to record the name of the family member/friend/associate.** Employees may wish to let the individual know this information is being recorded as it could represent a conflict / perceived conflict with their role as a WG employee.
- 2.3 The following interests **must always** be declared, whether or not they are considered relevant to official duties by the employee / line manager:
- a. **Outside occupations** – this includes all paid or otherwise remunerated outside employment (including self-employed activities such as running a registered⁵ business or consultancy) or appointments. Where work is not directly remunerated but may generate financial advantage for third parties, this should also be declared. For more information on the kind of activities that would fall into this category (and the approvals process that applies) please refer to Annex E. *Note: SCS staff only – details of these interests will be published to [Declarations of interests | GOV.WALES](#)*
 - b. **Membership of Reserve Forces** – e.g. Navy, Army or RAF;
 - c. **Membership of External Boards**⁶ - including secretariat roles, whether in a private or official capacity, either paid or unpaid. Additional rules apply to Board Memberships, please see Annex F for more information.
- 2.4 The following is a non-exhaustive list of the types of other outside interests that **must be declared if relevant to official duties**:
- a. **Personal interests** - where the employee has relevant close family or personal relationships (including from a work context) which could

⁴ While this will depend on a case-by-case basis, factors including regularity of contact, proximity of familial ties will be relevant. For example, if estranged from a sibling their interests will likely not need to be considered, whereas the interests of a relation through marriage who is seen regularly may be worthy of consideration for relevance, such as if they work for an organisation that the employee in their current role lets contracts to.

⁵ Registered with Companies House

⁶ An external board is defined as an outside board or committee that has a statutory remit, i.e. public bodies, or which are formally registered, such as a charity or company. It does not include social / leisure organisations such as hobbies or interest groups or membership of school governing bodies or other bodies which do not have the capacity to influence WG policy

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influence their objectivity (or be perceived as such). See paragraph 2.2 for more information on the nature of such personal relationships;

- b. **Financial interests** - where the employee (or their close family/friends/associates) stands to gain financially (either immediately or in the foreseeable future) from information they have access to or the work they are undertaking in the WG⁷ or where they can use their status to deliberately prevent someone else from gaining financially;
- c. **Private shareholdings** - where an employee (or their close family/friends/associates) holds shares in a business that their team, wider business area or, if appropriate, the WG has an interest in. For more information on private investments and shareholdings, please refer to the Annex C;
- d. **Voluntary roles** - where the employee has access to information which could be of benefit to the organisation for which they volunteer or where they have a WG role with regulatory or procurement responsibilities for the organisation they volunteer with. For example, the role of school governor could be a declarable relevant interest if the employee works in a related policy area or is submitting grant/funding requests to the WG;
- e. **Previous employment, appointments or other outside roles** - where an employee has previously held roles, or formed close working relationships that might be relevant to their current role (in particular on entry to the Civil Service and in the early years of their Civil Service career). This should also include any elected roles (e.g. Parish or local Councillor) and may need to be considered on entry to the Civil Service in terms of the individual's ability to adhere to the Civil Service Code, and in line with the rules on political activity set out in the Political Activities Policy;
- f. **Business interests** - where an employee (or their close family/friends) holds an interest in any organisation (including Directorships) which they could use their official position to further;
- g. **Procurements** - where an employee has direct or indirect financial, economic or other personal interests which might be perceived to compromise their impartiality and independence in the procurement process. There are additional rules around declaration of interests for employees operating in commercial and procurement roles. These are set out in Annex D;
- h. **Any other relevant interests** - employees must declare any other interests they hold which might reasonably be perceived as relevant to their responsibilities as a Civil Servant / employee of the WG. This must

⁷ Insider dealing is a serious criminal offence under the Criminal Justice Act 1993. If in the course of an employee's work, they come into possession of information that could be used for financial gain (or other types of gain) this must be treated in the strictest of confidence.

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include private interests such as freemasonry or membership of societies, clubs and other organisations which the employee shares with individuals with whom they have official dealings.

2.5 The following interests are not deemed by the WG to be relevant to official duties **so do not need to be declared**:

- Membership of an external social group or voluntary organisation which is unlikely to be impacted by the employee's role within the WG;
- 'Blind' shareholdings or other securities/financial interests where there is no direct oversight, knowledge or control over the portfolio of investments e.g. a stocks and shares ISA; or
- A cash-only ISA.

3. PROCESS FOR DECLARING OUTSIDE INTERESTS

3.1 In most cases WG employees will declare their outside interests (or a **nil return if they have no relevant interests to declare**) via the Datgan system.

3.2 Once an employee declares a relevant interest, their line manager must discuss the declaration with the employee, decide whether a conflict (or potential conflict) exists and consider what follow-up action may be required, seeking advice from the Corporate Governance Centre of Excellence (CGCoE) where necessary. If the declared interest is particularly contentious or likely to pose a risk to the reputation of the WG, the line manager must bring it to the attention of a more senior manager (at least Deputy Director level).

3.3 Line managers will use Datgan to acknowledge the declared interests of their direct reports and record any mitigating action that needs to be taken. Where a conflict (or potential conflict) has been identified, the declaration and manager comments will be automatically forwarded to the relevant Deputy Director or more senior manager⁸ for authorisation. **Note: for some SCS staff, a separate authorisation process applies – see section 3.9 below.**

3.4 If the senior authoriser has concerns about any declared interests, potential conflicts or proposed mitigating actions, they must discuss these with the employee's line manager, seeking advice from the CGCoE if necessary.

⁸ For staff below G7, the authoriser will normally be their Deputy Director. For staff at G7/G6 grades, the authoriser will normally be their Director.

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- 3.5 Completed declarations (including nil returns) are held centrally in Datgan. The system will remind employees on an annual basis to confirm that the record of their outside interests is accurate, however employees can review/update this information at any point. Regular reminders about the requirement to declare outside interests will also be issued via the Intranet news page.
- 3.6 The declaration of interests is a live process.** Previously undeclared outside interests may become relevant with a change in official duties, and it is every employee's responsibility to ensure the information they have provided is up-to-date and takes account of new/existing interests as they become relevant. Employees should not wait for the annual system prompt or other corporate reminders to declare a new relevant outside interest.
- 3.7 Before an employee agrees to take up a new role within the WG, they must review their existing declaration in the context of that role and discuss any relevant outside interests with the recruiting line manager. In line with the process outlined above, the recruiting line manager is responsible for identifying any potential conflicts and deciding whether mitigating action is necessary/possible, seeking advice/authorisation from senior management as appropriate. This information must be recorded in Datgan as soon as the employee starts in their role.
- 3.8 In exceptional circumstances where it is not possible to sufficiently mitigate the impact of a conflict/potential conflict, the offer of the new role must be withdrawn.

Authorisation Process for SCS Declarations

- 3.9 Staff who report directly to the Permanent Secretary or Directors General will have a different approval process and the following will apply:
- 3.9.1 Declarations made by staff who report directly to a Director General will be both reviewed and authorised by their Directors General in a one step process.
- 3.9.2 Declarations made by staff who report directly to the Permanent Secretary will be both reviewed and authorised by Permanent Secretary.
- 3.9.3 Declarations made by the Permanent Secretary will be recorded in Datgan and subject to review by the Head of the UK Civil Service;
- 3.9.4 The Welsh Government Audit & Risk Assurance Committee (ARAC) will regularly scrutinise declarations made by DGs and the Permanent Secretary.

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4. RESOLVING CONFLICTS OF INTEREST

- 4.1 Once an actual, potential or perceived conflict has been identified, a decision will need to be made on what action to take in response. Such action should be agreed in discussion with the individual who has made the declaration where possible and will be formally recorded in Datgan.
- 4.2 The following is a non-exhaustive list of action that could be taken:
- a. **Agreement that there is no actual, perceived or potential conflict of interest** - it may be that the line manager and employee decide that there is in fact no conflict of interest to be found. If this is the case, then additional action is unlikely to be necessary;
 - b. **Exclusion from the activity** - it may be that the only reasonable step to take to eliminate the risks set out in paragraph 1.1 is to have the individual concerned remove themselves from the activity/relationship etc. that is causing the conflict of interest. All actual conflicts of interest must be resolved in this manner. Examples of actions that could achieve this include changing responsibilities, recusal from decision making, divestment or ending a role.
 - c. **Continue with the activity but implement actions to mitigate any real or potential risk** - what actions are necessary will be entirely dependent on the nature of the conflict of interest (actual, perceived or potential) and the level of risk, however it might include things such as closer monitoring, revisions to existing work plans, or the additional disclosure of all relevant information to others involved in the decision-making process.
- 4.3 **Any actual conflicts of interest must be resolved in a way which removes the conflict.** Potential or perceived conflicts of interest may exist in some circumstances, provided that effective mitigations are put in place. The assessments, considerations and actions agreed will be documented within Datgan to ensure a clear audit trail.
- 4.4 In thinking through an assessment, the decision-maker must consider, for example, how the decision would be defended publicly, and how it would look from the perspective of a member of the public. It is good practice for the line manager to ensure that the CGCoE or member of the relevant senior leadership team checks what is proposed. If agreement cannot be reached on what action should be taken, line managers should escalate this to more senior managers (and ultimately the Permanent Secretary, who may take advice from the Cabinet Office). As an aid to decision-making, Annex B includes examples of actual/perceived conflicts and how they may be resolved.

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5. RECORD KEEPING, DISCLOSURE AND REVIEW

Record Keeping

- 5.1 Completed declarations (including nil returns) are held centrally in Datgan. As such records may be subject to future audit, they will be retained for 7 years in line with the WG Corporate Retention Schedule. The information contained within Datgan is sensitive personal data and access is restricted on a 'need to know' basis. By default, interest declarations are only viewable by the individual who has made the declaration, their line manager and the senior authoriser (if required). Nominated individuals within Group Operations Teams (or equivalent) also have access to their Group's Datgan records for the purpose of fulfilling the disclosure and governance requirements set out below. Occasional access to Datgan records may be granted to colleagues in Internal Audit Service or the Counter Fraud team for audit and investigative reasons.

Disclosure

- 5.2 The WG is required under HM Treasury financial reporting requirements to disclose the relevant interests of Welsh Ministers, Senior Officials (WG Board and ExCo members including NEDs) and Special Advisers. To fulfil a commitment made to the Senedd Public Accounts and Public Administration Committee (PAPAC), the WG discloses details of external board memberships held by WG staff (at all grades). To align with Civil Service best practice, the WG has also chosen to disclose details of paid or otherwise remunerated⁹ employment, work or appointments undertaken by SCS staff in addition to their WG role.
- 5.3 This information is routinely published to the Welsh Government website as follows:
- [Ministers Private Interests](#) – a list of relevant interests for WG Ministers and those of their close family members or associated persons.
 - [Senior Officials: Register of Interests](#) – a list of the declared interests of senior officials who have served on the WG's Board and Executive Committees (both executive and non-executive members).
 - [Special Advisors: Register of Interests](#) – record of Special Advisors' interests

⁹ As defined in paragraph 2.3(a) and Annex D

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- [Civil Service Conflicts of Interest Register](#) – a list of WG employees (at all grades) who hold an external board membership (see section 2.3(c) and Annex F)

Governance

- 5.4 Deputy Directors act as Authorising Officers for declarations (including proposed mitigations) for staff below SCS level within their own business areas. The approvals process for SCS staff declarations is set out in section 3.9.
- 5.5 Each Group's ARAC will review the Group's processes and controls in respect of declaration of interests on a 6 monthly basis. Any declarations which the ARAC consider to be a cause for concern **must** be followed up with the relevant DD or DG.
- 5.6 To provide a level of additional assurance to internal processes for declaring outside interests, the Director of Propriety & Ethics will oversee and ensure compliance with the proper application of internal policy and procedures, ensure consistency of judgement, and provide expert advice to the Permanent Secretary.
- 5.7 Group Operations Teams will use the Datgan system to provide a 6 monthly report on conflicts of interest to the Director of Propriety & Ethics for review by ExCo and the WG ARAC.

6. APPEALS PROCESS

- 6.1 Employees have a general right of appeal against management decisions that affect them adversely. Any employee who wishes to lodge an appeal against action proposed or taken by management to resolve a conflict of interest, may do so by following the process set out in the Appeals Against Management Decisions Policy.

WELSH GOVERNMENT HR POLICIES AND GUIDANCE

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Annex A

ROLES AND RESPONSIBILITIES

Employees are responsible for:

- Conducting themselves in accordance with the core values of the Civil Service Code: integrity, honesty, objectivity and impartiality;
- Notifying their line manager of any relevant outside interests as soon as they arise via the Datgan system;
- Complying with any associated management decisions regarding the management of actual or perceived conflicts arising from those interests;
- Updating their interest declaration at least annually in line with the corporate refresh process, including a 'nil return' where they have no relevant interests to declare;
- When considering a move to a new role, discussing any relevant outside interests with the recruiting line manager;
- Applying for permission from senior management (DD or DG) in the following circumstances:
 - before taking up an external appointment such as a directorship, board membership or service on an NHS body; and
 - before agreeing to be considered for service as a Justice of the Peace.

Line managers are responsible for:

- Ensuring that their team members have an up-to-date declaration in the Datgan system (including a nil return if an individual has no relevant interests to declare);
- Ensuring that their team members update their declarations to include new relevant interests as soon as they arise. Where employees change roles within the WG, the recruiting line manager must review the employee's declared interests before a final decision on the appointment is made;
- Discussing any issues that arise in connection with this policy with their team members, for example as part of performance check-ins and taking appropriate action;

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- Reviewing completed interest declarations of their team members, in consultation with senior management and the CGCoE as appropriate;
- Taking action where a conflict or perceived conflict arising from declared interests become apparent and seeking advice from a more senior manager and/or the CGCoE if in any doubt whether a conflict exists; and
- Treating employee interest disclosures as sensitive personal data and handling them accordingly.

Deputy Directors are responsible for:

- Reviewing declarations made by their G7/G6 staff;
- Where relevant interests have been declared, authorising completed declarations (including any proposed mitigating actions) for all staff below SCS;
- Authorising employee requests in the following circumstances:
 - external appointments such as a directorship, board membership or service on an NHS body; and
 - service as a Justice of the Peace.

Directors are responsible for:

- Reviewing declarations made by their Deputy Directors;
- Where relevant interests have been declared, authorising completed declarations for G7/G6 staff;

Directors General are responsible for:

- Where relevant interests have been declared, authorising completed declarations for Deputy Directors within their own Group;
- **Reviewing and authorising** declarations made by Directors within their own Group; and
- Ensuring that a review of declared interests is carried out by Group Audit & Risk Assurance Committee (ARAC) in the following circumstances:
 - Every 6 months according to routine corporate governance processes;

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- If the Group's declaration process is the subject of an internal or external audit;
- If there are issues raised in an internal or external audit report; or
- If a particular concern has been brought to the attention of the WG ARAC

The Permanent Secretary is responsible for:

- Reviewing and authorising declarations made by Directors General.

The Head of the UK Civil Service is responsible for:

- Reviewing and authorising the Permanent Secretary's declaration.

Welsh Government Audit & Risk Assurance Committee (WG ARAC) is responsible for:

- Regularly scrutinising declarations made by both Directors General and the Permanent Secretary.

Corporate Governance Centre of Excellence (CGCoE) is responsible for:

- Advising (where necessary) on issues related to conflicts of interest to ensure consistency across the WG;
- Providing independent assessment of proposed actions to mitigate conflicts of interest if asked to do so by senior management.

Group Operations Teams are responsible for:

- Providing reports on declared interests/conflicts to their DG and the Director of Propriety & Ethics as required for review by Group ARAC, the WG ARAC or ExCo.

The Director of Propriety and Ethics is responsible for:

- Presenting a 6 monthly report on conflicts of interest to ExCo / the WG ARAC; and
- Providing expert advice on conflicts of interest to the Permanent Secretary as required.

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Annex B

CONFLICT SCENARIOS AND MITIGATING ACTION

A conflict of interest occurs when an employee's own outside interests (or those of their close family/friends/associates) impair their ability to apply judgement or act with impartiality in their official role.

Example 1:

As part of their WG role, an employee assesses applications for financial support from external organisations seeking assistance from a WG grant scheme. The employee is also involved in a personal capacity with an organisation that is seeking funding from the same grant scheme. This is a conflict of interest as there is a risk that the decision-making process could be influenced by (or perceived to be influenced by) the employee's outside interest.

Action Required: To avoid any real or perceived bias in the grant award process, the employee can no longer fulfill their role in this grant application assessment process and must be moved to other duties.

Example 2:

A line manager applies for funding, in a personal capacity, from a WG grant scheme for which they also have a role in assessing applications. Rather than undertake their own assessment, they consider asking one of their direct reports to assess their application in the belief that this will mitigate any potential conflict of interest. However, this course of action would leave the WG open to challenge on the grounds of perceived bias, as the subordinate member of staff may be reluctant to report any impropriety involving their direct line manager. In addition, it could be perceived as a potential abuse of position on the part of the manager.

Action Required: To avoid any real or perceived bias in the grant award process, the manager's grant application should be independently assessed by a senior member of staff outside the immediate line management chain and the manager removed from any part of the process.

Example 3:

An employee's WG role involves the development of a grant scheme. They also have close family/friends/associates who (depending on the nature of the eligibility criteria) are likely to apply for the same grant scheme in the future. This is a conflict of interest, as there is a risk that the employee's work on the scheme could be influenced (even unintentionally) by their own personal relationships, or that their actions could be perceived as such.

Action Required: to avoid any real or perceived bias in the development of the grant scheme, the employee should be moved to other duties.

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Example 4:

A contractor helps develop the strategic direction for a new system. During their engagement, they have access to 'inside' information relevant to the letting of a contract to deliver the new system. The contractor also owns a private company and submits a bid for the contract. This is a clear conflict of interest that puts other potential suppliers at a disadvantage and could cause reputational damage for the WG.

Action Required: The contract cannot be awarded to the contractor's company.

Example 5:

An employee who works in education policy wishes to take on a role as a school governor. As they could have access to unpublished information and policy proposals their dual role could present a conflict of interest or perceived conflict of interest.

Action Required: To mitigate any potential conflicts, they will need to tell the school of their WG role and not participate in any discussions / actions involving WG policy or funding. They should also declare this interest and discuss the proposed mitigation with the line manager.

Example 6:

An employee managing a grant assesses and approves payment to an applicant who is a close friend but does not consider this to be a conflict of interest.

Action Required: It might appear that poor judgement has been displayed here, deliberate or otherwise and the matter should be referred to the HR Case Advisory Team for investigation. As this could be deemed a deliberate failure to declare an interest which gives rise to a conflict with official duties, the employee's actions could be deemed gross misconduct, leading to disciplinary action up to and including dismissal.

Example 7:

An employee wishes to take up a voluntary role for an amateur sports group in their local area. They may be required to organise and participate in fund-raising activities for the group and have approached their line manager for advice on whether this needs to be declared as a possible conflict of interest.

Action Required: Voluntary roles like this only need to be declared if the employee has access to information (by virtue of their WG role) which could benefit the club or where their official duties include regulatory or procurement responsibilities for the club. In this case, the voluntary role is not related in any way to the employee's WG role, and so the manager advises that the club membership does not need to be declared.

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Example 8

An employee has no relevant outside interests and has asked their manager whether a Datgan declaration is really necessary.

Action Required: as well as providing details of relevant outside interests which could cause an actual or perceived conflict of interest, all employees must confirm that they have no relevant interests to declare. The Datgan system makes it easy to do so. A 'nil return' like this is important as it provides assurance that both the employee and their line manager have given these issues due consideration.

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Annex C

Private shareholdings and other investments

Part V of the Criminal Justice Act 1993, makes it a criminal offence to profit or benefit from 'inside information' in relation to market shares and securities. For the purposes of the Act, this is information which is not in the public domain, and which is price sensitive in relation to shares or securities. If you have such information by virtue of your current or former position as a Civil Servant, you cannot (while in possession of the information):

- deal in related shares and securities;
- encourage anyone else to do so; or
- pass the inside information onto others if you know (or ought to have known) that the recipient will use it for dealing in such shares or securities or for encouraging others to do so.

You are therefore free to invest in shareholdings and other securities unless the nature of your work is such as to require constraints on this. However, you must not be involved in taking any decisions in the course of your official duties which could affect the value of your own private investments, or the value of those on which you give advice to others. Neither may you use information acquired in the course of official duties to advance your private financial interests or those of others.

Apart from the restrictions above, there is no reason why in a private capacity you cannot hold or deal in stocks and shares or any other assets, but the following guidelines must be followed:

- in all cases where you or a close family member/friend/associate have a relevant private financial interest in something with which you might have to deal officially, you should declare this in writing to your line manager via Datgan;
- where you have such an interest in something with which you might have to deal officially, and the information or the private interest is specific (for example, you have knowledge of a particular company's affairs or own shares in a particular company), the right course will either be to avoid any dealings in those investments (for as long as the information continues to be confidential and price sensitive) and to advise your line manager accordingly so that other colleagues may deal with any work involving your private interest;
- if you have substantial investments or are an executor or trustee in circumstances where a conflict of interest could occur between your management of these investments and your official work, you should

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consider the use of a third party to manage your affairs on a day-to-day basis, subject to periodic discussion with your line manager on the general policy and procedures to be followed.

If any of these business or financial interests would benefit because of your official position, you must comply with any instructions from the WG regarding the retention, disposal or management of such interests.

Employees may from time to time have inside knowledge of proposals for the privatisation of public sector assets. Where this is the case, your DD may prepare, in light of the above guidelines, more specific guidance for use within your Division, specifying the restrictions on dealings placed on holders of particular posts. Consequently you should be aware that within your Division, you may be subject to more specific advice in addition to the general rules set out in this policy.

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Annex D

Rules for Staff Involved in Contracts or Procurement Exercises

If employees are regularly involved in awarding contracts or procurement exercises, they must make a declaration of interest on an annual basis, or more frequently than this if their circumstances change. The line manager will review the declaration and consult with the Head of Procurement to assess whether existing or proposed mitigation measures are sufficient to manage any potential conflicts.

In addition to this, if employees have any relationship with, or interest in, an external organisation which features in a specific procurement exercise which they are participating in, they must declare this in writing (using the DOI form) to their line manager and the Head of Procurement and not take any part in the procurement process. This communication and any other supporting documentation must be filed on the Group's ROI.

Employees must also ensure that they do not use any business information gained during their employment with the WG for personal gain or to the advantage of relatives or friends.

Under normal circumstances, where employees have been involved in the procurement exercise for a new contract, the contract must not be let to:

- the employee, their immediate family, close personal friends or business associates;
- any company or partnership of which the employee, their immediate family, close personal friends or business associates are members or work in;
- any organisation of which the employee, their immediate family, close friends or business associates are a director or partner (except where the employee/they are a nominee of the WG).

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Annex E

Outside Occupations, Job Applications and Offers, including service as a Justice of the Peace

The aim of the rules on outside occupations is to maintain public trust in the people who work for the WG and in particular:

- to avoid any suspicion (no matter how unjustified), that any advice given, or decisions made by employees might be influenced by the hope of future employment with a particular organisation;
- to avoid the risk that a particular organisation might gain an improper advantage over its competitors by employing someone who, in the course of their employment with the WG has had access to technical or other information which those competitors might legitimately regard as their own or to information relating to proposed developments in the WG's policy which may affect the organisation or its competitors.

Section 2.3(a) outlines the types of outside occupations or offers which must be declared/authorised. [Cabinet Office](#) has provided further information on the definitions used in this interest category as they apply to the publication of SCS declarations. These definitions also apply to non-SCS declarations where there is no publication requirement:

- **Employment:** *situations where there is some sort of written or verbal agreement between an individual and an entity to supply goods or services. This could include an individual being an employee, a contractor or a worker and there will usually be agreed payment terms.*
- **Otherwise remunerated:** *includes, but is not limited to, salary, bonuses and share options. Could also include scenarios where donations are made to charity or other sources in lieu of an individual receiving them, for secondary employment they have carried out.*
- **Passive income, e.g. receiving rental payments:** *such income would not ordinarily need to be declared/published. However, there are instances where it could be, such as where the individual has a business that buys and rents out housing and undertakes a role akin to an employee. It is impossible to define every potential scenario and departments are instead encouraged to apply a reasonableness test depending on the circumstances of each disclosure.*

Authorisation Process

When considering whether a request to take up a secondary role/appointment should be authorised, line managers should apply the principles contained in the

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Business Appointment Rules. Specific consideration should be given to whether the secondary role could be said to overlap with or draw on the knowledge or skills used in their WG role(s) as this will likely present a conflict of interest.

If an employee is planning to apply for a job or are having discussions about prospective employment with a non-Civil Service organisation, they must declare this to their line manager **before submitting their application**.

In addition, employees who wish to serve as a Justice of the Peace¹⁰, must obtain permission from their DD (or more senior manager if SCS) **before** agreeing to be considered.

All staff must observe the following general principles in relation to outside occupations, job applications and offers:

- they must not engage in any occupation or other activity which might in any way conflict with their official duties;
- they must not at any time engage in any private activity which would require their attendance during office hours or in any way impair their usefulness as a public servant (exceptions to this can be found in the Special Leave Policy);
- they must not engage in any outside activity involving the use of knowledge or experience acquired during the course of their official duties or involving payment from another government department, without first obtaining the consent of their DD (or more senior manager if SCS);
- they must not hold a directorship or undertake executive work in a private company, firm or other organisation or engage in consulting work which has a connection with their official duties or is on behalf of a firm or concern which is in a contractual or other special relationship with the WG without first obtaining the consent of their DD (or more senior manager if SCS);
- they must tell their manager **immediately** of any changes in circumstances that may affect the permission they have been given. If an employee wishes to move to a new role within the WG, they must tell the recruiting line manager about their secondary employment and seek their approval **prior** to taking up the post.

¹⁰ Staff do not need to seek permission to serve as Magistrates.

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Annex F

Appointments to External Boards

It is beneficial for all concerned that the skills and experience of employees working for the WG can transfer to the wider community, provided there is no suspicion of impropriety. As a result, most applications submitted under these rules are authorised without condition, with the exception of applications from current WG employees to serve on the Board of a WG-sponsored public body. The suitability of former employees (still subject to restrictions under the Business Appointment Rules) for Board roles will be considered on a case-by-case basis as part of the normal Business Appointments process.

However, employees must obtain permission from their DD (or more senior manager if SCS) **before** accepting an appointment to any Public Board or body financed wholly or in part from public funds or on a National Health Service body.

In deciding whether to give permission, the DD or other authorising manager will consider the guidance on membership of external boards set out in [PAO Note 003](#) and the following principles:

- permission will not be given for employees to serve as the Chair of a Local Health Board as incompatibility could arise between the functions of such a post and their position within the WG;
- permission may be given for employees to accept an appointment as a member (other than the Chair) of a Local Health Board or a Family Practitioner Committee provided they are not likely to be known to the public in the area covered by the Board or Committee as an official of the WG and that the appointment is not otherwise incompatible with their official duties or position as a civil servant. Such an incompatibility will generally only arise with employees engaged on health service work;

If employees are in any doubt as to whether they should declare their membership of an external board, they must seek advice from their line manager in the first instance.