



Duncan Minty Consultancy  
*Business Ethics for Insurance and Financial Planning*

# 20 steps to improve your handling of **conflicts of interest**



## Twenty Steps to Improve your Handling of Conflicts of Interest

- 1 Tune In** Do some desktop research into conflicts of interest (CoI) incidents in your sector. Find out the ones that hit the news and why that happened. Read some of the literature on CoI (see ‘Good Reads’ page) and investigate how other sectors / organisations handle them.
- 2 Define** Be clear about what you mean by a conflict of interest. Drawing on that desktop research, draft a working definition that reflects how your firm and its key audiences see a CoI.
- 3 Tone** Make sure you set the right tone for this project: CoI are situations, not accusations. Being in a CoI is like having the flu – it’s not unethical. The ethical issues are in how you handle them.
- 4 Context** Put CoI into the context of your business and the markets it operates in. Understand why it matters to your business and its relevance to your reputation and strategic goals.
- 5 Research** Run an in-house workshop to identify the types of CoI that your people have come across. Use the Chatham House rule. Involve a ‘critical friend’ to make sure that an external perspective is heard.
- 6 Policy** Draft a CoI policy, drawing on what you’ve learnt from the above five steps. Remember to include a clear decision making process within it and keep it as readable as possible.
- 7 Buy-in** Put all of the above together into a report to your senior management and ask for their buy-in to how CoI are to be managed. Make it clear that the ‘tone from the top’ is vital to this project.
- 8 Relationships** Create a map of your organisation’s relationships, including both those who affect your business and those who are affected by your business. Identify those that are significant to the success of your business.
- 9 Risk** Assess the extent to which any of those significant relationships could give rise to one of those previously researched CoI.
- 10 Gaps** Hold another workshop to hear from your staff how well the firm presently manages the CoI in those significant relationships and whether they meet the expectations set out in your draft CoI policy.



- 11 Procedures** Categorise your CoI and create a set of procedures for how each CoI category is to be managed. These procedures should clearly identify the decision making process that staff should follow for each category.
- 12 Examples** Create some case studies to illustrate key points in your CoI policy and procedures. Complement these with some dilemma scenarios for your staff to work through as a check on their understanding.
- 13 Embed** Create links to other policies and procedures, to make sure that those relating to CoI are knitted into the fabric of your firm: for example, in relation to disciplinary and remuneration policies.
- 14 Communicate** Make your staff aware of the policy and procedures relating to CoI and of the active support of senior management for them. Reinforce this for staff whose work is connected with the more business critical CoI.
- 15 Train** Consider providing CoI training to staff who work on the more significant business relationships and who are connected with the more business critical CoI.
- 16 Report 1** Give your staff a clear pathway for reporting CoI situations, with such reports being channelled through to a central database that allows staff to check on them over time.

Later on...

- 17 Monitor** Track what staff are reporting through the CoI pathway, to learn about the situations being encountered and how well your policy and procedures are supporting them. Consider an internal audit to check that all is being reported that should be reported.
- 18 Report 2** Make sure your senior management team receive reports on CoI incidents, how the more serious ones were managed and what the outcomes were.
- 19 Listen** Consider asking your clients (and other key relationships) for feedback on how well your firm has been handling CoI incidents. Use that feedback to adjust your policy and procedures as necessary.
- 20 Revisit** Go back to your CoI policy and procedures and make sure that they are as relevant, readable and valuable to your business, in the light of the experience gained in handling CoI, as you first intended them to be.

Feel free to expand or compress these steps as you wish. I'd be happy to meet up to discuss any of them in more detail. Get in touch with me through the 'Contact' page at [duncanminty.co.uk](http://duncanminty.co.uk)