

POLICY ON CONFLICT OF INTEREST AND CONFIDENTIALITY

Background

The Board of Governors at its November 2003 meeting adopted the following general policy on conflict of interest.

Principles of Conduct set out in Article VI of the Act of Foundation

1. Article VI of the Act of Foundation states that:
 1. *Persons elected to the Board of Governors or to any other committee, shall act in the best interest of the International Baccalaureate Organization.*
 2. *The business and affairs of the Foundation will at all times be conducted ethically.*

What is conflict of interest?

2. Members of governing bodies have a general duty of care and a responsibility to act in the best interests of the organization. Conflict of interest is generally taken to arise if there is any direct pecuniary, professional, family, or other personal interest relating to a member in respect of the matter being considered or determined. Conflicts of interest can be actual or potential. They can also be indirect (for example in situations of divided loyalties). They can involve perceptions of conflict of interest as well as actual ones. Indirect potential conflicts of interest may be the most difficult to assess and each will have to be judged on its merits.

What safeguards are necessary to protect the best interests of an organization in situations of conflict of interest?

3. It is normal recommended practice that a member of a governing body or other committee should not participate in the discussion or decision of any matter where there is a conflict of interest (and for that conduct to be recorded in the minutes of the body concerned). In some circumstances it would be good practice for the member to withdraw from the meeting for that item of business.

These are important general principles of good practice and apply in all situations of conflict of interest. But it is also necessary to anticipate actions that can safeguard against conflict of interest in particular circumstances. A range of actions might be considered and they should satisfy the test of reasonableness as judged by an informed but disinterested third party.

4. Members of the Board of Governors come from a broad range of organizations and positions within them and diversity is a welcome and important attribute of its membership. Heads of IB schools (all of whom by definition have a formal relationship with the IB) are the single largest constituency and we accept that, as members of the Board of Governors, they will act in the best interests of the IB as a whole at all times.

What other safeguards are necessary?

5. The main consideration is that of disclosure of actual or potential conflict of interest.

The introduction of a formal declaration and register should be implemented. This does not remove the obligation on members to be alert to new situations that may arise and to disclose these at the time but it does ensure that there is a transparent framework in place. The register should be open to inspection by members of the Board and should be maintained by the governance department.

Confidentiality of Board business

6. Although wider in its application than conflict of interest, our lawyer has suggested that the Board should have a policy on confidentiality in respect of Board business.

The following statement was adopted.

"Board of Governors members are subject to a general responsibility of confidentiality in respect of Board business and that of its committees. In respect of personal information relating to individual staff, students or others involved in the IB the duty is absolute and unlikely to raise matters of interpretation. It will also usually be clear cut in respect of commercial or business or academic policy decisions under consideration by the Board or its committees or in relation to the examining process. There may however be other matters where the case for confidentiality is less clear cut either because the matter is already in the public domain or because open and public debate will be in the best interests of the IB. Members in doubt about whether or not a matter should be considered confidential should in the first instance consult the director general for advice. Where a ruling is necessary this should be made on the authority of the president."

Disclosure register

7. Members of the Board will make formal declarations to the secretary on an annual basis. The declaration would either state that the member does not know of any conflict of interest situations or, if there are any, they should be declared. Any such disclosure would then list the potential matters of conflict that could arise, including those of potential divided loyalties. The register should be open to inspection by members of the Board and should be maintained by the governance department.

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