

Insolvency Practitioners Association (IPA)

Conflict of Interest Policy for Committee Members (Internal policy)

February 2019

This conflict policy is designed to ensure that all IPA Committee Members are able to correctly identify a potential conflict of interest, understand their responsibilities when they may be conflicted on a regulatory issue, either insolvency or anti-money laundering, and the process members are expected follow on identification of a conflict that affects them.

Committee Members are asked to sign the document to signal that they have received the document and understand their responsibilities.

Introduction

1. The IPA is a membership organisation, which as part of its articles regulates Insolvency Practitioners (IPs) by means of ongoing regulatory and inspection visit programme and in dealing with complaints against IPA members.
2. The IPA uses Committees to assist the Secretariat with issues regarding membership, examinations, events, policy and there are, currently, two Committees which consider potential breaches from inspection visits and in relation to complaints.
3. This policy has been issued to remind all current Committee members (whether lay Committee members or current IPA members), future Committee members and Chairs of Committee meetings of their responsibility to disclose conflicts of interest they hold or can perceived to hold in respect of any proposed Committee agenda item.
4. In particular, the Membership & Authorisation Committee ('M&A') deals with matters of concern that arise from inspection visits or from self-certification reports from members – these matters cover breaches of Insolvency Statute, Ethical Code, Anti-Money Laundering ('AML') Legislation and regulation, breaches of Statements of Insolvency Practice ('SIP') and other regulatory breaches.

5. The Investigation Committee ('IC') deals with complaints received from the Insolvency Service Complaints Gateway, third party sources or matters referred for sanction from the M&A and as per point 4 above will consider breaches of Insolvency Statute, Ethical Code, AML Legislation and regulation, breaches of SIPs and other regulatory breaches.
6. A copy of this policy will be provided to the Chair of each Committee and will also be provided to all new Committee members who are required to sign a confidentiality agreement before being able to attend and sit on any Committee.
7. The Policy will be the responsibility of the Head of Regulation (currently Andrew Kerr) and the policy will be reviewed at least annually.
8. The policy in relation to conflicts at meetings is outlined in the Articles of the IPA at Article 56.3 (see para 10 below) and will apply to all Committees of the IPA. Specific matters relating to the M&A and IC Committees will be outlined.

Conflicts – generally

9. The Articles of Association for the IPA at Article 56.3 advise of conflicts of interest in relation to Committee members as follows:

‘Any Member of Council, or of any committee thereby appointed, who finds himself with an interest or conflict of interest in relation to any matter scheduled for or under discussion at Council or at a committee meeting, shall forthwith declare such interest or conflict and it shall be for the chairman of such meeting to rule whether such Member should withdraw and the chairman may call for a vote of Council or of the committee, as the case may be, on the question as he thinks fit’
10. Members of the IPA are expected to adhere to the Ethics Code for Members ('Ethics Code') published in January 2014. The Ethics Code includes a fundamental principle of objectivity and this is defined as ‘...not allowing bias, conflict of interest or undue influence to override professional...judgements.’ Whilst this policy is not a piece of formal regulation, the IPA will look to Committee members to ensure that they disclose all relationships where there

is an actual or perceived conflict of interest that could be considered by third parties to affect the Committee members objectivity and override professional judgements in respect of Committee business.

Conflicts – specific issues for M&A or IC Committees – notification and release of Committee papers

11. The IPA Secretariat holds details of any known and advised conflicts (as outlined at point 10 above) that M&A and IC Committee members have in relation to IPA licensed IP's or firms that deal with insolvency work. M&A and IC Committee members will be asked at least annually to confirm any such conflicts and all new members of the M&A and IC will be asked to provide written details of any such conflicts.
12. The Secretariat acts as secretary to both the M&A and IC Committees and this involves issuing of Committee papers prior to Committee meetings.
13. The Secretariat will undertake not to issue to any Committee member, where a conflict is known, any papers and/or links or documents files relating to an IP, member or firm where insolvency work is carried out that are to be considered at the relevant Committee meeting or where there is otherwise a known conflict.
14. Should there be occasion where information is made available to a conflicted Committee member in error, or where there is a subsequently identified conflict or perceived conflict preventing a Committee member from taking part in the consideration of a particular matter, the Committee member concerned must immediately advise the Committee Secretary and confirm that the relevant information has not be reviewed, returning any hardcopy papers to the Committee Secretary forthwith.

Conflicts – Committee meetings

15. Article 56.3 (as outlined at para 10 above) sets out the policy in relation to conflicts at Committee meetings.
16. At the commencement of any Committee meeting, the Chair of that meeting will run through a list of disclosed and known conflicts and ask the relevant Committee member to confirm that this is correct.

17. The Chair of the Committee will also ask all attending Committee members to disclose any further matters where the Committee member has an actual or perceived conflict in relation to any agenda item and these will be noted in the minutes of the Committee meeting and the Secretariat will update the record of known conflicts for that member.

18. Where there is a conflict, the relevant Committee member will be required to recuse themselves from the Committee meeting when the relevant matter is under consideration and will not be re-admitted to the meeting until that matter has been concluded.

Definition

A Conflict of Interest is a term used to describe the situation in which a person, contrary to the obligation and absolute duty to act for the benefit of the public or a designated individual, exploits or could appear to be able to exploit the relationship for personal benefit.

NOTE: This policy will be adopted for any committee established by the IPA. For the avoidance of doubt, should the work of M&A and/or IC be transferred to a different or new committee, this policy will apply to that new committee as it does to the current M&A and IC.

Signed by

Name

Role/Position for/in the IPA

Date

Policy drafted by: Stuart Jary
Date: 19 February 2019
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