



CONFLICT OF INTEREST POLICY

1. Purpose

This Conflict of Interest Policy is established pursuant to the Constitution of the CSOs Engagement Forum (CEF) to safeguard integrity, accountability, and transparency in the governance and operations of the Organisation. It operationalizes the constitutional principles on fiduciary duty, non-profit distribution, and conflict disclosure, particularly Article 14.12 (Conflict of Interest) and related governance provisions.

2. Legal and Constitutional Basis

This Policy is anchored in and shall be read together with:

- The Constitution of CSOs Engagement Forum (2025)
- The Public Benefit Organizations Act, 2013
- Article 9 (Fiduciary responsibility of Members)
- Article 10 (No profits for Members)
- Article 11 (Board, Management, and Governance)
- Article 14.12 (Conflict of Interest by Directors)

Where any inconsistency arises, the Constitution shall prevail.

3. Scope of Application

This Policy applies to all persons involved in the Organisation, including:

- Members of the General Assembly
- Board of Directors (including the Chair, Secretary, Treasurer, and Ex-Officio Members)
- Chief Executive Officer and Secretariat Staff
- Committee Members
- Consultants, advisors, and volunteers acting on behalf of CEF

4. Definition of Conflict of Interest

For purposes of this Policy, a *conflict of interest* shall be construed in its broadest legal sense and shall arise where an individual's personal, proprietary, fiduciary, pecuniary, or other private

interest conflicts, or is likely to conflict, directly or indirectly, with the proper discharge of their duties owed to the Organisation.

Such conflict may be actual, potential, or perceived, and shall be assessed objectively based on whether a reasonable and informed third party would conclude that the individual's judgment or independence has been compromised. A conflict of interest exists where a person's personal, professional, financial, or relational interests compromise, or may reasonably be perceived to compromise, their ability to act in the best interest of the Organisation.

Conflicts may be:

- Actual – a direct and existing conflict
- Potential – a conflict that may arise in future
- Perceived – a situation that may appear to influence objectivity

5. Fiduciary Duty

All Members, Directors, and Officers owe the Organisation fiduciary duties of loyalty, care, good faith, and obedience in accordance with the Constitution, applicable Kenyan law, and generally accepted principles of non-profit governance.

Without limitation, fiduciaries shall:

- Act bona fide and in the best interests of the Organisation at all times;
- Exercise due care, skill, and diligence as may reasonably be expected of a person in a similar position;
- Avoid self-dealing, undue influence, and abuse of office;
- Not improperly benefit, directly or indirectly, from their position or from information obtained by virtue of their office. All Members, Directors, and Officers act as fiduciaries of the Organisation in accordance with Article 9.1 of the Constitution and shall:
- Act honestly, in good faith, and in the best interests of CEF
- Avoid situations where personal interest conflicts with organisational interest
- Ensure organisational assets and opportunities are not used for personal gain

6. Duty to Disclose Interests

6.1 Mandatory Disclosure
In line with Article 14.12, every Director, Officer, or Member with a material personal interest shall disclose such interest fully and promptly.

6.2 Timing of Disclosure
Disclosure must be made:

- At the first Board or committee meeting where the matter arises

- Annually through a signed Conflict of Interest Declaration
- Immediately upon any change in circumstances

6.3 Register of Interests
The Secretariat shall maintain a Register of Declared Interests as part of official governance records.

7. Management of Conflicts

7.1 Upon disclosure of a conflict of interest, the Board or relevant committee shall determine, by resolution, whether a conflict exists and the appropriate mitigation measures to be applied.

7.2 Where a conflict is established:

- The affected person shall recuse themselves from deliberations and decision-making on the matter, in compliance with Article 14.12 of the Constitution;
- The affected person shall abstain from voting and shall not seek to influence the outcome directly or indirectly;
- The quorum for the meeting shall be determined without counting the conflicted person.

7.3 Any decision made in contravention of this Policy may be declared voidable at the discretion of the Board or General Assembly, without prejudice to any further disciplinary or legal action. Where a conflict of interest is declared:

- The concerned person shall not be present during deliberations on the matter (Article 14.12.1)
- The concerned person shall not vote on the matter (Article 14.12.2)
- The disclosure and action taken shall be recorded in the minutes

The Board may further resolve to:

- Reassign responsibilities
- Restrict access to information
- Terminate or restructure the conflicting arrangement

8. Contracts and Related Party Transactions

8.1 Directors or Members with an interest in a contract may execute documents on behalf of the Organisation only as permitted under Article 14.12.3, provided full disclosure has been made.

8.2 Any remuneration or payment for extra services under Article 15.3 shall:

- Receive unanimous approval of disinterested Board members
- Be reported as a related party transaction in the annual report

9. Gifts, Benefits, and Hospitality

No Member, Director, or Officer shall solicit or accept gifts, favors, or hospitality that could improperly influence decision-making. Any modest or customary token received must be disclosed to the Secretariat.

10. Confidentiality

All disclosures, deliberations, and records arising under this Policy shall be treated as confidential and privileged governance information, save where disclosure is required by law, regulatory authority, donor obligation, or a lawful directive of a court or competent public body. All disclosures made under this Policy shall be treated as confidential and used solely for governance and compliance purposes.

11. Breach and Sanctions

11.1 Any breach, non-disclosure, misrepresentation, or concealment of a conflict of interest shall constitute misconduct and a violation of fiduciary duty.

11.2 The Organisation reserves the right to institute appropriate administrative, civil, or disciplinary proceedings against the offending person, including but not limited to:

- Issuance of a formal notice to show cause;
- Suspension or removal from office, committee, or employment;
- Termination of contractual engagement;
- Removal from Membership in accordance with Article 7.6 of the Constitution.

11.3 The imposition of sanctions under this Policy shall not preclude the Organisation from seeking restitution, recovery of losses, or any other remedies available under law. Failure to comply with this Policy constitutes misconduct and may lead to:

- Formal warning
- Removal from a committee or Board position
- Termination of employment or engagement
- Removal from Membership in accordance with Article 7.6, subject to fair hearing and General Assembly ratification

12. Oversight and Enforcement

The Board of Directors shall have primary responsibility for enforcing this Policy, subject to oversight by the General Assembly in accordance with Article 11.3.6.

13. Review and Amendment

This Policy shall be reviewed periodically and may be amended by the Board, subject to ratification by the General Assembly in line with Article 11.7 of the Constitution.

14. Approval

This Conflict of Interest Policy is adopted as an official governance policy of the CSOs Engagement Forum (CEF).

Approved _____ by _____ the _____ Board: _____
Date: _____