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COI FAQs

40 Questions to Assess
Your Conflicts of Interest
Management Strategy

Introduction

Conflicts of interest (COIs) are primary drivers of risk and misconduct for organizations. The reputational and financial fallout from leaving COIs unmanaged can be crippling to a business, as the exposure of COIs puts the faith of customers, partners, investors and employees in jeopardy.

Your company likely has some conflict of interest (COI) policies and procedures in place. But how robust are they, and how well are they communicated, enforced and reviewed? Here are 40 questions to ask in evaluating your COI program.

COI RISK OVERVIEW

1   Have we clearly defined what constitutes a conflict of interest? Do we provide specific examples of COIs, as well as general guidelines to help employees spot conflicts of interest?

2   Have we evaluated the industry, nature of the business and company structure to identify organizational risk areas for COIs? Do we have policies and controls in place to address our high-risk areas?

3   Is our executive team involved in developing and revising our COI policies and procedures?

4   Have we validated our COI policies and procedures through an independent third party?

THIRD PARTIES

5   Do our COI policies, procedures and controls extend to our global operations and third-party partners, such as vendors, agents and contractors?

6   Do we address COI risk with our international affiliates, including joint ventures and subsidiaries?

POLICIES

7   Is our COI policy easily accessible to employees?

8   Do all new hires—including contractors and directors—receive our COI policy? Are they required to attest to the policy?

9   Are existing employees required to review and attest to the policy annually?

Gifts & Entertainment

10   Have we established a policy on giving and accepting gifts and entertainment?

11   Does our gift policy outline restrictions on gifts to U.S. and foreign government officials and employees? Does it explicitly prohibit giving or receiving cash gifts?

12   For areas of the business that are more vulnerable to real or perceived bribery or corruption, have we established a more restrictive gift policy?

Personal Relationships

13   Do we have a policy concerning romantic relationships in the workplace? Do we require such relationships to be disclosed?

14   Do we encourage employees to refrain from social or other close relationships with vendors that may give the appearance of inappropriate business influence?

15   Does our policy address potential conflicts stemming from former employees or officers now working for vendors or potential vendors that are engaged in business negotiations with our company?

Revolving Door

16   Do we have restrictions in place for hiring former government officials or employees? Do we require legal oversight or approval of negotiations and/or hiring decisions?

Outside Employment, Competition and Board Service

17   Do we have guidelines in place concerning outside employment? Do we require employees to disclose outside employment and/or obtain permission to be employed elsewhere?

18   Do we have a non-compete policy prohibiting employees or directors from working for competitors or forming a business that competes with ours?

19   Do we have a policy in place concerning employee or director service on the board of another organization?

Personal Investments

20   Does our COI policy include guidelines or requirements for reporting investments that may create a conflict?

Use of Information and Resources

21   Does our policy expressly prohibit the use of nonpublic organizational information for personal gain?

22 Do we prohibit the use of office resources for personal gain?

TRAINING & COMMUNICATION

23 Do managers, senior executives and board members receive additional training on COI policies and procedures, including how to handle COI reports?

24 Do we evaluate the effectiveness of our training program with surveys or other tools? Do we use the results of those evaluations to revise our training program periodically?

25 Do our senior executives exemplify our company's ethical policies and regularly communicate to the organization the importance of disclosing and managing COIs?

DISCLOSURE MANAGEMENT

26 Have we established a disclosure policy for relationships that present potential COIs? Do we require board members, senior managers and contractors to disclose relationships with individuals or organizations that could present potential COI risk?

27 Do we offer employees an easy way to report their relationships? In person? Over the phone? On the Web? Do we provide examples of completed disclosure forms for employees to use as a guide?

28 Are our disclosure channels perceived to be non-threatening, secure and confidential to ensure employees are proactive and candid with their disclosures?

29 Does the company have an established protocol for reviewing disclosures as they are submitted? Does routing, review and approval of disclosures account for potential conflicts?

30 Do we record and communicate COI opinions made by the review body? Do our records include conditions for the acceptance of a disclosure?

31 Do we review COIs and/or ask for updated forms on a periodic basis? What about when individuals change roles and responsibilities?

32 Are we maintaining disclosure information in an electronic system? Can we easily report on the number and nature of disclosures? Can we add conditions, notes and updated information to an employee's disclosure records?

REPORTING, DISCIPLINE AND INCENTIVES

33 How are we encouraging employees to report misconduct related to COIs? Are we effectively communicating our non-retaliation policy?

34 Do we have an ethics hotline, web portal or other anonymous means for employees to report COIs they witness within the organization? How do we document, review and respond to these reports?

35 Do we have a process that allows managers to complete proxy reports?

36 Are we responding to misconduct in a manner that discourages wrongdoing by others in the organization?

37 Does our compensation and incentive structure encourage "business at all costs" for short-term or personal gains?

MONITORING AND REVIEW

38 Do we maintain historical records of COI policy distribution and attestations, training completions, disclosures, investigations and responses?

39 Are we monitoring all of the information coming in from the various disclosure channels to watch for emerging hot spots within the organization? Are we benchmarking and doing trend analysis to address more at-risk areas?

40 How often do we review and update our COI controls? Do we use reporting and investigation information to improve our COI management and controls?

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