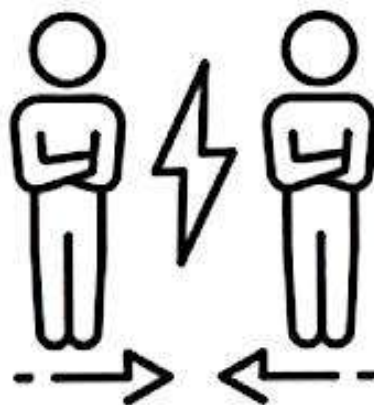




CONFLICT OF INTEREST PREVENTION POLICY

Health Education and Development Society (HEADS)



Abstract

This *Conflict of Interest and Integrity Policy* outlines the Health, Education and Development Society (HEADS)'s commitment to ensuring transparency, ethical conduct, and accountability across all levels of its operations in Pakistan and Afghanistan. It establishes clear guidelines to prevent conflicts of interest, protect whistleblowers, uphold financial integrity, and ensure neutrality in decision-making. The policy applies to all staff, partners, and stakeholders, supported by robust vetting, training, and reporting mechanisms. Updated in January 2025, this version reflects global best practices and reinforces HEADS' zero-tolerance approach toward ethical misconduct.

www.heads-ngo.org



Background:

Health, Education and Development Society (HEADS), is a non-profit, non-political and non-governmental organization registered in Pakistan under the Societies Act 1860. Since its establishment in 2013, HEADS has been actively engaged in the developmental and humanitarian sectors. The organization is led by a dedicated Board of Governors (BoG), consisting of professionals with diverse educational backgrounds and capabilities. HEADS operate under a comprehensive set of policies designed to ensure transparency, accountability and efficiency in its systems and operations. HEADS Currently registered in the Islamic Republic of Afghanistan, and established an office in the capital city, Kabul.

Throughout its history, HEADS has worked closely with communities and various stakeholders, addressing a wide range of issues, including but not limited to Education, Health, Protection, Livelihoods, Community Infrastructure (CPIs), Shelter and Settlement, Community Development, Institutional Capacity Building, Research, Gender Equality, Legal Counselling, Referral Mechanisms, Social Accountability, Right to Information, and Governance.

In addition to these programmatic areas, HEADS place a strong emphasis on cross-cutting themes, including social mobilization, gender mainstreaming, inclusion, and resilience in all its core programs. These themes reflect the organization's commitment to addressing the holistic needs of communities and promoting sustainable development.

Vision: Every Individual regardless of background or circumstances enjoy equal opportunities and rights with dignity.

Mission: Empowering Communities through strategic investment in human capital and institutional capacity development, raising sustainable development at the grassroots level.

Objectives:

- o Support and develop replicable models and strategies for sustainable human resource development through skills development initiatives.
- o Network and collaborate with the Govt. Departments, NGO's, CBO's, WOs and international agencies/donors for sustainable development.
- o Support initiatives for sustainable community-based gender sensitive development with particular focus on; Human and institutional Development, Natural Resource Management, Drinking Water Supply, Environmental Sanitation, Education, Agriculture, Health & Nutrition, Disaster Management and Micro Credit & Enterprise.
- o Create economic and recreational opportunities for youth through skill enhancement programs for peace promotion.
- o Enable equitable access to quality education and healthcare, raising holistic community development and well-being.
- o Promoting Social Inclusion and Empowerment;
- o Strengthen Resilience to Climate Change and Environmental Degradation.
- o Advocacy for Peace, Human Rights, and Social Justice.
- o Building Disaster Resilience and Preparedness



Introduction

HEADS is dedicated to upholding transparency, accountability, and ethical integrity in all aspects of its work. This policy provides a comprehensive framework to prevent conflicts of interest, ensuring fairness, neutrality, and professionalism among all stakeholders, including staff, consultants, suppliers, governance bodies, implementing partners, and sub-grantees.

Objectives of the Policy

This policy aims to establish clear guidelines to prevent and manage conflicts of interest, Define roles and responsibilities for adherence and enforcement. Ensure compliance with international standards on financial and ethical integrity. Safeguard whistleblowers and prevent retaliation, prevent conflicts of interest that could impact decision-making. Ensure transparency and accountability in financial and operational dealings. Define fiscal improprieties and establish vetting mechanisms and outline the investigation process for potential fraud or misconduct. Establish monitoring, compliance, and periodic policy reviews.

Scope

This policy applies to all HEADS employees, board members, consultants, volunteers, interns, suppliers, sub-contractors, sub-grantees, and implementing partners who are directly or indirectly involved with HEADS operations.

Definitions

- o **Conflict of Interest:** Any situation where an individual's personal interests interfere with the organization's professional responsibilities, leading to biased decisions.
- o **Fiscal Improprieties:** Any misuse of funds, unauthorized transactions, fraudulent accounting, or financial misconduct.
- o **Vetting:** The process of conducting due diligence on personnel and partners to ensure no prior involvement in fraud or corruption.
- o **Whistleblower:** Any person who reports conflicts of interest, fraud, or unethical behavior while being protected from retaliation.

General Principles

- o **Article 5: Neutrality** - HEADS personnel must not engage in activities that compromise the organization's neutrality.
- o **Article 6: Impartiality** - Decisions must be made objectively, without favoritism or bias.
- o **Article 7: Confidence of Stakeholders** - All actions must preserve the confidence of stakeholders in HEADS' integrity.
- o **Article 8: Hierarchical Responsibility** - Line managers must ensure compliance with this policy within their teams.
- o **Article 9: Confidentiality** - Sensitive information must be handled responsibly and



protected from unauthorized disclosure.

- o **Article 10: Political or Public Activity** - Staff must avoid engaging in political or public activities that may conflict with HEADS' mission.
- o **Article 11: Protection of Privacy** - Personal and professional data must be protected from misuse.
- o **Article 12: Information Held** - Employees must not use privileged information for personal gain.

Professional Conduct

- o **Article 13: Professional Resources** - Employees must use organizational resources ethically and efficiently.
- o **Article 14: Responsibility of Line Managers** - Managers must ensure that team members comply with this policy.
- o **Article 15: Termination of Professional Duties** - Employees must not exploit inside knowledge after leaving HEADS.
- o **Article 16: Relations with Former HEADS Staff** - Former employees must not exert undue influence over current operations.

Conflict of Interest Prevention

- o **Article 17: Prevention of Conflict of Interest** - Employees must avoid activities or relationships that create conflicts of interest.
- o **Article 18: Reporting** - Conflicts of interest must be reported immediately.
- o **Article 19: Actions in Event of Conflict** - Investigations and corrective measures will be undertaken as required.
- o **Article 20: Declaration of Interests** - Employees must declare any relevant external interests upon appointment and regularly thereafter.
- o **Article 21: Incompatible External Interests** - Staff must not engage in external activities that could create conflicts of interest.

Ethical Integrity

- o **Article 22: Gifts** - Employees must not accept gifts or benefits that could influence their decisions.
- o **Article 23: Reactions to Offers of Unfair Advantages** - Any offers of bribes or unethical advantages must be reported.
- o **Article 24: Vulnerability to Influence** - Employees must remain vigilant against undue external influence.
- o **Article 25: Abuse of Professional Position** - Employees must not misuse their position for personal or third-party gain.

Implementation & Adherence

- o **Article 26: Implementation Date** - This policy is effective immediately upon approval.
- o **Article 27: Adherence to Policy** - All HEADS personnel, partners, and stakeholders must sign a declaration of compliance with this policy.

A handwritten signature in black ink is written over a blue circular stamp. The stamp contains some illegible text and a central emblem. The signature appears to be 'H. K.' followed by a flourish.

Prevention Mechanisms

HEADS has implemented the following measures to prevent conflicts of interest

- o Zero-tolerance policy for conflicts of interest in all operations.
- o Mandatory disclosure requirements for all employees and partners.
- o Annual conflict of interest declarations to be signed and updated regularly.
- o Strict financial oversight mechanisms to prevent fiscal improprieties.
- o Compliance with international anti-corruption frameworks (UNCAC, OECD guidelines).

Vetting Procedures

To ensure integrity, HEADS will conduct background checks on all employees, contractors, and grantees, require due diligence assessments for suppliers and partners and implement screening mechanisms to detect financial or ethical risks.

Mandatory Training

- o All staff must complete annual training on fraud prevention and conflict of interest management.
- o Specialized workshops on ethical decision-making and financial integrity.
- o Integration of conflict of interest awareness into onboarding programs.

Reporting Conflicts of Interest

Employees are required to report any perceived or actual conflict of interest. Reports can be submitted through:

- o Direct reporting to HR or Line Managers
- o Confidential email: hrheads4@gmail.com
- o Anonymous whistleblower helpline
- o Dedicated reporting portal on the HEADS website

Investigation Procedures

- o Initial Review – HR & Compliance Team conducts a preliminary assessment.
- o Formation of Investigation Committee – Includes independent auditors and legal advisors.
- o Evidence Gathering – Collection of financial documents, witness statements, and relevant data.
- o Interviews & Inquiry – Transparent review process to establish facts.
- o Resolution & Disciplinary Actions – Sanctions for non-compliance, including legal referrals.
- o Closure & Documentation – Secure record-keeping for future reference.

Anti-Retaliation Protections

Employees reporting conflicts of interest in good faith are protected from retaliation. Confidentiality is maintained to safeguard whistleblower identity. Anonymous reports will be considered based on credibility. Malicious or false allegations will result in disciplinary action.

Cooperative Arrangements & Contractual Obligations

Partner & Supplier Compliance

Contracts and partnership agreements must include a zero-tolerance clause for

conflicts of interest and fraud, Suppliers and contractors must declare any prior conflicts before engagement and Regular contract audits will be conducted to ensure compliance.

Monitoring & Compliance

- o A dedicated compliance team will oversee quarterly policy reviews.
- o Quarterly audits of conflict of interest declarations.
- o Internal MIS tracking systems will record disclosures and vetting reports.
- o Annual audits will assess policy effectiveness and suggest improvements
- o Anonymous surveys to assess policy effectiveness.
- o Annual compliance reviews with executive leadership.

Policy Review & Updates

The policy will be reviewed annually by the Audit & Risk Committee, updates will be made based on best practices, legal requirements, and donor feedback. A summary of updates will be publicly disclosed to maintain transparency.

Effective Date & Implementation

This policy takes effect immediately upon approval by the Board and will be disseminated across all HEADS offices, employees, and partners.



A handwritten signature in blue ink, written over a horizontal line. The signature is stylized and appears to be 'H. K.' followed by a flourish.

BOD Meeting Minutes

Date: January 06, 2025

Participated by:

Raza Ullah Jan	Executive Director
Uzma Amin	Chairperson Board
Samina Khanam	Board Member
Nawaz Ali Shah	Board Member
Amabareen Banori	Board Member
Muhammad Jidran	Board Member
Abid Ali	Board Member
Tahira Nasreen	Board Member
Sayed Ali Shah	Director Program
Asif Ali	Director Finance
Ramsha Khan	HR Officer

Agenda Items:

- Change in Leadership position
- Formation of the Annual Report, Annual Budget, and Strategic Plan.
- Completion of the NDRMF Capacity Improvement Action Plan.
- Processing for Charity Commission in Balochistan and Khyber Pakhtunkhwa.
- Revision of HEADS policies.
- Renewal of Society Act Registration for 2025.

Proceedings & Outcomes:

The meeting commenced with the recitation of the Holy Quran, followed by a formal welcome note delivered by the Chairperson, Ms. Uzma Amin, and the Executive Director, Mr. Raza Ullah Jan. The discussions focused on the agenda items and organizational improvements.

- The Board decided to shift Mr. Raza Ullah Jan from the position of Chairperson of the Board of Directors (BOD) to Executive Director of HEADS, following the resignation of Ms. Samina Khanam from the role of Executive Director. Ms. Khanam has now joined the Board as a Board Member. Additionally, Dr. Uzma Amin has been appointed as Chairperson of the Board, effective immediately.
- The Board emphasized the importance of preparing Annual Report/ Annual Budget and Strategic Plan to assess the organization's current standing and plan strategically for the upcoming year.
- As HEADS has been conditionally accredited by the National Disaster Risk Management Fund (NDRMF) for six months, the Board reviewed the shared Capacity Improvement Action Plan. It was decided to prioritize its completion within the stipulated timeframe, recognizing this as a crucial opportunity for the organization.

- The Board agreed to initiate the process for Charity Commission registration in Balochistan. Police verification for the Charity Commission in Khyber Pakhtunkhwa will be expedited to obtain the certification promptly.
- A comprehensive review of organizational policies was conducted. The Board proposed and approved necessary amendments to align with current needs and best practices.
- It was noted that the Society Act Registration expired in December 2024. The Board resolved to apply for its renewal for 2025 without delay.

The meeting concluded with a thorough review of the agenda items, ensuring they aligned with the organization's strategic objectives. The Board expressed optimism about the successful execution of the discussed initiatives. The Chairperson concluded the meeting with a vote of thanks.

Signed on this Monday January 06, 2025 by authorized signatory.



Dr. Uzma Amin
Chairperson Board



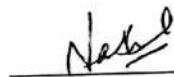
Mr. Raza Ullah Jan
Executive Director



Ms. Samina Khanam
BOG Member



Mr. Muhammad Jidran
BOG Member



Mr. Nawaz Ali Shah
BOG Member



Miss. Ambareen Banori
BOG Member



Mr. Abid Ali
BOG Member



Miss. Tahira Nasreen
BOG Member



Mr. Sayed Ali Shah
Program Director HEADS



Mr. Asif Ali
Director Operations HEADS



Miss. Ramsha Khan
HR Officer



Policy Review & Update Record

A Board meeting was held on January 6, 2025, with the key agenda of reviewing and updating all organizational policies of HEADS. The Board advised the management to undertake a comprehensive policy review to ensure relevance, compliance, and alignment with organizational goals and evolving operational needs.

In line with this directive, all organizational policies were reviewed and amended on January 31, 2025, under the leadership of the Executive Director and with the involvement of the Finance & Audit Committee and relevant departments.

The review process included:

- A thorough evaluation of existing policies.
- Revisions based on internal assessments, audit findings, regulatory requirements, and best practices.
- Incorporation of feedback from staff and stakeholders.
- Updates to enhance clarity, accountability, and operational effectiveness.

Means of Verification:

Revised policy documents, review reports, and documented feedback and approval records.



(H E A D S)

Raza Ullah Jan
Executive Director