

# Understanding PraxisGRC's Code of Conduct

## The Code

Praxis GRC ask all the company's stakeholders to abide by the code, as it defines best practice both for coaches and those who are being coached. The relationship is built on trust, confidence and mutual confidentiality to create a safe space where individuals and groups can explore the skills and behaviours that support best practice in conducting governance, risk and compliance activities. While some element of GRC knowledge will, inevitably, be provided, this is in the context of skills and behaviours.

In the previous article, we discussed PraxisGRC's second point of their Code, which concerns the definition of complying with laws and regulations. In this article we will look at the third criterion in the Code of Conduct. This concerns managing conflicts of interest.

### 3. We will manage actual or potential conflicts of interest

This is simply a matter of good governance and risk management for the business and our relationships with clients. *Investopedia* defines a conflict of interest as an issue that "arises when personal interests or relationships cause bias in decision-making and affect job performance". Their focus is on the issue of reliability: "A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal interests and professional duties or responsibilities."

PraxisGRC aims to maintain its professional approach in every area of its operations, which includes the management of conflict of interests. In UK law, a conflict of interest exists when an "organisation or an individual has competing interests, which might impair its or their ability to make objective, unbiased decisions". The outcomes from our work with clients must be an objective, impartial, and reasoned evaluation of the context, situation, goals and objectives of GRC practitioners and their organisations. So, avoiding conflicts of interest is essential to the values of professionalism we endorse that helps us build relationships and create trust and confidence.

What does this mean for our clients? PraxisGRC coaches and mentors will not offer services to individuals where they are involved in some other aspect of the organisation that the client works for and where there is a potential conflict because of an existing relationship.

If a coaching package has been purchased by an individual's organisation, it is unlikely that there will be a direct conflict. Material conflicts (family or business relationships, for example) may be discovered after engagement and PraxisGRC will be notified by the coach or mentor where a possibility of a conflict exists.

The initial assessment of a potential conflict is a requirement placed upon the individual coach or mentor. Nonetheless, there is an expectation that organisations and coachees will inform

### The requirement for disclosure

Why do we need to have disclosure? Disclosure, according to *Infonetica*, is “crucial for maintaining ethical standards and trust” but is, in the view of PraxisGRC, a matter of best practice. It is also a risk control for reputational and governance risks (defined as potential threats to an organisation's objectives that arise from its internal systems, controls, and decision-making processes).

The need to maintain impartiality within coaching and mentoring (the decision-making aspect within the overall governance and delivery of coaching and mentoring) forms a vital part of the evaluation process when considering the needs of individuals and client organisations. In other types of organisations, disclosure is an important consideration for regulatory risks; for example, businesses falling within the scope of regulatory supervision by the UK’s Solicitor’s Regulatory Authority (SRA).

The process of the Identification, Evaluation, and Disclosure of conflicts of interest may well fall within the acronym IED, as a conflict has the potential to explode in unpredictable ways amplifying risk outcomes in unexpected ways. Disclosure is significant as a factor in the overall transparency of PraxisGRC. Not just because of the need to manage conflicts of interest, but also because it is a means to produce better quality and more explicitly ethical, services to the organisation’s stakeholders.



## Types of conflicts

The various conflicts that are managed by PraxisGRC includes, but not exclusively, those identified in the table below.

Type of Conflict	Nature of Conflict	Issue	Mitigation
Financial	Direct financial interest (e.g. shares/ role)	Influences professional decisions	Disclose + recuse
	Indirect financial interest (family etc.)	Influences professional decisions	Disclose + recuse
Non-financial	Non-monetary personal interests	Sway professional judgements	Disclose + recuse (?)
	Belief systems (e.g. ideological etc.)	Modifies perspective (-ve/+ve)	Disclose + monitor
Institutional	Interests conflict with professional duties	Directives from client	Disclose + discuss
	Interests conflicts with evaluations	Directives distort approach	Disclose + discuss
	Internal disputes between parties	Competing demands distort approach and perspective	Disclose + internal report + discuss

Potential implications for the failure to manage conflicts of interest are extensive and dependent on how specific jurisdictions regard coaching, mentoring, advice and guidance. Professional bodies have regulations and codes of practice that may identify individual organisation's failures to address conflicts of interest. There are also potential losses of accreditation and professional standing for individuals and organisations. Local legal and regulatory requirements may generate issues or risk events, which put coaching organisations into an adverse position if conflicts have not been managed in a reasonable way. Overall, the reputational impacts from lack of transparency and failures to disclose are significant.