De Montfort University: Statement of Policy and Procedure on Conflict of Interest

This Statement is an important document which requires to be brought to the attention of all staff connected with the Institution and its subsidiary undertakings. The document is owned by the Department of Corporate Affairs; and is linked to the Institution’s Financial Regulations.

Introduction

The University has adopted a policy to address conflicts of interest so as to ensure that its activities, and those of its staff and students, are and are seen to be conducted to the highest standards of ethics and integrity.

This document sets out the following:

A. Policy Statement
B. Scope
C. Recognising Conflict of Interest
D. Procedure

Illustrative examples and further procedural guidance is set out in Appendix A.

A. Policy Statement

1. De Montfort University encourages members of its staff to engage in a wide variety of external activities, such as serving on government, business and community boards, providing expert advice, media commentary, professional practice, schools outreach, international projects and collaborations with the commercial world, including via consultancy, research and development, intellectual property (IP) licensing and involvement in ‘spinout’ companies.

2. The University considers that such activities are in the public interest and are also of benefit to the University and the individuals concerned.

3. On occasion, however, they may give rise to conflicts of interest, whether potential or actual, perceived or alleged.
4. All University staff are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are seen to be properly managed or avoided.

5. If properly managed, activities can usually proceed as normal whilst at the same time upholding the person's obligations to the University, meeting regulatory and other external requirements and protecting the integrity and reputation of the University and its members. By contrast, conflicts which are not managed effectively may jeopardise the University's public standing and may cause serious damage to the reputation of the University and of the individuals concerned.

6. It is therefore the University's policy to encourage and foster external activities whilst ensuring that when conflicts or perceived conflicts of interest arise they are acknowledged and disclosed, and in relevant cases, properly managed.

7. Compliance with this Policy is compulsory. A member of staff who fails to comply may be subject to disciplinary action under the Institution’s Disciplinary Policy, depending upon the severity of non-compliance. Failure to comply may be viewed as gross misconduct and the member of staff involved may be subject to disciplinary action.

B. Scope

8. This Policy applies to all staff of the University and all others working in the University, such as interim appointment and faculty members who hold grants but are not current members of staff of the University, for example retired members who are still conducting research. It also applies to the staff, directors and other officers of subsidiary undertakings of the University. A reference in this Policy to staff or students includes any person within the scope of the Policy.

9. It is the responsibility of each individual to recognise situations in which he or she has a conflict of interest, or might reasonably be seen by others to have a conflict, to disclose that conflict to the appropriate person and to take such further steps as may be appropriate as set out in more detail under the procedure below.

10. If an individual is uncertain about how this Policy might affect his or her activities or has any questions about its application, he or she should contact the appropriate person (as set out in paragraph 19).

C. Recognising Conflict of Interest

11. A conflict of interest arises where the commitments and obligations owed by an individual member of staff to the University or to other bodies, for example a funding body, are likely to be compromised, or may appear to be compromised, by:
11.1 that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship as defined in item 10.4, note 1 of the Financial Regulations), whether financial or otherwise; or

11.2 the commitments and obligations that person owes to another person or body.

12. There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all staff when evaluating a potential conflict of interest to consider how it might be perceived by others.

13. Conflicts of interest may be financial or non-financial or both. Further information about both types is set out below.

Financial conflicts of interest

14. A financial conflict of interest, for the purposes of this Policy, is one where there is or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions.

15. Financial interest means anything of monetary value, for example:

15.1 payments for services;

15.2 equity interests (e.g. stocks, stock options or other ownership interests); and/or

15.3 intellectual property rights (e.g. patents, copyrights and royalties from such rights).

16. The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an incentive to the individual which affects their actions and where he or she has the opportunity to affect a University decision or other activity (because for example he or she is the decision-maker or the principal investigator on a research project). For examples of conflicts involving financial interest see Appendix A.

Non-financial conflicts of interest

17. Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to the University or to other bodies. Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, education or gain to immediate family (or a person with
whom the person has a close personal relationship). For examples of non-financial conflicts of interest see Appendix A

D. Procedure

18. It is the duty of every member of staff to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest to their Line Manager in the first instance.

19. The general rule is that disclosure should be made at the time the conflict first arises, or it is recognised that a conflict might be perceived, in writing to the Dean of the Faculty (or equivalent). If the Dean of the Faculty (or equivalent) has an interest in the matter to be discussed, the disclosure shall be made to the person at the next higher level of authority. In most cases this will be to the Deputy Vice Chancellor.

20. Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the Faculty’s records.

21. Some instances will however need to be dealt with by agreeing how the conflict can be actively managed. The approach adopted should be documented and copies provided to the relevant parties. A copy of the final plan must be held in the Faculty’s records. One or more of the following strategies may be appropriate to manage the conflict of interest:

- 21.1 not taking part in discussions of certain matters;
- 21.2 not taking part in decisions in relation to certain matters;
- 21.3 referring to others certain matters for decision;
- 21.4 resolving not to act as a particular person's supervisor;
- 21.5 divesting or placing in trust certain financial interests;
- 21.6 publishing a notice of interest;
- 21.7 standing aside from any involvement in a particular project; and/or
- 21.8 declaring an interest to a particular sponsor or third party.

22. It is the responsibility of those affected to comply with the approach that has been agreed.

23. Any unresolved matter shall be referred to the Deputy Vice Chancellor for advice. In cases of particular difficulty, the Deputy Vice Chancellor may refer his or her recommendations to the Vice Chancellor for advice or resolution. The decision of the Vice Chancellor shall be absolute.
24. Guidance on situations that are frequently encountered and which may give rise to particular kinds of conflicts requiring special action is set out at Appendix A.

25. Each Dean of Faculty (or equivalent) will be asked to inform the Vice Chancellor of the actions taken to inform staff of the policy requirements and promote compliance on an annual basis.

26. **Annual declarations**: in addition to declaring any conflict or potential conflict in accordance with the Procedure above, the following postholders will need, in respect of Related Party (FRS8, ISA 550), Fraud (ISA 240) and Law & Regulations (ISA 250) disclosures, in order to comply with Annual Accounts and External Audit requirements:

- 26.1 the Vice-Chancellor;
- 26.2 the Deputy Vice Chancellor;
- 26.3 the Pro-Vice-Chancellors;
- 26.4 the Registrar;
- 26.5 the Board of Governors;
- 26.6 the Senior Executives
- 26.8 the Directors and Trustees of the subsidiary undertakings of the University.

27. A declaration of interest must also be submitted by a Project Leader when bidding for or being awarded a project where other organisations are involved in that project. This also applies to any Project Leader that may take up such projects part of the way through.
APPENDIX A

Examples of Conflict of Interest

Financial interests:

Examples of situations in which financial declarations of conflicts of interest are made:

1. Staff of the University serving on other bodies, e.g. research council committees, grant review panels, editorial boards etc, will typically be asked by those parties to declare financial interests.

2. Authors submitting a manuscript must disclose any 'significant financial interest' or other relationship with the manufacturers of any commercial products or providers of commercial services discussed in the manuscript and any financial supporters of the research. The intent of such disclosures is not to prevent an author with a significant financial or other relationship from publishing a paper, but rather to provide readers with information upon which to make their own judgments.

Research:

Examples of situations that give rise to conflicts of interest in research include:

3. The researcher has a financial interest in the company sponsoring the research, this being exacerbated if the value of the researcher's interest may be affected by the outcome of the research. The researcher is an inventor of patents or creator of other IP whose value may be affected by the outcome of the research.

4. The researcher holds a position in an enterprise (e.g. as director) that may wish to restrict (or otherwise manage) adverse research findings for commercial reasons or not wish to publish the results of the research.

5. A researcher or a related body in which the researcher has an affiliation or a financial interest may benefit, directly or indirectly, from dissemination of research results in a particular way (including any unwarranted delay in or restriction upon publication of such results).

6. A researcher conducts a clinical trial which is sponsored by any person or organisation with a financial interest in the results of the trial. A postgraduate research student conducts research on a project that receives support from a company in which the student has a financial interest or significant position.

7. Some research funding agencies set specific disclosure requirements related to financial interest. They may require, for example, direct notification to them or to University officials where a principal investigator's financial interests might reasonably appear to be affected by the outcomes of the research.
Some types of research, e.g. clinical trials, also require additional declarations related to financial interest. Researchers need to be aware of and comply with those specific requirements. Further information can be found in the terms and conditions of the grant or contract. Researchers should contact Research Services if they are in any doubt as to the requirements.

**Student supervision and teaching:**

Examples of situations that give rise to conflicts of interest in relation to student supervision and teaching include:

8. Staff with a close personal or familial relationship with a student or a student's family who may be involved in decisions about that student's admission, supervision or academic progress, or the award of any studentships, prizes or other grants to the student.

9. An academic or a non-academic member of staff who is on the Board of Governors of a school who may be involved in considering a student from that school for an undergraduate place.

10. A member of staff who is in a position to judge the quality of a student's work or to evaluate a student in any way holds or proposes to take a financial stake or hold a formal position in any student-run, -owned or -controlled commercial venture whilst that student is enrolled at the University.

11. A postgraduate research student receiving support from a company in which his/her academic supervisor has a financial interest or position.

**Other examples of possible conflicts of interest:**

12. Participating in the appointment, hiring, promotion, supervision or evaluation of a person with whom the staff member has a close personal relationship.

13. A researcher has a financial interest in the licensee (or proposed licensee) of University intellectual property.

14. A staff member takes part in the negotiation of a contract between the University and a company, where the staff member or his or her family or a close personal friend has a financial or non-financial interest (e.g. a directorship) in that company.

15. An academic who has a senior editorial position with a commercial journal is also on a University library committee that recommends journal subscriptions.

16. An academic chairs a University committee which is to consider the allocation of funds to be shared between a number of colleges, including his own.
Spin-outs and licensees of University IP

17. Staff or students may have a financial interest or other personal interest in a spin-out or in an organisation to which the University has licensed or is seeking to license University IP or may have personal IP with which they are intending to create a start up company.

17.1. In such cases:

17.1.1 they should normally play no executive role in any decisions made between the University or its subsidiaries and such spin-outs or IP licensees. If it is believed that there are exceptional circumstances to argue for such involvement, prior permission must be sought by the Dean of the Faculty and then from the Pro-Vice-Chancellor (Research). The proposed conflict of interest plan/approach to be put to the Dean and then the Pro-Vice-Chancellor (Research) must aim to protect the reputation of the academic(s), their research group(s) and the University and ensure compliance with company law; and

Sale, supply or purchase of goods or services

18. Staff must ensure the probity of all financial transactions. The sale or supply of goods by the University or the purchase of goods or services by the University must be carried out in accordance with the University’s Financial Regulations. Staff should not normally be involved in supply or purchase decisions in relation to any external organisation in which they or any members of their family or any person with whom they have a close personal relationship have a financial interest or in any way have the capacity for personal gain. If there are exceptional circumstances that prima facie require such involvement, the following process should be followed:

18.1 the person should disclose, in writing to their Dean of Faculty, the nature of the transaction, the potential conflict and the method proposed to manage the conflict;

18.2 they and their Dean must formulate a proposed plan/approach that protects the University and ensures compliance with the law and the integrity of the transaction(s) and the individuals involved; and

18.3 the Dean must then seek approval of that plan from the Director of Finance.