

Conflicts of Interest

UPR GV17 version 01.0

Policies superseded by this document

This is a new policy.

Summary of significant changes to the previous version

There is no previous version, although this new policy does take precedence over and partially replace the previous Bribery and Corruption Policy (UPR GV12 version 04.0).

Glossary

A glossary of approved University terminology can be found in [UPR GV08](#).

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1 Introduction

- 1.1 The University of Hertfordshire encourages members of staff and students to engage in a wide variety of external activities including, but not limited to, serving on government, business, community and sector-specific boards and committees; providing expert advice and media commentary; professional practice; enterprise activities and business incubation; outreach to schools and colleges; international projects and collaborations with commercial and other entities, including via consultancy, research and development collaboration, commercialisation of intellectual property and involvement in subsidiary and spin-out companies. The University also engages in partnerships, collaborations, sub-contracting arrangements and joint ventures with Partner organisations in order to deliver the best possible experience to its students.
- 1.2 Whilst the University recognises that such activities are in the public interest and also of benefit to the University and the individuals concerned, it also recognises that such arrangements may, on occasion, give rise to conflicts of interest, whether potential or actual, perceived or alleged.
- 1.3 The University has three policies (UPRs) in relation to the handling of interests, external positions, payments, gifts and hospitality that could lead to conflicts of interest:
 - 1.3.1 This **Conflicts of Interest Policy** (UPR GV17), which deals with the identification, recording, and management of conflicts of interest;
 - 1.3.2 An **Anti-Bribery and Corruption Policy** (UPR GV12), which deals, primarily, with the University's policy in respect of compliance with the Bribery Act 2010; and
 - 1.3.3 A **Gifts and Hospitality Policy** (UPR GV18), which sets out the University's policy regarding staff giving and receiving gifts and hospitality.
- 1.4 All members of the University, including staff and students, are required to read and comply with the provisions of these policies. Staff and students should refer to the individual policies for information regarding the specific areas with which they deal.

2 Policy Statement

- 2.1 All members of the University, including staff and students, are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of a conflict of interest, and to ensure that such conflicts are properly managed or avoided and are seen to be properly managed and avoided.
- 2.2 If conflicts of interest are properly managed, members of the University may usually proceed as normal whilst, at the same time, meeting their obligations to the University, meeting regulatory, legal and other external requirements, and protecting both the integrity and reputation of the University and all of its members.
- 2.3 If conflicts are not managed effectively, this may jeopardise the University's position in terms of meeting regulatory, governance and legal requirements, and it can cause serious damage to both the reputation of the University and the individuals involved.

- 2.4 Accordingly, it is the University's policy to encourage external activities while ensuring that, where they occur, conflicts or perceived conflicts of interest are identified, disclosed, considered and (where appropriate) properly managed.
- 2.5 It is the duty and responsibility of all members of the University to recognise situations and activities that might give rise to conflicts, or perceived, conflicts of interest. Members of the University are required to be full and frank in disclosing conflicts, or perceived or potential conflicts, of interest, before or when they arise, and to deal with them in line with the provisions of this policy.
- 2.6 Wherever a new external project or activity is started, there should be an assessment of any potential conflict(s) of interest arising for all individuals involved in that project and, in the case of any form of arrangement with an existing or proposed Partner organisation, for the University itself.
- 2.7 The approach of the University to any conflicts of interest can be summarised as:
- a always **identify and disclose**;
 - b where possible, properly **manage the conflict**; and
 - c **where the conflict cannot be managed, do not proceed** with the activity in order to protect the interest of the University and the individuals involved.

3 Identifying conflicts of interest

3.1 What is a conflict of interest?

3.1.1 A conflict of interest arises where:

- a an **individual** has commitments or obligations to the University or another organisation (such as a funding body);

or

the **University** itself has commitments or obligations to another organisation (such as a Partner organisation);

and

- b those commitments or obligations are **actually, likely to be, or may appear to be compromised** by:

- i **personal gain** – in other words, that person's personal gain; or a personal gain to that person's immediate family¹ (or someone with whom that person has a close personal relationship²); or gain to the University itself, whether that gain is financial or otherwise; or

¹ 'Immediate family' means a spouse or civil partner, son or daughter.

² 'Close personal relationship' includes (but is not limited to) unmarried partner, parent, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, the (unrelated) child of an unmarried partner, as well as half and step members of the family. It could also include a close friend or business associate.

- ii **other commitments or obligations** – in other words, commitments or obligations which that person or the University itself owes to another person, institution or body.

3.1.2 A conflict of interest may be:

- a **actual** – where there are existing situations or relationships which could compromise an individual's impartiality, objectivity and/or professional integrity and judgement in relation to their duties/responsibilities to the University; or
- b **perceived** – where a reasonable person could consider it likely that such existing situations or relationships are likely to compromise the individual's impartiality and objectivity; or
- c **potential** – where there is a situation that does not currently constitute a conflict of interest, but there is a significant risk that it could evolve into an actual or perceived conflict of interest.

3.1.3 Perceived or potential conflicts of interest may undermine trust and can be as damaging as actual conflicts of interest, as they may lead to suspicion arising even where an individual acts with complete impartiality and professional integrity. It is therefore important, when evaluating a potential conflict of interest, to consider how it might be perceived by others.

3.1.4 Conflicts of interest may be financial or non-financial or both.

3.2 Financial conflicts of interest

3.2.1 A financial conflict of interest arises where:

- a there is or appears to be an opportunity for an individual to obtain personal financial gain; or
- b there is or appears to be financial gain for immediate family or someone with whom the individual is in a close personal relationship; or
- c there is or appears to be an opportunity for the University to obtain financial gain; or
- d it might be reasonable for another person to take the view that a financial gain might affect that person's or the University's actions or judgement;

(c and d being **institutional** financial conflicts of interest).

3.2.2 A financial gain will be anything of monetary value, and may include:

- a payments for services, commission or honoraria;
- b gifts of money or other gifts, or forgiveness of debt;
- c interests in stocks, shares, options, equities or other proprietary/ownership issues;
- d intellectual property rights (e.g. patents, copyright, and licensing income or royalties from such rights); and

- e other assets, such as equipment.
- 3.2.3 Members of the University should refer to the Gifts and Hospitality Policy (UPR GV18) regarding the giving and receiving of gifts and hospitality, and the requirements regarding disclosure of such gifts and hospitality.
- 3.2.4 In considering whether there is a conflict of interest, the level of financial interest is not a determining factor. What might be ‘not material’ or ‘not significant’ for one person may well be very significant for another. Good practice in most situations will require the full disclosure of any financial interest, no matter how small. A conflict will arise if the interest might provide, or be reasonably seen by others to provide, an incentive to the individual or the University itself which affects their/its actions or judgement, and where there is the opportunity to affect a University decision or influence University activities. Examples of conflicts involving financial interest are set out in **Appendix I, UPR GV17**³.
- 3.2.5 Members of the University also have a responsibility to respect and promote the financial interests of the University. Members should not take inappropriate advantage of their position and, wherever possible, ensure that the University receives appropriate financial benefits for services, commercialisation of intellectual property, use or sale of assets and property, and use of University financial resources. Staff should refer to the Corporate Governance and Financial Regulations (UPR FR06) for the regulations regarding the use of University financial resources.
- 3.3 Non-financial conflicts of interest**
- 3.3.1 As set out above, an individual’s non-financial interests may also come into conflict, or be perceived to come into conflict, with their obligations or commitments to the University or to other institutions (for example, a company of which an individual is a director).
- 3.3.2 In addition, the University’s own non-financial interests may come into conflict, or be perceived to come into conflict, with its other obligations or commitments (for example, to its students) (an **institutional** non-financial conflict of interests).
- 3.3.3 A non-financial interest may be any benefit or advantage that is not of a financial nature. This includes but is not limited to: direct or indirect enhancement of a person’s career or education or professional reputation; gain to their immediate family (or someone with whom they have a close personal relationship); or access to confidential or privileged information or facilities or property or intellectual property rights. Examples of non-financial conflicts of interest are set out in **Appendix I, UPR GV17**³.
- 3.3.4 In certain circumstances, specific situations may lead to non-financial conflicts of interest arising. Examples of such circumstances are set out in **Appendix I, UPR GV17**³.

³ Appendix I, UPR GV17 ‘Examples of Conflicts of Interest’

4 Procedure

4.1 Disclosure

- 4.1.1 It is the duty and responsibility of every member of the University to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of a conflict of interest. All members of the University (and especially those in a position of authority) are required to be honest, open and transparent in relation to their personal and business relationships, especially where they may, or may be perceived to, influence the operation of University business. If an individual is unsure as to whether their interests conflict, or whether the University's interests conflict, it should be assumed that a conflict of interest exists. The simple rule of thumb is: **if in doubt, always disclose**. Guidance regarding conflicts of interest can be sought from the Director of Legal & Compliance Services and University Solicitor and/or the Head of the Internal Audit Service.
- 4.1.2 In order to meet regulatory requirements, certain senior members of staff will be required to make regular declarations of interests and a Register of Interests will be maintained by Governance Services. For all other staff and students, the general rule will be that disclosure should be made as soon as it is apparent that a conflict of interest might arise or be perceived to arise. Full details of the disclosure process are set out in **Appendix II, UPR GV17⁴**.

4.2 Managing conflicts

- 4.2.1 Many situations will require nothing more than a declaration and a brief written record of that declaration, which should be held by the individual's SBU. However, some instances will need to be handled by those involved agreeing actions which will allow for the conflict of interest to be actively managed (e.g. where an individual would normally be involved in decision-making on behalf of the University, but a conflict of interests arises). In this case, a **management plan** must be agreed and documented by the relevant SBU. Strategies for managing conflicts of interest may include:
- a the relevant individual not taking part in discussion of certain matters;
 - b the relevant individual not taking part in decisions regarding certain matters;
 - c the relevant individual referring decision-making to others;
 - d the relevant individual resolving not to act in a certain role or position;
 - e the relevant individual standing down from a specific position or not receiving or holding certain financial interests;
 - f the relevant individual not having any involvement in a particular project or specific activities;
 - g the relevant individual declaring an interest to a particular body or third party;
or

⁴ Appendix II, UPR GV17 'Disclosure Procedure'

- h in the case of a conflict between the University and (for example) an existing or proposed Partner organisation, identifying how any existing or proposed arrangement helps to further the University's other obligations or commitments (for example, to its students), and managing the involvement of any conflicted individuals appropriately.
- 4.2.2 All of those individuals mentioned within a management plan must comply with its provisions. Guidance regarding the appropriate provisions of a management plan may be sought from the Director of Legal & Compliance Services and University Solicitor and/or the Head of the Internal Audit Service.
- 4.2.3 All University committees and subsidiary company boards must have declarations of interests and any conflicts as a standing item on all meeting agendas to ensure compliance with this policy and (where applicable) company law.

5 Conflicts of Interest Committee

- 5.1 Complex issues involving conflicts of interest and situations where it may be difficult to agree a management plan or properly manage a conflict of interest must be referred to the Conflicts of Interest Committee for advice and guidance. The terms of reference and membership of this Committee are set out in **Appendix III, UPR GV17⁵**.
- 5.2 Where a member of staff wishes to receive assistance or a determination in relation to the management of a conflict of interest, they must refer the matter to the Conflicts of Interest Committee via the Director of Legal & Compliance Services and University Solicitor and/or the Head of Internal Audit.
- 5.3 On at least an annual basis, all Heads of SBU must report to the Conflicts of Interest Committee in relation to steps taken by their SBU to manage any conflicts of interest; management plans put in place; and actions taken to inform staff of the requirements of this policy, and ensure compliance with it.

6 Advice and guidance

- 6.1 Advice and guidance in relation to this policy can be sought from the Director of Legal & Compliance Services and University Solicitor and/or the Head of Internal Audit.
- 6.2 If you have any concerns about conflicts of interest and wish to speak to someone confidentially about those concerns, please contact the Whistleblowing Hotline: 01707 285842 or contact the Head of Internal Audit directly. Further information regarding whistleblowing is set out in the **Whistleblowing Policy (UPR GV16)**.

7 Failure to Comply

- 7.1 All staff and students must comply with the terms of this policy.
- 7.2 The University may take disciplinary action in cases where it is alleged that this policy has been breached.

⁵ Appendix III, UPR GV17 'Terms of Reference of the Conflicts of Interest Committee'

8 Review

This policy will be reviewed by the Audit and Risk Committee on an annual basis, and recommendations for amendment may be made by the Corporate UPR Advisory Group (CUPRAG) and the Conflicts of Interest Committee.

Sharon Harrison-Barker
Secretary and Registrar
Signed: **1 August 2021**

Alternative format

If you need this document in an alternative format, please email us at governanceservices@herts.ac.uk or telephone us on +44 (0)1707 28 6006.