

## Procedure for Disclosing and Managing Conflicts of Interest

*The following provides practical advice on how to record and manage the disclosure of potential or actual conflicts of interests. It should be read in conjunction with the University's Policy on Disclosure of Interest.*

### 1. Introduction

- a. It is the duty of every individual within the scope of the Policy (defined within section 2.a of the Policy), to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest. Apparent or perceived conflicts of interest can be as damaging as actual conflicts of interest.
- b. The University's approach to upholding good governance is to ensure that its decision making is fair, transparent and accountable. As detailed in the Policy on Disclosure of Interest, **perception** is sufficient alone for a potential declaration to be made. As such, if you are in doubt, the University's approach is for you to declare the potential interest in line with the following procedure.
- c. Failure to comply with this Procedure or the Policy may result in disciplinary action, misconduct action and/or legal action being taken wherever appropriate.

### 2. Procedure as Part of Day to Day Activities

- a. **The general rule, with the exception of committee business (see section 3), 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 Head of Department (or equivalent).** If the Head of Department (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. For Council members, this disclosure should be made to the President and University Secretary.
- b. The disclosure must include sufficient information so that an appropriate resolution can be achieved. **Appendix B** includes a draft template that can be utilised when declaring an interest. The confidentiality of disclosures will be respected as far as possible; the information will only be shared with those with a need to know.
- c. In the case of undergraduate/postgraduate taught students, the student should discuss the relevant issues with their Academic Advisor (or Student Experience Team), who where appropriate, will consult with the Head of Department (or equivalent) following which an approach for dealing with the conflict might be agreed. In the case of postgraduate research (PGR) students, this discussion should be had with the student's supervisor. Where the conflict of interest arises between the interests of the supervisor and the student, the student should discuss the matter with the Director of PGR Students or the person responsible for PGR students in the department.
- d. Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the department's records, and reported to your Faculty/Central Professional Services contact.

- e. 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 department's records and reported on conclusion of the assessment to the Faculty/Central Professional Services contact. One or more of the following strategies may be appropriate to manage the conflict of interest:
- e.1 not taking part in discussions of certain matters;
  - e.2 not taking part in decisions in relation to certain matters;
  - e.3 referring to others certain matters for decision;
  - e.4 resolving not to act as a particular person's supervisor;
  - e.5 divesting or placing in trust certain financial interests;
  - e.6 publishing a notice of interest;
  - e.7 standing aside from any involvement in a particular project;
  - e.8 declaring an interest to a particular sponsor or third party;
  - e.8 resignation from a particular post or, in exceptional circumstances, from the University.
- f. If after following the above, the issue could not be resolved, consider if you need to escalate the matter to the Senior Leadership Team (SLT) for guidance, by liaising with your relevant Faculty/Central Professional Services activity lead.
- g. It is the responsibility of those affected to comply with the approach that has been agreed. The consequences of a failure to comply will be dealt with by the line manager, including where necessary via appropriate disciplinary and research misconduct procedures.
- h. Each Faculty, and Central Professional Services, should appoint an activity lead(s) who will be responsible for maintaining a local register of all declarations made across their planning unit and the outcomes of those declarations. An annual summary should be considered at the relevant Faculty Management/Professional Services Directors Team meeting and reported centrally to the Legal and Governance Team, via the Governance, Compliance and Regulatory Manager, to form part of an annual assurance report to the University's Audit Committee, who will in turn advise Council accordingly.

### **3. Procedure as Part of Committee Business**

- a. At their first meeting of the academic year, each committee within the University should have a standing item on their agenda about conflict of interest and include a copy of both the Policy and Procedure for reference. This item should cover what a conflict of interest is and how the members of the committee should declare such an interest if and when such a circumstance arises.
- b. It is also recommended that all committees adopt the practice of including a similar statement to the following in each agenda:
- *'Members of [Name] Committee will be asked to declare any interest that could give rise to conflict in relation to any item on the agenda at the beginning of the meeting'*

*(or if possible, before the meeting when the agenda is circulated by writing to the Committee Secretary and Chair). All interests so disclosed will be recorded in the minutes of the Committee. If the Chair of the meeting deems it appropriate, the member shall absent themselves from all or part of the Committee's discussion of the matter.'*

- c. The minutes of the respective meeting should also detail the nature of any conflict, who had the conflict, and how the conflict was managed to ensure full transparency in the decision-making process. The University has developed a suite of templates for managing meetings, which are available on the [Governance Team's intranet](#).

#### 4. Annual Declarations of External Interests

- a. In addition to declaring any conflict or potential conflict in accordance with the procedures detailed above, the following postholders shall be required to submit an annual declaration of their own external interests (**see Appendix D for process**).
  - a.1 members of the Senior Leadership Team (SLT);
  - a.2 Senior Faculty Leadership at Level 2 and 3 (Academic and Professional Services); plus any other academic Deans of Schools / Institutes not captured in above;
  - a.3 members of Council; and non-Council lay members;
  - a.4 directors and company secretaries of subsidiary companies of the University;
  - a.5 directors of spin-out companies of the University who are employed by the University;
  - a.6 plus, any other postholders that have been determined by the Faculty/Central Professional Services area to be in a position of '**decision making influence**' with regard to entering into contracts, commissioning services, or purchasing goods on behalf of the University. Whilst non-exhaustive, this may include: Director of IT Services, Director of FRCS and FRCS Senior Management, Head of Procurement, Head of IP, and anyone else as determined to fall within this category. This would also apply to individuals that hold an external position at an organisation that engages with the University.

In liaison with the Legal and Governance Team, each Faculty/Central Professional Services activity lead should ensure these declarations are obtained annually, including nil returns, and held in a secure central location. The final collated information should also be presented annually to the relevant Faculty/Professional Services Management Team meeting for review. Information maintained by the Governance Team will be managed in line with the [Governance Privacy Notice](#).

- b. Members should be made aware that any changes to their annual submission must be reported within 14 days to their respective Faculty/Professional Services Activity Lead through the resubmission of the form (accessible on the Governance Team intranet site).

#### 5. Records Retention

- a. Records should be retained in line with the [University's Records Retention Schedule](#) and managed in accordance with the [University's Information Security Policy](#).

### Appendix A: Illustrative Examples of Conflict of Interest

#### **Research**

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

1. 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.
2. 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.
3. It is worth noting that 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 Support Office](#) if they are in any doubt as to the requirements.
4. Individuals involved in the scoring for procurement exercises should complete a declaration to state they have no conflicts of interest in relation to the procurement/suppliers prior to undertaking the exercise.

#### **Student Supervision and Teaching**

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

5. 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.
6. A postgraduate research student receiving support from a company in which their academic supervisor has a financial interest or position.

#### **Procurement of Goods and Services**

7. Those responsible for making decisions should take particular care in deciding which supplier or contractor to choose. So as to be able to show impartiality, individuals should take appropriate steps to ensure value for money. Advice may be sought from the Head of Procurement. Where a conflict of interest could occur, this should be declared **prior to** entering into any agreement. All purchases for the supply of goods or services should be made in line with the University's Procurement Policy and Procedures.
8. As part of the procurement 'New Supplier Form', individuals will need to confirm if any Director or Secretary from their Company is also an employee, or has a close personal relationship with an employee of the University of Liverpool. In line with the requirements set out in the Policy on Disclosure of Interest, we would also expect anyone covered within the scope of this Policy to also declare their interests in such a scenario.

### ***Intellectual Property***

9. Individuals 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.
10. In such cases:
  - 10.1 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 from both the Head of Department and then from the Pro-Vice-Chancellor (Research and Impact). The proposed conflict of interest plan/approach to be put to the Head and then the Pro-Vice-Chancellor (Research and Impact) must aim to protect the reputation of the academic(s), their research group(s) and the University and ensure compliance with company law; and
  - 10.2 if they wish to undertake a consultancy for that spin-out, they must seek prior permission from both the Head of Department, and in turn from the Pro-Vice-Chancellor (Research and Impact). The proposed conflict of interest plan/approach to be put to the Head and then the Pro-Vice-Chancellor (Research and Impact) must aim to protect the reputation of the academic(s), their research group(s) and the University and ensure compliance with company law. The activity should also be in accordance with the University's Consultancy Policy.

### ***Council Members***

11. The University has charitable status, and members of Council are charitable trustees, subject to the obligations this imposes under charity law. As part of this, Council Members must act in the University's best interests, including by managing conflicts of interest. This includes doing what the trustees (and no one else) decide will best enable the University to carry out its purposes, and make balanced and adequately informed decisions, thinking about the long term as well as the short term. Council Members are advised to familiarise themselves with the [Charity Commission Guidance](#).
12. Conflicts of interest can relate to a trustee's personal interests and the interests of those connected to them. This means that there is a conflict of interest where there is a proposed transaction between the University and a connected person of a trustee. Similarly, there is a conflict of interest where there is a benefit or a potential benefit to a connected person.

### ***Other Examples of Possible Conflicts of Interest***

13. Participating in the appointment, hiring, promotion, supervision or evaluation of a person with whom the staff member has a close personal relationship<sup>1</sup>.
14. A researcher has a financial interest in the licensee (or proposed licensee) of University intellectual property.
15. A staff member takes part in the negotiation of a contract between the University and a company, where the staff member or their family or a close personal friend has a financial or non-financial interest (e.g. a directorship) in that company.

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<sup>1</sup> For the purpose of this policy, 'immediate family' is defined as follows: spouse or civil partner, son, daughter. However, the 'close personal relationship' giving rise to an interest could extend to the following (this is not intended to be an exhaustive list): 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 adopted, half and step members of family and friend.

**Appendix B: Template for Recording Conflict of Interest**

**1. For Use by Individual Declaring the Interest**

<p><b>Name of employee/individual</b></p> <p><b>Date interest was declared</b></p>	
<p><b>The type of potential conflict of interest</b></p>	
<p><b>The nature of the activity</b></p>	
<p><b>A description of all parties involved</b></p>	
<p><b>The potential financial or non-financial interests or benefits, and any other relevant information</b></p>	

**2. Formal Declaration:**

<p>I confirm that the information provided above is complete and correct. I acknowledge that any changes in these declarations must be notified as soon as practicable and no later than 14 days after the interest arises.</p>	
<p><b>Name of individual</b></p>	
<p><b>Role in the organisation</b></p>	
<p><b>Date signed</b></p>	

### 3. For Use by Head of Department or Equivalent

<p><b>A description of how the interest managed/resolved?</b></p> <p><i>Prompts to consider may include:</i></p> <ul style="list-style-type: none"> <li>• <i>is the activity in the interests of the University?</i></li> <li>• <i>could the activity adversely affect the University, either financially or reputationally?</i></li> <li>• <i>is there any gain, financial or otherwise, to the individual or to any of their close personal connections?</i></li> <li>• <i>how material is the conflict?</i></li> <li>• <i>is it likely to reoccur?</i></li> <li>• <i>can the activity be separated from the individual's University duties?</i></li> <li>• <i>is the conflict straightforward to manage or does the matter require escalation to SLT?</i></li> </ul>	
<p><b>Did the interest require escalation to SLT?</b></p>	

<p><b>Name of individual</b></p>	
<p><b>Role in the organisation</b></p>	
<p><b>Date signed</b></p>	

A copy of this form should also be given to your Faculty or Central Professional Services activity lead who will ensure this is recorded securely in a central database.

Records should be retained in line with the [University's Records Retention Schedule](#) and managed in accordance with the [University's Information Security Policy](#).

## Appendix C1: Managing a declaration of interest as part of committee business

If a potential interest is identified, declare any interest that could give rise to conflict in relation to any item on the agenda at the beginning of the meeting (or if possible, before the meeting and when the agenda is circulated). If in advance of the meeting, make the declaration to the Chair and Committee Secretary.

Chair to consider declaration made and respond in line with Procedure.

Possible scenarios:

- If the chair deems it appropriate, the member may stay in meeting.
- If the chair deems it appropriate, the member shall absent themselves from all or part of the Committee's discussion of the matter, or not have a vote on particular matter.
- If it will be an ongoing interest – is it appropriate for the member concerned to continue to be a member of that committee?

Always record the nature of the interest/conflict, who had the conflict, and how the conflict was managed in the formal minutes of the meeting.

Following the meeting also determine whether any additional steps are required. For example, do you need to update an annual declaration form?

If issue could not be resolved, consider if you need to escalate – firstly to your relevant HoD (or equivalent), who would in turn liaise with relevant CPS/Faculty activity lead to escalate to SLT if required?



Appendix C2: Managing a declaration of interest as part of day-to-day business

Staff

Student

Disclose at the time the conflict first arises, or it is recognised that a conflict might be perceived, in writing to the Head of Department (or equivalent), by populating **Appendix B**. If the Head of Department (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.  
**(Individuals identified in section 4.a above should also make an annual declaration).**

Disclose to Academic Advisor/Student Experience Team/Supervisor, who, where appropriate, will consult with the Head of Department (or equivalent). Where the conflict of interest arises between the interests of the supervisor and the student, the student should discuss the matter with the or Head of Department or the person responsible for PGR students in the department.

Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the Department's records, and reported to your Faculty/Central Professional Services activity lead.

In some instances, the conflict may need to 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 Department's records and reported to your Faculty/Central Professional Services contact. One or more of the following strategies may be appropriate to manage the conflict of interest:

- *not taking part in discussions of certain matters;*
- *referring to others certain matters for decision;*
- *resolving not to act as a particular person's supervisor;*
- *divesting or placing in trust certain financial interests;*
- *publishing a notice of interest;*
- *standing aside from any involvement in a particular project;*
- *declaring an interest to a particular sponsor or third party;*
- *resignation from a particular post or, in exceptional circumstances, from the University.*

If the issue could not be resolved, consider if you need to escalate – via HoD (or equivalent), who would in turn liaise with relevant CPS/Faculty activity lead to escalate to SLT if required?

## Appendix D

Annual process to be followed for the request and collation of external interests from postholders as identified in section 4a above.

