

## **STATEMENT OF POLICY AND PROCEDURE ON DISCLOSURE OF INTEREST**

This document sets out the following:

- A. Policy Statement
- B. Scope
- C. Recognising Conflict of Interest
- D. Procedure
- E. Support from the Formal Senior Leadership Team

Illustrative examples and further procedural guidance are set out in the Appendix.

### **A. Policy Statement**

1. The University of Liverpool is a major research university with global reach and influence. It 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 research and development, knowledge exchange, consultancy, intellectual property (IP) licencing 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 and students 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.

### **B. Scope**

7. This Policy applies to all staff and students of the University, to all external members of Council and its committees and all others working in the University, including those holding honorary positions. It also applies to University staff who act as directors of

subsidiary companies of the University. A reference in this Policy to staff or students includes any person within the scope of the Policy.

8. 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 (see further in Section D below).
9. 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**

10. A conflict of interest arises where the commitments and obligations owed by an individual member of staff or student to the University or to other bodies, for example a funding body, are likely to be compromised, or may **appear** to be compromised, by:
  - 10.1 that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship)\*, whether financial or otherwise; or
  - 10.2 the commitments and obligations that person owes to another person or body.
11. 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 and students when evaluating a potential conflict of interest to consider how it might be perceived by others.
12. The duty to declare a possible conflict applies to the **perception** of the situation rather than the actual existence of a conflict. However, the duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.
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, for example another body of which he or she is a trustee. 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 or student 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.
19. **The general rule, with the exception of committee business (see paragraph 28), 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.
20. In the case of undergraduate students, the student should discuss the relevant issues with his or her Academic Advisor, who, where appropriate, will consult with the Head of Department following which an approach for dealing with the conflict might be agreed. In the case of postgraduate 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 Senior Academic Advisor or Academic Advisor for Graduates, or the person responsible for postgraduate students in the department, for example the Director of Graduate Studies.
21. 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.
22. 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. One or more of the following strategies may be appropriate to manage the conflict of interest:

- 22.1 not taking part in discussions of certain matters;
  - 22.2 not taking part in decisions in relation to certain matters;
  - 22.3 referring to others certain matters for decision;
  - 22.4 resolving not to act as a particular person's supervisor;
  - 22.5 divesting or placing in trust certain financial interests;
  - 22.6 publishing a notice of interest;
  - 22.7 standing aside from any involvement in a particular project;
  - 22.8 declaring an interest to a particular sponsor or third party;
  - 22.9 resignation from a particular post or, in exceptional circumstances, from the University.
23. It is the responsibility of those affected to comply with the approach that has been agreed.
24. Any unresolved matter shall be referred to the Formal Senior Leadership Team.
25. 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.
26. There are however some particular instances where the general procedure is varied and further specific steps are required such that approval is obtained not only from the Head of Department (or equivalent) but from a designated University official.
27. Each Head of School/Institute will be asked to inform the Formal Senior Leadership Team of the actions taken to inform staff of the policy requirements and promote compliance.
28. *Committee meetings:*
- 28.1 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. 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;
  - 28.2 it is also recommended that 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 item in question. All interests so disclosed will be recorded in the minutes of the Committee. If the chairman of the meeting deems it appropriate, the member

shall absent himself or herself from all or part of the Committee's discussion of the matter.'

29. *Annual declaration of external interests*: in addition to declaring any conflict or potential conflict in accordance with the procedure above, the following postholders shall be required to submit an annual declaration of external interests to the University Secretary and Director of Legal and Governance:

29.1 Formal Senior Leadership Team;

29.2 academic Heads of Schools / Institutes;

29.3 members of Council;

29.4 directors of subsidiary companies of the University; and

29.5 directors of spin-out companies of the University who are employed by the University.

#### **E. Support from the Formal Senior Leadership Team**

30. Formal Senior Leadership Team shall be responsible for:

30.1 advising University bodies, appointing authorities and individual staff members or students (in appropriate circumstances);

30.2 monitoring the University's Policy on Disclosure of Interest and making recommendations in the light of experience and of good practice guidelines established by outside bodies;

30.3 ensuring that there are appropriate systems in place to promote and monitor compliance with the Policy on Disclosure of Interest;

30.4 reviewing Annual Declarations of External Interest and alerting the appropriate University body where further clarification or action is required;

30.5 advising Council or any relevant committees, as appropriate, on cases of difficulties referred to it;

30.6 giving advice in the case of individual questions referred to it;

30.7 performing any such other action on behalf of Council in relation to the University's Policy on Disclosure of Interest as may be required from time to time; and

30.8 reporting to Council, on an annual basis, on the operation of the Policy over the prior year.

#### **Review of the Disclosure of Interest Policy**

31. This Policy shall be the subject of regular review by the Formal Senior Leadership Team, Council and, as necessary, other relevant bodies, such review to take place in the light of guidance on best practice issued by outside bodies and, in any event, not less than once every three years.

\*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.

Approved August 2014

September 2016 amended to reflect changes in University management structure

Updated January 2017

Minor amendments made September 2019 to change references to Senior Executive Group to Executive Board

Minor amendments made October 2020 to change references to Executive Board to Formal Senior Leadership Team

## **Statement of policy and procedure on disclosure of interest**

### **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 (eg 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, eg 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.

##### ***Student supervision and teaching:***

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

4. 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.
5. A postgraduate research student receiving support from a company in which his/her academic supervisor has a financial interest or position.

##### ***Intellectual property:***

6. 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.

7. In such cases:

7.1 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

7.2 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.

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

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

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

10. 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.

Approved August 2014

September 2016 amended to reflect changes in University management structure.