

## CONFLICT OF INTEREST POLICY

### INTRODUCTION

- 1 The Open University conducts its business in a legal and ethical manner. University officers, employees, other members of the University and any other associated person acting on the University's behalf are required to recognise and disclose activities that might give rise to actual or perceived conflicts of interest. These parties are referred to as 'staff' below.
- 2 A conflict of interest can occur when duties to the University compete with personal interests or duties to other people or organisations. Actual or perceived conflicts can arise from an individual's external activities which are undertaken in addition to their University role. They can be financial, non-financial or both.
- 3 If staff manage their activities appropriately, they can usually proceed with these activities as normal while at the same time upholding obligations to the University, meeting regulatory and other external requirements and protecting the integrity and reputation of the University and its members.
- 4 The purpose of this policy is to provide staff with the information required to be aware of the issues, to be able to recognise potential or real conflicts, and to manage them effectively if they occur.

### DEFINITION

- 5 A conflict of interest arises where the commitments and obligations owed by a 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:
  - a) personal gain, or gain to immediate family or a person with whom the staff member has a close personal relationship, whether financial or otherwise
  - b) the commitments and obligations that person owes to another person or body.
- 6 Immediate family is defined as a spouse or civil partner, son or daughter. A close personal relationship can extend further than this, for example to parents, siblings, or step members of family.
- 7 A financial conflict of interest 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. A financial interest is anything that has monetary value, including but not limited to payments, equity interests, forgiveness of debt, consultancy fees or intellectual property rights.
- 8 A conflict will arise if the financial interest might provide, or be reasonably seen by others to provide, an incentive to the individual which affects their actions and where they have the opportunity to affect a University decision or other activity. The level of financial interest is not the determining factor as to whether a conflict should be disclosed. A conflict which might be considered not significant by one person might be very significant to another.

- 9 Non-financial interests may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career or education, or gain to immediate family or a person with whom the person has a close personal relationship.
- 10 In order to identify potential conflicts of interest, staff should consider who they are acting for, and whether there are any competing motivations or interests that could influence them, or be seen to influence them.

## **KEY RESPONSIBILITIES**

- 11 It is the duty of every member of staff to declare any conflict of interest or any circumstances that might reasonably give rise to the perception of a conflict of interest. Each individual is responsible for recognising situations in which they have a conflict of interest, or might reasonably be seen by others to have a conflict.
- 12 The duty to declare a possible conflict applies to the perception of the situation rather than to the actual existence of a conflict. If the situation cannot reasonably be regarded as likely to give rise to a conflict of interest, then there is no duty to declare it. If there is any uncertainty as to whether there is a conflict, or if an individual is uncertain about the application of this policy or how it might affect their activities, they should contact their Head of Unit.

## **PROCEDURES**

- 13 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 Head of Unit. If the Head of Unit has a conflict of interest in the matter to be discussed, or is the person with a conflict, the declaration should be made to the person at the next higher level of authority.
- 14 There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. It is important for all staff when evaluating a potential conflict of interest to consider how it might be perceived by others.
- 15 Many situations will require nothing more than a declaration. Some instances will require more than just a declaration, and will need to be dealt with by agreeing how the conflict can be actively managed. One or more of the following strategies may be appropriate to manage the conflict of interest:
  - a) Not taking part in discussions of certain matters
  - b) Not taking part in decisions in relation to certain matters
  - c) Referring to others certain matters for decision
  - d) Resolving not to act as a particular person's supervisor
  - e) Divesting or placing in trust certain financial interests
  - f) Publishing a notice of interest
  - g) Standing aside from any involvement in a particular project
  - h) Declaring an interest to a sponsor or third party.
- 16 Members of Council and senior staff of the University are required to declare any pecuniary, family or other personal interest which may conflict with membership of Council or its related Committees or their position in the University. This will be noted in the Register of Interests. Council members should ensure they are familiar with the Charity Commission guidance on Conflicts of Interest.
- 17 Members of Committees should declare to the Committee Secretary in writing in advance of any conflict of interest for any item on the Agenda.
- 18 In addition to complying with this Policy, researchers need to be aware of and comply with conflict of interest requirements set by external funders or other bodies with whom agreements have been made and with the guidance in the Code of Practice for Research at The Open University and the Research Degree Regulations.

## COMMUNICATION

- 19 The University ensures that its conflict of interest policy is embedded and understood throughout the organisation through internal communication.
- 20 Unit managers or their nominee are responsible for ensuring the communication of the University's Conflict of Interest Policy to the associated person(s). Unit managers will also monitor and review their procedures and action plans to ensure their suitability, adequacy and effectiveness in relation to this Policy and implement improvements as appropriate.

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