



CONFLICTS OF INTEREST IN DECISION MAKING PROCEDURE

1. INTRODUCTION

- 1.1 This conflict of interest procedure sets out what a conflict of interest is and the process to follow should such a conflict come into existence. This conflict of interest procedure is part of the University's governance documents.

2. DEFINITION AND PURPOSE

- 2.1 A conflict of interest can be defined as:
'...any situation in which a person or bodies interests or the responsibilities they owe to another person or body, may, or may appear to influence their decision making in the best interests of the University.'
- 2.2 Conflicts of interest arise when the interests of the person or body, or 'connected persons', are incompatible or in competition with the interests of the University. Such situations present a risk that the person or body will make decisions based on these external influences, rather than in the best interests of the University.
- 2.3 When actual or perceived competing interests impair the ability of a decision-making body or person to make objective, unbiased organisational decisions in the best interests of the University then a conflict of interest may exist or be seen to exist. For example, a conflict of interest may exist when the fiduciary duties to the University and personal interests diverge or when decision makers are seen to have conflicting loyalties.
- 2.4. The majority of people have a multiplicity of interests, personal, domestic and professional that may, on occasion, compete with those of the University. It is almost impossible to avoid conflicts altogether. The purpose of this procedure is not to prevent conflicts of interest, as they do exist and will occur, but to ensure those conflicts when they arise are recognised and managed in an appropriate way which protect both the University and the conflicted body or person from any allegation of impropriety in University decision making processes.

3. SCOPE

3.1 This procedure applies to:

- Members of Council, of Senate and their committees and sub-committees;
- University Executive Board members and its sub-groups;
- Ad-hoc Task and Finish or Working Groups established falling within the Council, Senate or UEB governance structures; *and*
- Senior staff with delegated decision-making authority (usually but not limited to Heads of Department and Professional Service Directors).

4. OBJECTIVE

4.1 To communicate the University's requirements in respect of the management of conflicts of interest.

4.2 To advise those in scope of their obligations to disclose conflicts of interest and to maintain high ethical standards.

4.3 To ensure that all organisational decisions are made in the best interests of the University.

4.4. To protect individuals from allegations of wrong doing.

5. ASSOCIATED DOCUMENTS

5.1 This procedure is part of a suite of documents aimed at ensuring best practice and governance, including but not necessarily limited to:-

- Public Interest Disclosure (Whistleblowing) Procedure (See: <https://www.sheffield.ac.uk/hr/guidance/contracts/pid>)
- Anti-Bribery Statement (See: <https://www.sheffield.ac.uk/hr/guidance/contracts/antibribery>)
- Section 25 Conflicts of Interest, the Financial Regulations (See: <https://staff.sheffield.ac.uk/finance/financial-regulations>)
- The Code of Ethics (See: <https://www.sheffield.ac.uk/govern/ethics-code>)
- The Fraud Response Plan (See: <https://staff.sheffield.ac.uk/finance/how-finance-works/control-governance/fraud>)
- The Roles and Responsibilities of Members of Council (See: <https://www.sheffield.ac.uk/media/18862/download?attachment>)

5.2 Those in scope are expected to:

- (a) Maintain the highest possible standard of integrity in all their relationships, both inside and outside the University.
- (b) Reject any business practice which might reasonably be deemed improper.
- (c) Never use their authority or position for personal gain or to benefit anyone connected to them (i.e. close family and business relationships).
- (d) At all times, to act with impartiality, independence and integrity.
- (e) Avoid being, or giving the appearance of being, in a position which may result in an actual or perceived detriment to the University's reputation and/or interests.

5.3 Bodies or persons in scope must disclose or seek direction on any issues which may potentially conflict with their responsibilities to the University.

6. DISCLOSURE

6.1 Individual Disclosure

A member who has a relevant pecuniary, family or other personal interest in any matter under discussion must disclose the interest. A key means of preventing conflicts of interest from affecting decision making is to identify potential conflicts in advance. In order to comply with this precept, members of the Council, Senate and its sub-committees, should be asked at the beginning of each meeting to declare any potential conflicts of interest. If any interests are declared then the committee secretary should report these to the University Secretary's Office, which maintains a central record of any declared interests for all University committees.

6.2 Declarations at meetings

The agenda for each meeting should include a standing item, 'Declarations of conflicts of interest'. There may be certain circumstances where the committee member will need to withdraw from certain decisions or from undertaking certain roles, in order to protect themselves and the University from accusations of unfair bias or impropriety. Any conflicts declared should be included in the Minutes, together with any associated decision and/or action by the committee. Actions could include, for example:

- Requiring the member to not attend the meeting.
- Excluding the member from receiving meeting papers relating to their interest.
- Excluding the member from all or part of the relevant discussion and/or the decision making part.
- Noting the nature and extent of the interest, but judging it appropriate to allow the member to remain and participate.

- Removing the member from the group or process altogether.

6.3 Register of Interests

In addition, members of Council and UEB are asked annually to update their entry on the University's formal Register of Interests, which is published online. The aim of the register is to support transparency and probity, and to maintain confidence in our governance processes. In addition Heads of Department and Professional Services Directors are asked annually to declare interests. This Register covers the following:

- Paid employment and nature of business;
- Self-employment and nature of business;
- Charity Trusteeships;
- Directorships held (whether paid or unpaid);
- Share/equity holdings;
- Other relevant pecuniary interests (e.g. where the member's employer, business associates, spouse/partner or other family member has a direct pecuniary interest in the supply of goods or services to the University; or where the member or the member's spouse/partner or other family member has a substantial beneficial interest in the securities of a company or other body that is involved in the supply of goods or services to the University.);
- Other relevant appointments (e.g. membership of any statutory or other body of any other educational institution or organisation in the education sector, membership of a University Conference, General Council or equivalent, membership of a Funding Council, the QAA or a Research Council, membership of any validating or awarding body in the education sector, membership of any relevant governmental or institutional advisory committee.);
- Perceived or felt examples of competing loyalties.

7. PROCEDURE

7.1 It is not possible to define all situations or relationships which may create a conflict of interest, so each situation must be evaluated individually. However, questions to ask in order to assess whether a conflict of interest exists might be: -

- Will this interest materially affect my ability to carry out my role?
- Will this interest put me under unreasonable pressure?

- Will this interest interfere in my ability to act in the best interests of the University?
- Would this look like a conflict to a person outside the situation?

7.2 In all cases, individuals have a responsibility to assess the potential conflict. Actual or perceived conflicts of interest must be disclosed. Individual members are responsible for considering how they are perceived by others; the obligation to ensure that they both act and are perceived to act impartially rests with the member in question. This includes the responsibility to consider whether conduct might reasonably be perceived to compromise the duty of impartiality, i.e. that someone who witnessed or became aware of that conduct would reasonably conclude that it was driven by some external interest rather than furthering the purpose of the committee in the best interests of the University.

When considering undertaking any kind of action in the context of committee work, it may be helpful for members to ask themselves the following:

- How does this relate to the work of my committee? If it does not, you should not do or propose it.
- Do I have an actual personal or financial interest in the question/item/act, including as a result of any other role I hold?
- Could others (whether other members of the committee or otherwise) reasonably consider that my personal, social or business relationships may be influencing the question/item/act?
- If so, what can I do to eliminate or minimise that perception?
- Do I need to declare an interest?

7.3 Where an actual or perceived conflict of interest exists it must not be permitted to exert, or to be perceived to exert, any influence on decision making. All actual and potential conflicts of interests must be carefully managed. Chairs must review any disclosed interest, discuss it openly and manage it, advised as appropriate by the committee secretary. Where an item is being discussed at a meeting, members, advisers and staff are required to disclose the existence and nature of any personal or prejudicial interest that they may have at the beginning of the meeting, or when a conflict of interest becomes apparent during the course of a discussion. Such a declaration will be recorded in the minutes. Where there is a material interest, the member, adviser or staff member will be asked to withdraw from the meeting and take no part in either the discussion or the decision (see 6.2 above), and the withdrawal will be recorded in the minutes.

7.4 If any doubt exists the advice of the committee secretary should be taken, who as required can discuss the situation with the University Secretary's Office.

8. CONSEQUENCES

8.1 If decision making people or bodies allow factors such as other external interests to influence their decision making, they may make decisions that are not in the University's best interest. This could damage the work and reputation of the University and the person or body involved. The most common dangers arising out of a conflict of interest are:

- poor decision making;
- legal challenge;
- loss of trust; and
- reputational damage.

8.2 Where it is alleged a member of staff has failed to comply with the above procedures then disciplinary action may be taken in line with the staff Disciplinary Policy & Procedure.

8.3 In the case of members of Council, failure to avoid or to declare a conflict of interest may constitute a breach of duty as a charitable trustee. If the transaction is challenged (e.g. by the Charity Commission or another interested party) and found to be invalid relief may be sought through the Courts.

9. REVIEW, APPROVAL AND PUBLICATION

This Procedure shall be reviewed at least every three years and should remain reflective of the requirements of the CUC Higher Education Code of Governance. Reviews shall be led by the University Secretary.

Significant changes to the Procedure will also be reported to the Audit & Risk Assurance Committee. A copy of this Procedure shall be available on the University's governance webpages.

University Secretary

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