

# **CONFLICT OF INTEREST POLICY**

## **INTRODUCTION**

It is Warwick SU's policy that employees and others acting on its behalf must be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the organisation in conducting Warwick SU's charitable and business activities. The company recognises that employees may take part in legitimate financial, business, charitable and other activities outside their Warwick SU jobs or responsibilities, but any potential conflict of interest raised by those activities must be disclosed promptly.

Warwick SU recognises that, in general, individuals will recognise conflicts of interest and will want to ensure that there can be no perception of their receiving an inappropriate advantage and that they are personally beyond suspicion. It also recognises that, in most cases, potential conflicts of interest will be easily avoided or resolved by informal action either by the individual concerned or through discussion with his/her manager.

## **POLICY REMIT:**

The purpose of the Policy is to:

- Assist in identifying conflicts of interest
- Establish a system for disclosure of conflicts of interest
- Provide guidance to those responsible for dealing with conflicts of interest
- Assist in the resolution of conflicts of interest in order to protect the University and its employees.

## **SCOPE OF THIS POLICY**

This policy relates to all employees of Warwick SU, its Trustees and its elected officers. (Refer to Trustees Declaration of Interests Policy and to Bye Law 11)

## **PRINCIPLES**

There is a need to balance the rights and responsibilities of employees and those of the organisation in relation to the management of conflict of interest.

Each employee/ officer and Trustee has an obligation to act in the best interests of the organisation in relation to their Warwick SU duties, activities and employment.

Warwick SU has obligations to its employees/ officers and Trustees:

- not to interfere in their private concerns where these have no bearing on the legitimate interests of Warwick SU
- To deal with issues raised under this Policy in a prompt, fair, reasonable and objective manner, paying due attention to the effects of any actions on an employee's/ Officer's/ Trustee's work, career and reputation.

The existence of an actual, perceived or potential conflict of interest does not necessarily imply wrongdoing on anyone's part. However, any private, personal or commercial

interests which give rise to such a conflict of interest must be recognised, disclosed appropriately and either eliminated or properly managed.

### **DEFINITIONS:**

#### ***Conflict Of Interest:***

A situation in which an employee has a private or personal interest which is likely to appear to influence the objective exercise of an aspect(s) of his/her duties or responsibilities. For the purpose of this Policy, the term 'conflict of interest' includes perceived and potential as well as actual conflicts of interest.

A *perceived* conflict of interest is one which a reasonable person would consider likely to compromise objectivity.

A *potential* conflict of interest is a situation which could develop into an actual or perceived conflict of interest.

#### ***Private, personal or commercial interest:***

A financial or non-financial interest to the employee, or to a relative or friend of the employee.

*Financial interest* refers to anything of non-trivial monetary value, including, but not limited to, pay, commission, consultancy fees, equity interests, forgiveness of debt, property, royalties, intellectual property rights.

*Non-financial interest* refers to any non-financial benefit or advantage, including, but not limited to, enhancement of an individual's career, education or professional reputation; access to privileged information or facilities.

*(What is considered non-trivial will depend on the circumstances. However, it should be noted that the code of practice on the receipt of gifts indicates that a single gift of a value greater than £15 should not normally be retained personally)*

#### ***Relative or friend:***

Any member of an employee's close family (i.e. spouse, parents, siblings or children); his/her partner (i.e. boy/girlfriend, sexual or romantic partner); close personal friends; and any other person with whom the employee has a relationship which is likely to appear, to a reasonable person, to influence his/her objectivity.

### **RECORDS**

Employees and, where applicable, associated persons, are required to take particular care to ensure that all organisation records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative in accordance with the Organisation's procurement and risk management procedures.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

### **DATA PROTECTION**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that all staff, officers and Trustees of Warwick SU act in the best interests of Warwick SU. The information provided will not be used for any other purpose.

### **RISK MANAGEMENT**

The organisation has established detailed risk management procedures to prevent, detect and prohibit conflicts of interest. The organisation will conduct risk assessments for its key business activities on a regular basis.

### **WHAT WOULD BE A CONFLICT OF INTEREST?**

In order to determine whether a conflict of interest exists, it should be determined whether the private, personal or commercial interest is likely to interfere or appear to interfere with the objective judgement the employee should show in performing his/her Warwick SU duties.

An employee/ officer/ Trustee should ask him/herself if relevant others (e.g. managers, students, customers, colleagues, members of the public) who are in possession of the facts of the private/personal/commercial interest, could reasonably conclude that it might influence the employee to act other than in the interests of the Warwick SU and in accordance with the Principles above.

It would be impossible to list all possible conflicts of interest, since the circumstances and relationships may vary so widely. However, serious conflicts of interest would include the following:

- Working with a business outside your Warwick SU responsibilities that is in competition with any Warwick SU business.
- Having a direct or indirect financial interest in or a financial relationship with a Warwick SU competitor, supplier or customer (except for insignificant stock interests in publicly-held companies).
- Using his/her Warwick SU position to influence employment, promotion, or other financial or non-financial benefit for himself/ herself or for a relative or friend
- Obtaining financial or non-financial benefits for him/herself or for a relative or friend in return for providing advantage, or potential advantage.
- Taking part in any Warwick SU business decision involving a company that employs your spouse, partner or family member.
- Having a second job where your other employer is a direct or indirect competitor, distributor, supplier or customer of Warwick SU.

- Having a second job, consulting relationship or other outside activity that affects your ability to satisfactorily perform your Warwick SU activities.
- Using non-public Warwick SU information for your personal gain or advantage, or for the gain or advantage of another
- Investing in an outside business opportunity in which Warwick SU has an interest, except for having an insignificant stock interest in publicly-held companies.
- Receiving personal discounts or other benefits from suppliers, service providers or customers that are not available to all Warwick SU employees.
- Having romantic relationships with certain other employees where:
  - There is an immediate reporting relationship between the employees.
  - There is no direct reporting relationship between the employees but where a romantic relationship could cause others to lose confidence in the judgment or objectivity of either employee, or the relationship could cause embarrassment to the company.

*Managerial staff are reminded that permission is required before taking other paid employment, as specified in the Conditions of Service.*

### **REPORTING CONFLICTS OF INTEREST**

The responsibility for avoiding conflict of interest, in the first instance, lies with the individual employee. If a conflict of interest situation arises, the employee should disclose the conflict of interest, in full, and seek a resolution. He/she must then take no part in the matter(s) relating to that interest unless and until such time as the potential conflict is resolved.

In most situations, conflicts of interest should be disclosed to the employee's line manager, except where the interest relates to Warwick SU activities outside of the control of that manager, in which case the conflict must be disclosed to the person responsible for those activities and the line manager should also be informed.

Where there is any doubt who is responsible for the activity, disclosure should be to the line manager. Where an employee identifies a potential conflict of interest, but does not wish to reveal the details to his/her line manager and has been unable to withdraw from the situation, he/she should seek advice from the HR Manager, in confidence.

Disclosure must include sufficient information to enable appropriate resolution, which is likely to include: the type of potential conflict of interest, the nature of the activity, a description of all parties involved, the potential financial or non-financial interests or benefits, and any other relevant information.

The confidentiality of disclosures will be respected as far as possible; the information will only be shared with those with a need to know. The person to whom the conflict of interest has been disclosed (the Reviewer) must keep a written record of the disclosure and all subsequent related actions and decisions

For Officers/ Trustees, conflicts of interest should be disclosed to the President/ Chair of the Board of Trustees as above. Trustees will be required to complete a "Declaration of

Interests form" annually in October of each year and this will be retained by the Chief Executive's office.

Conflicts of interest arising during formal Warwick SU (including all subsidiary companies and committees) meetings should be declared as soon as the person concerned becomes aware there is a conflict and ideally at the commencement of discussion on an item.

In most cases, the Officer/Trustee concerned will not be permitted to participate in any voting on the issue in question. In some cases, the Officer/ Trustee may be asked to leave the meeting during the discussion in question.

### **FAILURE TO DISCLOSE A CONFLICT OF INTEREST**

Failure to disclose an actual or perceived conflict of interest, or to cease involvement in the situation until the conflict has been resolved, constitutes a breach of the employee's/ officer's contract of employment and may result in disciplinary action, and in serious cases could result in dismissal.

In determining whether disciplinary action is appropriate, consideration will be given to the extent to which the employee/officer was aware of the actual or perceived conflict of interest and/or made a reasonable decision not to declare it.

Trustee's failing to disclose a conflict of interest or to cease involvement in a decision or activity until the conflict has been resolved will be subject to procedures set out in Bye Law 11.

### **RESOLUTION OF CONFLICTS OF INTEREST**

Once a conflict has been disclosed by an employee/ officer, the Reviewer is responsible for resolving the conflict of interest *as soon as is reasonably practicable*. Until that time, the employee must take no part in the particular activity relating to the potential conflict. Every effort should be made to reach agreement with the employee/officer regarding the solution..

Advice should be sought from colleagues in the relevant professional areas, as appropriate, such as in the Finance Department, Human Resources or CEO office.

Where the Reviewer is unable to decide how to resolve the conflict of interest, or, particularly in more significant cases, wishes to have the advice and authority of a more senior colleague (or where he/she also has a conflict of interest), the matter should be referred to the Chief Executive who will then become the Reviewer.

Where a resolution cannot be reached within one working week, the Reviewer must make a preliminary decision, either:

- to permit the employee to continue the activity in the interim, possibly with modifications, or
- To require the employee to continue to suspend involvement in the relevant activity pending final resolution.

The employee should be notified of the preliminary decision within one working week and reasons should be provided where he/she is required to continue to suspend involvement in the activity.

In most cases, the solution will be one of the following:

- Agreement that there is no conflict of interest or that it is not sufficient to be of any concern to Warwick SU.
- Agreement to allow the activity with modifications. Options for modifications include:
  - Disclosure of all pertinent information to other relevant individuals
  - Exclusion from, or third party review of, any decision-making/authorisation
  - Reduction of involvement in the activity
  - Close monitoring of the activity
  - Termination of involvement by others (e.g. a relative or friend) in the activity
  - Disposal of relevant personal interests
  - Reimbursement by the employee to Warwick SU for indirect costs or for the use of facilities

For the employee not to be involved in any way, thus removing the conflict of interest. Where no alternative can be agreed upon, this will be the solution, by default, provided that does not go beyond the scope of the employee's contractual obligations.

In any meeting for the purpose of agreeing a solution to the conflict, the employee is entitled to be accompanied by a trade union representative or a work colleague.

Where agreement cannot be reached and the employee is not satisfied with the decision, he/she may take the matter up through the Grievance Procedure.

In all cases, in order to protect the interests of the employee and the Reviewer, the Reviewer should keep a record of the disclosure and solution to the conflict of interest. Where a conflict of interest is on-going and it is important that the current and future line managers are aware of it, the line manager (if different from the Reviewer) should be informed and should keep a record to pass to his/her successor (normally on the local personal file), with the knowledge of the employee.