



Conflict of Interest Procedure

Information Sheet: Conflict of Interest

Purpose

The purpose of this Information Sheet is to provide information on identifying, disclosing and managing actual, reasonably perceived or potential conflicts of interest (and/or commitment) at the University of Adelaide.

Q1 What is a conflict of interest?

A conflict of interest arises when your personal, external or financial interests, or those of a person with whom you have a close personal relationship, come into conflict with the performance of your duties to the University. A conflict of interest may be actual, perceived or potential and includes a conflict of commitment. Perceived or potential conflicts may undermine trust and be as damaging as an actual conflict.

An **actual conflict of interest** arises when there is a real conflict between your duties to the University and your existing personal, external or financial interests.

A **potential conflict of interest** arises where your personal, external or financial interests could come into conflict with your duties to the University in the future.

A **perceived conflict of interest** can exist where a third party could form the view that your personal, external or financial interests could improperly influence the performance of your duties to the University, now or in the future.

Conflict of commitment

A conflict of commitment arises where your personal, external or financial interests are so significant, demanding or organised in such a way that they adversely interfere with the performance of your duties to the University.

Q2 How do I identify a conflict of interest?

It is not always easy to identify a conflict of interest.

The **objective, key test** is whether an individual could be influenced, or appear to be influenced, by a private interest in carrying out their duties to the University. This test should focus on the official role and the private relationships and interests of the individual concerned, and whether a reasonably disinterested person would think these relationships and interests could conceivably conflict or appear to conflict with the individual's duties to the University.

(Source: ICAC NSW, 2004)

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Q2 How do I identify a conflict of interest? (continued)

If you answer 'YES' to any of the questions below, you may have an actual, perceived or potential conflict of interest:

- Would I or anyone associated with me benefit from or be detrimentally affected by my proposed decision or action?
- Could there be benefits for me in the future that could cast doubt on my objectivity?
- Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?
- Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?
- Do I or a relative, friend or associate of theirs stand to gain or lose financially in some covert or unexpected way?
- Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
- Have I contributed in a private capacity in any way to the matter my Faculty/Division/the University is dealing with?
- Have I made any promises or commitments in relation to the matter?
- Have I received a benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
- Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose by my proposed decision or action?
- Could this situation have an influence on any future employment opportunities outside my current official duties?
- Could there be any other benefits or factors that could cast doubts on my objectivity?

If you are still in doubt as to whether a conflict of interest exists, seek advice from the relevant Head of School/Branch.

(Source: ICAC NSW, 2004)

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Q3 Where am I likely to come across a conflict of interest at the University of Adelaide?

The potential for a conflict of interest exists in all aspects of University operations.

The following examples are intended as a guide only and *do not capture every possible instance* that might give rise to a conflict of interest at the University.

Academic

- Research – when financial or other personal considerations may compromise, or have the appearance of compromising, an investigator's professional judgement in conducting or reporting research. The bias can affect collection, analysis, and interpretation of data, hiring of staff, procurement of materials, sharing of results, choice of protocol, and the use of statistical methods.
- Peer Review of Research Grants or Publication – when an author, reviewer or editor allows personal conviction, financial interests or close personal relationships to influence the work improperly.
- Research Students – refers to the power relationship between supervisor and research student and the extent to which the student requires the supervisor's support to complete their work.
- Private tutorials – refers to instances where an academic accepts payment for private tutorials from students enrolled at the University.

Administrative

- Financial or personal considerations – refers to situations in which financial or other personal considerations may compromise, or appear to compromise, decisions made by administrators. This includes, but is not limited to, decisions pertaining to the:
 - recruitment, promotion, tenure process, reclassification or performance management of prospective or current staff at University.
 - management of staff grievances or terminations at the University.
 - admission, supervision, assessment or examination of prospective or current students at the University.
 - purchasing of goods or services for the University.
- Memberships or Directorships – refers to the acceptance of memberships, directorships or executive management roles on boards of directors, committees, advisory groups (or similar bodies) of governmental, for-profit, not-for-profits entities including University controlled entities and associated companies without the approval of the appropriate delegate.

Outside Earnings and/or Commercial Activity

- Consulting or contract research – consulting or providing services in a commercial setting to derive personal benefit due to an association with the recipient of those services.
- Undertaking commercialisation activity in your own capacity.
- Memberships or Directorships – accepting paid memberships, directorships or executive management roles on boards of directors, committees, advisory groups (or similar bodies) of governmental, for-profit, not-for-profits entities including University controlled entities and associated companies without the approval of the appropriate delegate
- Accepting gifts, director's fees, shares, share options, equity holdings or other forms of securities in companies in relation to the University's commercial relationship with those companies.
- Using information received as a University employee for personal purposes or benefit.

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Q4 As a Head of School/Branch, what steps can I take to determine the nature of the conflict and to assess the materiality of the interest?

In making an assessment, the Head of School/Branch should take into account that the University supports the work of its staff members and titleholders and will exercise caution before taking action that may have the effect of declining involvement in a commercial transaction, requiring staff to divest themselves of interests or preventing staff from taking part in research programmes for which they would otherwise have been key members.

Taking this into account your Head of School/Branch will determine the nature of the conflict and assess the materiality of the interest using the following guidelines.

Determine the nature of the conflict by:

- seeking information including, for example, from the staff member or titleholder involved; and
- considering what external and organisational factors impact on the situation.

Assess the materiality of the interest by considering:

- the potential risks to the University's objectives, interests and policies.
- what the likelihood is of the identified risk happening.
- the impact of the consequences of the conflict of interest.
- the extent to which the person declaring a conflict, directly or indirectly, has scope to influence decision-making to advance their own personal or financial interests.

Refer to the [University's Risk Management Handbook](#) for further information.

Q5 As a Head of School/Branch, what steps can I take to manage the disclosure of a close personal relationship from a staff member?

When a conflict of interest arises where a staff member has a student, staff member or potential staff member who is a relative or with whom they have (or have recently had) a close personal relationship the Head of School/Branch should make arrangements to restrict the staff member's involvement in any processes listed in Clauses 3.4 of the Conflict of Interest Procedure.

Refer to Q7 'What options are available to manage, mitigate or eliminate a conflict of interest?' for further information.

Q6 What can staff members and titleholders do to minimise conflicts of interest occurring?

Staff members and titleholders should:

- make a full disclosure of any circumstances which give rise to concerns about a conflict of interest and complete the Disclosure of Conflict of Interest Form and ensure it is approved by the appropriate delegate.
- be accountable for their research and ensure that commercial objectives do not divert them from meeting the University's core objectives.
- refrain from acting as the University's contact person for a spin-off company in which they have a significant interest.
- refrain from negotiating, authorising or enforcing licensing arrangements involving the University's intellectual property if they are associated with exploiting those rights, either as an individual or in connection with a third party.
- have sufficient knowledge of their legislative and corporate responsibilities if they have approval to serve as an Area Manager.

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Q7 What options are available to manage, mitigate or eliminate a conflict of interest?

All conflicts of interest must be disclosed using the [Disclosure of Conflict of Interest Form](#) and recorded on the staff member's or titleholder's file regardless of what additional management strategies are adopted.

The following options are available to manage, mitigate or eliminate a conflict of interest and should be incorporated into a conflict management plan:

1. Record

- Record the details of the conflict of interest on the staff member's file using the confidential Disclosure of Conflict of Interest Form, which is approved by the appropriate delegate.
- This is an appropriate course of action for very low-risk and/or potential conflicts of interest.

2. Restrict

- Restrict the staff member's involvement in the matter.
- This is often the most appropriate option when the staff member concerned can be effectively separated from parts of an activity or process and the conflict of interest is not likely to arise frequently.

Examples:

- Non-involvement in any critical criteria setting or decision-making role in the process concerned.
- Refraining from taking part in any debate about the issue.
- Abstaining from voting on decision proposals.
- Having restricted access to information relating to the conflict of interest.
- Being denied access to sensitive documents or confidential information relating to the conflict of interest

3. Recruit

- Recruit a disinterested third party to oversee part, or all, of the process that deals with the matter.
- This is an appropriate option when the matter is more significant and requires proactive management.

Examples:

- Arranging for the affected decision to be made by an independent third party.
- Engaging an independent third party or probity auditor to oversee or review the decision-making process.
- Appointing additional persons to a decision-making panel or committee to balance the influence of a single member who may have a conflict of interest but who has some special reason to remain on the committee.
- Seeking the views of those likely to be concerned about an actual, potential or perceived conflict of interest to ascertain whether they object to the conflicted individual having any, or any further, involvement in the matter.

4. Remove

- With the conflicted individual's approval remove them from all duties related to the conflict of interest for as long as the conflict of interest exists.
- This is the most appropriate option for ongoing serious conflicts of interest where restriction or recruitment of others are not feasible or appropriate.
- Given the serious nature of this option, it must involve open dialogue between the conflicted individual, their Supervisor, Head of School/Branch and any other likely affected persons and/or organisations.

Examples:

- Removing the conflicted individual from any involvement in the matter and ensuring they abstain from any formal or informal discussion about the matter.
- Remove the conflicted individual from any situation where they may still exert, or be perceived to exert, an influence on decision or actions taken in the matter.
- Transfer the conflicted individual to an alternative project or another area of the organisation.

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Q7 What options are available to manage, mitigate or eliminate a conflict of interest? (continued)

5. **Relinquish**

- The conflicted individual relinquishes the private interest that is creating the conflict.
- This is an alternative strategy to managing the individual's University-related duties in a conflict of interest.
- Given the nature of this option, the conflicted individual must be involved in the dialogue and decision-making process that concerns relinquishment.

Examples:

- Liquidating, or divesting yourself of, private interests.

(Source: ICAC NSW, 2004.)

Further Information

If you require further information, please contact the Human Resources Service Centre on 831 31111 or complete an [Online Enquiry Form](#).

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