Management of Conflict of Interests – Guidance for Departments

Background

A conflict of interest is any situation in which the personal interests of a staff member or student, or interests that they owe to another body, may (or may appear to) affect that person’s decision-making or influence on University decisions or activities.

The University of Oxford Statement of policy and procedure on conflict of interest\(^1\) states that all academic and other staff and students, external members of committees, and all others working in the University (including grant holders and emeritus researchers), and staff and directors of University subsidiary companies have a duty to declare the interest at the time the conflict first arises, or it is recognised that a conflict might be perceived. In a committee meeting, a declaration should be made to the chairman before discussion of the relevant item. Otherwise, declarations should be made to the relevant person, as set out in paragraph 6 and Appendix A of the policy.

Once such a declaration has been made, the Head of Department should consider factors such as:

a) the level of the staff member’s influence in relevant decision-making on behalf of the University;
b) the extent of the staff member’s role within any relevant external body;
c) the significance of any financial interest held by the staff member;
d) whether disclosure has been made to all relevant parties, e.g. funding bodies;
e) whether information provided to third parties about the relationship between the external body and the University is accurate;
f) whether any necessary permissions have been sought and approved (for example, for the holding of outside appointments and consultancies, and the use of University premises or facilities by external bodies);\(^2\)
g) how a member of the public might view the arrangements.

Each case will be context-specific and the Head of Department may wish to take advice on the factors that should be considered.

In managing the conflict of interest, the University’s Policy notes that one or more of the following strategies may be appropriate:

- not taking part in discussions of certain matters;
- not taking part in decisions in relation to certain matters;
- referring to others certain matters for decision;
- resolving not to act as a particular person’s supervisor;
- divesting or placing in trust certain financial interests;
- publishing a notice of interest;
- standing aside from any involvement in a particular project;
- and/or declaring an interest to a particular sponsor or third party.

For committee meetings, this may mean asking members with a conflict to refrain from participating in any decision on the matter in question, or to leave the meeting for discussion of that item. In other scenarios, a plan of action might need to be agreed in order to manage or avoid the conflict; this should be provided to the relevant parties, together with any other associated documentation, and be retained in the department’s records.

If you are unsure how to manage a particular conflict of interest, or if it proves impossible to resolve the conflict by means of the processes outlined above, the matter should be referred to the Conflict of Interest Committee (the first point of contact is the Secretary of the Committee coisec@admin.ox.ac.uk).

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\(^1\) https://researchsupport.admin.ox.ac.uk/governance/integrity/conflict/policy
\(^2\) http://www.admin.ox.ac.uk/finance/policies/financialregulations/8ethicalbehaviour/
http://www.admin.ox.ac.uk/personnel/staffinfo/academic/approvaltoholdoutsideappointments/
http://www.admin.ox.ac.uk/iso/statutes/rulesforlettingfunctionalspace/
A sample management plan is at Annex A. Further examples are enclosed at Annex B and C, and a basic template is at Annex D.

**Useful websites**

1. **Research Services**: [http://www.admin.ox.ac.uk/researchsupport](http://www.admin.ox.ac.uk/researchsupport)
   - Research Integrity: [http://www.admin.ox.ac.uk/researchsupport/integrity/](http://www.admin.ox.ac.uk/researchsupport/integrity/)
   - Conflict of Interest: [http://www.admin.ox.ac.uk/researchsupport/integrity/conflict/](http://www.admin.ox.ac.uk/researchsupport/integrity/conflict/) (this also includes links to further reading and interactive training)

2. **Oxford University Innovation** helps to commercialise intellectual property arising from research conducted by the University of Oxford (e.g. patenting, licensing, spinout companies) and to identify and manage consulting opportunities: [https://innovation.ox.ac.uk/](https://innovation.ox.ac.uk/)

3. **Legal Services Office** provides a list of FAQs and a set of useful links to the University's Statutes, Regulations, Policies and Codes of Practice: [www.admin.ox.ac.uk/lso](http://www.admin.ox.ac.uk/lso)


August 2017
Sample Conflict of Interest declaration and management plan

This has been generated to highlight issues which commonly arise when spinout companies sponsor research in the founding academic’s laboratory and to propose some potential management solutions. This should be read in conjunction with the starred notes at the end of the document and the University’s policy and procedures on Conflicts of Interest https://researchsupport.admin.ox.ac.uk/governance/integrity/conflict/policy

Name: Prof G Waite
Department: Pyrotechnics
Date:

Declaration of actual or perceived conflicts of interest:

I have been working within the University for ten years on improved combustibles for the manufacture of environmentally friendly, smoke-free fireworks. This work has led me to develop novel IP which has been protected through Oxford University Innovation (OUI) and which is intended to be licensed into a spinout company (PyrOx), which aims to further develop the IP for a variety of applications. I am the sole academic shareholder in PyrOx and intend to act both as a consultant to the company and as a non-executive director. For the foreseeable future PyrOx intends to support research in my lab providing any novel IP is licensed into the company. I will continue to undertake research funded by the NERC and supervise DPhil students. The following are the conflicts of interest which I have identified may arise from this situation together with the mechanisms I propose for their management.

1. As a shareholder in PyrOx I stand to gain financially should the company be successful. I shall be directing the research in my laboratory which will be undertaken by post-docs and students who may be concerned that I will not give due credit to their inputs should the research benefit the company. I will declare this conflict to all current and future researchers in my group and ensure that any new IP developed is handled through Research Services and OUI in the normal way so that all contributors to the development of the IP are rewarded in accordance with the University’s Statutes and Regulations. For new IP generated under the anticipated sponsored research agreement and which will be covered by the initial licence into the company for no additional financial consideration, there will be appropriate revision of the royalty payment distribution as directed by Research Services to ensure that new inventors receive a share of the financial benefits to the University arising from the exploitation of IP which they have developed.

2. PyrOx will be supporting research in my laboratory alongside my research funded by third parties. There may be concerns that I arrange for PyrOx to have preferential terms, or ask staff employed on third party grants to undertake work for PyrOx, or that results funded by the third parties may “leak” to PyrOx for its benefit. The research to be supported by PyrOx will be detailed in writing such that there is no overlap with the research supported by third parties. This will be checked by the Head of Department. The budget for this research will be determined by the Departmental Administrator and priced at minimum 100% FEC. The contracts will be negotiated between Research Services and other company personnel. I shall take no part in the negotiations and the Head of Department will appoint an academic lead to work with Research Services.

3. My position as a non-executive director in PyrOx leads to a conflict of interest as I am legally bound to act in the best interests of the company while being an employee of the University. In addition to the other actions listed here, I will manage this contractually by ensuring my significant obligations to the University are declared to the Board of PyrOx. In particular, I shall not undertake or supervise research within the University under my directorship position.

4. The research sponsored by PyrOx may result in the creation of novel IP. However, not all IP is protectable and PyrOx might have a commercial advantage if such IP was not disclosed or if its
disclosure was delayed. As a result, there is a potential conflict of interest between encouraging academic publication and maximizing the potential of the company. This will be managed through the Head of Department appointing co-supervisors for my students and post-docs whose task will be to ensure that the results of their research are appropriately published in a timely manner. The students and post-docs will also be able to raise with the co-supervisor any concerns which they may have arising from the handling of IP.

5. Two of my postdocs (Drs X and Y) have significant scientific expertise of relevance to PyrOx and wish to undertake consultancy work for PyrOx. As a result there is a potential CoI between their research work in my laboratory and their consulting activities for PyrOx. This will be managed by both postdocs completing and signing OA1 forms and by ensuring that there is no overlap between the scope of the consultancy work and their routine academic research work.

6. On all grant applications to third parties and publication of results related to the activities of PyrOx I will declare my conflict of interest and, when appropriate, provide a copy of this declaration and management plan.

7. Other, unforeseen, conflicts may arise from time to time. I will try to be alert to these, but in such cases, or should issues arise in which a junior member of staff or student feel that this management plan has not been adhered to, the Head of Department has indicated that they would be happy to discuss and address such issues as appropriate.

8. I will review the operation and content of this declaration and management plan with my Head of Department on an annual basis.

9. In order to ensure full disclosure, a copy of this declaration and management plan will be provided by the Departmental Administrator to all members of my research group and to all potential members to whom a position is being offered.

Signed: Prof Waite

Date:

Signed in agreement: Head of Department

Date:

* The same issues may arise with clinical research but, in addition, the PI will need to consider declarations to ethics committees and regulatory bodies (including financial declaration to the FDA) and the potential conflict of preferential recruitment into the company's trial over others which may be seeking access to the same patient cohort.

**Confidentiality may be an additional issue in these circumstances in which case physical separation of groups might be considered.

*** Where the research is in collaboration with other academic groups within the University or third parties, the declaration should also be provided to them.

**** Where the Head of Department is declaring a conflict, the declaration and management plan should be agreed with the Head of Division.
Table 1: Examples of the different activities of an academic who is both PI, NXD and consultant

<table>
<thead>
<tr>
<th>PI</th>
<th>Non-Executive Director</th>
<th>Consultant</th>
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</thead>
<tbody>
<tr>
<td>Create detailed research plans, including schedules, resources and costing elements</td>
<td>Help develop/challenge company strategy</td>
<td>Provide general technical advice and expertise; train staff on the technology; attend technical review meetings</td>
</tr>
<tr>
<td>Direct the research project, undertake research and supervise research staff at the University</td>
<td>Monitor company performance</td>
<td>Advise on product development planning and technical strategies; how the Licensed Technology will be turned into a product</td>
</tr>
<tr>
<td>Report results to the research sponsor, identifying new IPR</td>
<td>Ensure integrity of financial information and sufficiency of risk management systems</td>
<td>Identify and define technical problems that may need addressing, either through sponsored research or through other strategies such as in-licensing 3rd party IPR, accessing technical services, or other consultancy advice</td>
</tr>
<tr>
<td>Liaison with sponsor over potential publications</td>
<td>Set remuneration levels of the executive directors (EDs), support hiring and firing of EDs, and succession planning</td>
<td>Advise on how the technology can be made more robust, fit for manufacture, GMP process requirements</td>
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<tr>
<td>Attend Board meetings</td>
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Management of a conflict of interest – example 2

A member of staff (Dr X) at the University of Oxford asks Research Services to draw up a contract for a project to study the effects of Bacteria Z and Bacteria W on oil based compounds, to be done in collaboration with and funded by a company called Clean Up UK PLC.

During the initial meeting between the researcher (Dr X), her Department Administrator and Research Services, they begin to discuss the Contract Request Form, including the section which asks about conflicts of interest, and Clean Up’s standard form agreement. Dr X explains that she would like a graduate student in her lab to be involved in carrying out some of the research. And she advised that Clean Up owns the patent on Bacteria Z for this specific area of application. During the meeting Dr X advises that she is a co-founder and has a 35% ownership in Clean Up.

In accordance with the University’s policy, a plan is documented in writing, setting out how the conflict will be actively managed. The following steps were agreed and, where appropriate, set out in the plan approved by the Head of Department (and held in the department’s records):

1. Dr X met with her Head of Department and it was agreed that Professor A (the Head of her Lab) be formally appointed to act as the senior research contact for Research Services in relation to the proposed contract. Dr X thus stood aside from any formal role in terms of advice to Research Services or final recommendations on the acceptability of the draft contract given her financial interest in Clean Up.

2. Dr X, Professor A, and the Department’s Graduate Studies Coordinator met and agreed with the Head of Department that the project was not well suited for a graduate student, so the research team would look at involving a Research Assistant short-term.

3. Dr X, Professor A and the Head of Department agreed that all those working on the contracted project with Clean Up would be advised in writing by Dr X of her financial interest in Clean Up and that should they have any questions or concerns about the project that they could not address with Dr X to their satisfaction, these should be taken up with Professor A.

4. The Contracts Specialist in Research Services negotiated changes to the contract initially presented by Clean Up, and prepared a signature memo to her Head of Team, appending final recommendations by Professor A and the Head of Department.

5. The Head of the Research Services Team asked, and the Department agreed, that Professor A take overall responsibility for the conduct and reporting of the project; it being especially important to put in place specific measures related to the results of the research being accurately reported given the commercial interest which Clean Up had in the results and Dr X’s stake in Clean Up. Dr X and Professor A subsequently agreed that draft papers arising from this project would be internally reviewed by at least two experts prior to any paper being submitted for publication. Dr X and Professor A also agreed that any press releases about the project would be subject to formal approval by the Head of Department.

6. The Head of the Research Services Team signed the Agreement, on behalf of the University.
Management of a conflict of interest – example 3

[############################]: conflict of interest action plan

Management of actual or perceived financial conflict of interest arising from a close personal relationship

A close personal relationship between senior staff with management responsibility in a department/unit must be acknowledged to ensure that financial control processes are followed. If these members of staff have responsibility for requisitioning goods and services and authorising payments, the failure to declare and manage the conflict could give rise to increased risk of fraud and could have a negative impact upon the reputation of the department and the University.

The key principle is that segregation of duties must be maintained during financial transactions. For example, these members of staff must not be permitted to authorise each other’s expense claims or payment requisitions. The following financial control plan is suggested for such circumstances:

<table>
<thead>
<tr>
<th>PROPOSED management plan: actual or perceived conflict of interest arising from a close personal relationship in a department</th>
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<tbody>
<tr>
<td><strong>Date:</strong> #######</td>
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<tr>
<td><strong>Summary of conflict</strong></td>
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</tbody>
</table>
| **Risks** | • increased risk of fraud;  
| | • increased risk of failing to obtain value for money;  
| | • increased risk of failure of internal controls;  
| | • failure to comply with the University’s policies and processes including the Conflict of Interest Policy and the Financial Regulations;  
| | • risk of negative impact upon the reputation of the department and/or the University consequent upon failing to declare and manage the conflict. |
| **Principles** | Close personal relationships give rise to the risk of actual or perceived conflicts of interest and must be managed in accordance with the University’s Conflict of Interest Policy. This plan is intended to ensure segregation of duties and to monitor the risks of conflicts of interest occurring. |
| **Specific provisions relating to joint travel** | All travel and accommodation involving both members of staff must be approved by the head of administration in the department, with adequate supporting evidence for the need for both parties to travel. The head of administration will reserve the right not to reimburse joint travel expenses incurred without adequate supporting evidence.  
| | Particular attention should be paid to the costs of travel and accommodation when both partners travel together. |
| **Expenses** | All expense claims submitted must be authorised by the head of administration or their nominee.  
<p>| | All claims must comply with the Financial Regulations, published financial processes and the Expenses and Benefits Guide. |</p>
<table>
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<tr>
<th>Annex C</th>
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<tr>
<td><strong>Advances</strong></td>
<td>All claims for advances submitted must be authorised by the head of administration or their nominee. All claims for advances must comply with the Financial Regulations, published financial processes and the Expenses and Benefits Guide.</td>
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<td><strong>Barclaycard</strong></td>
<td>All use of departmental credit cards must comply with the Financial Regulations and the Expenses and Benefits Guide, and specifically Departmental Credit Card Regulations, which specify that credit cards must only be used for the purchase of goods or services that cannot be obtained through the usual channels by the creation of a purchase order on the University’s finance system. The department is asked to keep under review the limits on its credit cards, with support from the Cashiers Team in the Finance Division, to ensure that the limits remain appropriate. The monthly statements should be reviewed by the head of administration, or their nominee, to ensure that every transaction conforms to the regulations. Original receipts must be attached to the statement and each page then signed by the head of administration or their nominee. The completed statement must be forwarded to the Payments Team for input to Oracle no later than 20 days from the date of the statement. In relation to the use of a departmental Barclaycard for travel and accommodation: the department is requested to use – as far as possible – the University's travel agency and to avoid the use of credit cards for paying for travel, in order to minimise the risk arising from the conflict of interests and to ensure a robust audit trail.</td>
</tr>
<tr>
<td><strong>Purchase to Pay</strong></td>
<td>All purchase requisitions raised by either of the staff members must be authorised by the head of administration or their nominee via the Oracle workflow. All claims must comply with the Financial Regulations and the rules on access to Oracle Financials.</td>
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## Developing a Plan of Action (please expand the rows/boxes as necessary)

1. Name and position of the person making the declaration

2. Date of the initial declaration

3. Name and position of the person to whom the declaration is being made

### Issue/Question

4. Brief Description of the Conflict of Interest (CoI) or potential CoI

5. What decisions or interests of or within the collegiate University might be or be seen to be affected by the CoI/potential CoI?

6. What actions might be taken to manage or avoid the conflict?

### Following discussions

7. Describe here the course of action agreed

8. Which individuals, groups or organisations need to be informed about the CoI and the course of action agreed?

9. Who will inform them, how and when?

10. When will you review the situation and this plan? (Note when and who will initiate that review/further discussion)

### Sign-off by the relevant parties (add further rows as appropriate)

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<tr>
<th>Name</th>
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