

# UK Research and Innovation

## UK Research and Innovation

### Conflicts of Interest Policy

**Contents:**

Policy Statement

1. Introduction and Purpose.
2. Principles
3. Policy Review.
4. Definitions
5. Examples of Conflicts of Interest
6. Policy Scope
7. Declaring and Managing a Conflict of Interest
8. Reporting Concerns

**Annexes:**

Appendix 1: Relevant Authoritative Bodies related UKRI Documents, Legislation, Regulations and Supporting Frameworks

Appendix 2: Points of Contact

Appendix 3: Declaration of Interest Form

Appendix 4: Process Flowchart

Appendix 5: Document Review and Version Control

**Policy Statement**

This policy covers conflict of interest and the important role that UKRI staff play in ensuring transparency and compliance with the seven principles of Public Life. The policy is underpinned by the UKRI Code of Conduct.

This policy applies to all UKRI employees. For the purpose of this policy, the use of the word “employee” covers UKRI employees on permanent or fixed term contracts as well as persons who are on secondment to UKRI and non-employees such as non-executives, students, visiting workers, contractors and other persons carrying out work on behalf of the UKRI.

UKRI staff are expected to comply with the highest standards of professional and ethical practice and are required to declare any interests which may conflict, or may be perceived to conflict, with UKRI’s business. Declaring interests supports transparency and demonstrates the integrity of the UKRI’s business and staff by providing assurance that any potential conflicts are considered and managed effectively.

# UK Research and Innovation

This policy is fully endorsed by the UKRI Chief Executive and the Audit, Risk, Assurance and Performance Committee. Adherence will ensure that UKRI activities are compliant with legal and ethical requirements and related policies (e.g. whistleblowing).

## 1. Introduction and Purpose.

- 1.1 Good governance in public sector organisations recognises the need for arrangements for preventing, countering and dealing with potential conflicts of interest. UKRI has no reason to believe that conflicts of interest undermine decision making but UKRI must be vigilant about the risk and have appropriate policies and plans in place.
- 1.2 It is important in this context that we guard against the perception of impropriety as well as the reality. The purpose of this policy is to ensure that all staff are aware of their responsibilities to declare potential conflicts of interest.

## 2. Principles

- 2.1 UKRI is committed to establishing and applying appropriate standards of regularity and propriety and requires all employees at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. UKRI Board members, Committee members, Council Committee and Panel members and employees are required to conduct themselves in accordance with the UKRI Code of Conduct Policy.
- 2.2 Our approach is underpinned by the Seven Principles identified by the Committee on Standards in Public Life.

### **Selflessness**

Holders of public office should act solely in terms of the public interest.

### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

# UK Research and Innovation

## **Honesty**

Holders of public office should be truthful.

## **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

- 2.3 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.
- 2.4 In particular, UKRI recognises that members of its Board and Councils are likely to have significant employment or other roles at businesses/organisations which may receive funding or other support from UKRI.

## **3. Policy Review.**

- 3.1 This policy will be reviewed every two years to incorporate any legislative change. Trade Unions and Staff Representatives may request that the policy is reviewed.

## **4. Definitions**

- 4.1 UKRI defines a conflict of interest as a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. Even a perception of competing interests, impaired judgement or undue influence may be damaging to UKRI's reputation.

Generally, conflicts might occur if individuals have for example

- a direct or indirect financial interest
- non-financial or personal interests
- competing loyalties between an organisation they owe a primary duty to and/or some other person or entity

- 4.2 Any private, personal or commercial interests which give rise to (or could be perceived to give rise to) such a conflict of interest must be recognised, disclosed appropriately and either eliminated or properly managed. Reporting, recording and managing potential conflicts effectively protects staff and can help to generate public trust and confidence.

## **5. Examples of Conflicts of Interest**

Outlined below are examples of a range of situations where there could be (or could be perceived to be) a conflict of interest:

- 5.1 **Financial Interests** – An individual may receive a direct financial benefit from the consequences of the awarding of funding, e.g.;
  - a director, including a non-executive director, or senior employee in an organisation which is doing, or which is likely, in receipt of funding or possibly seeking to obtain funding;
  - a shareholder (or someone with similar ownership interests), a partner or owner of a private or not-for-profit company which is, or is likely to seek, or obtain funding;

# UK Research and Innovation

- a shareholder or UKRI related start up;
- a management consultant for a business/individual;
- in receipt of secondary income from a business/individual;
- in receipt of any payments (for example honoraria, one-off payments, day allowances or travel or subsistence) from an organisation possibly seeking to obtain funding.

5.2 **indirect financial interests** – this is where an employee has a close association with an individual who has a financial interest, a non-financial professional interest or a non-financial personal interest in a commissioning decision (as those categories are described above) for example:

- spouse / partner;
- close relative (e.g., parent, grandparent, child, grandchild or sibling);
- close friend;
- business partner;
- a financial relationship (e.g. pension) with a business/individual seeking to obtain funding.

5.3 **Non-financial Professional Interest** - This is where an individual may obtain a non-financial professional benefit from the consequences of a funding award, such as increasing their professional reputation or status or promoting their professional career. This may, for example, include situations where the individual is:

- an advocate for a particular group; or
- a member of a particular specialist professional body.

5.4 **Non-financial personal interests** – This is where an individual may benefit personally in ways which are not directly linked to their professional career and do not give rise to a direct financial benefit. This could include, for example, where the individual is:

- a voluntary sector champion for business/individual;
- a volunteer for business/individual; or
- a member of a lobby or pressure group with an interest research or development

5.5 **Indirect interests** – This is where an individual has a close association with an individual who has a financial interest, a non-financial professional interest or a non-financial personal interest in a commissioning decision (as those categories are described above) for example, a:

- spouse / partner;
- close relative (e.g., parent, grandparent, child, grandchild or sibling);
- close friend; or
- business partner.

6. **Policy Scope**

# UK Research and Innovation

- 6.1 This policy supplements other policies relating to regularity and propriety (e.g. Counter Fraud and Bribery Policy). The policy also covers overseas activities as well as activities within the UK, particularly in cases of overseas funding where new relationships are being pursued and developed.
- 6.2 This policy covers the actions of any person acting on behalf of UKRI (Associated Person as defined by the Bribery Act).

## 7. Declaring

- 7.1 With the formation of UKRI on 1 April 2018 the following shall be required to review existing disclosures and update as appropriate (see process at Annex 5):
  - Non-executives, including members of the UKRI Board, associated Committees and Councils. This will be facilitated by the relevant secretariat;
  - UKRI Executive Committee members (all declarations will be published along with Board Members);
  - All staff in band H and above
  - Others in positions of significant financial control or high-risk activities (staff involved in peer reviews, funders panels, funding decisions and working directly with procurement and contract management).
- 7.2 The following procedures for declaring/ managing conflicts of interest will apply and will remain until such time as the UKRI Central Services assumes responsibility.
  - each Council or UKRI Central Services directorate will be responsible for recording, reviewing, managing and mitigating conflicts of interest within their respective teams;
  - each Council or UKRI central services directorate will submit a record to the UKRI Deputy Director, Governance, Assurance, Risk and Information Governance (DD GARI). These should be submitted;
    - annually
    - by exception when there are new appointments or new conflicts
  - Research England and the UKRI Central Services will adopt and record within the EPSRC register.
- 7.3 UKRI will manage the process in three stages:
  - disclosure;
  - evaluation; and
  - investigation and action
- 7.4 UKRI will take a proportionate approach to managing conflicts of interest. It recognises that the development of relationships with outside bodies is often beneficial to both the organisation and the individual. Each set of circumstances will therefore be evaluated by the DD GARI according to the risk presented to UKRI and the likelihood that an individual's decisions or actions could be influenced by outside interests

# UK Research and Innovation

- 7.5 At the beginning of each financial year those identified above (in section 7.1) are required to complete a Declaration of Interest form (see Appendix 3). This process is managed by the DD GARI who is responsible for maintaining a register of interests. The declaration form is attached at Appendix 4. UKRI will work towards the adoption of a common online system for the management of all declarations.
- 7.6 UKRI will publish (make available on the UKRI web site) all declaration of interests of all Board members, Executive Committee members and Council members.
- 7.7 Any interests declared, and actions identified to manage any conflicts, will be revisited regularly, at least annually by the Head of Governance Risk Assurance and Information. More frequent updates may be requested as necessary in particular where impacted events occur e.g. renewal of contracts. Copies of registers will be retained for reference purposes.
- 7.8 Interests should be declared as they arise and updated as they change. In general, only current interests need to be declared. Interests can be removed from the register when they cease to have any effect or influence. However, occasionally past interests may be perceived to influence present behaviour and a continued declaration of a past interest might be appropriate. A review of any such interests will be carried out by the DD GARI.
- Conflicts of interests should be declared and managed during critical decision-making meetings and these should be documented in minutes and relevant updates made to the declaration form.
- 7.9 All declarations of interests will be reviewed and evaluated by the DD GARI to identify those of a possibly high-risk nature. Principal matters to be considered in the evaluation include:
- the likelihood that an individual's judgement or actions in his/her UKRI role could be influenced by the outside interest;
  - the risk that UKRI's reputation could be damaged by the outside interest; and
  - such evaluations in relation to Senior Managers and Executives will be carried out in consultation with the UKRI Chief Finance Officer or Executive Chairs as appropriate.
  - for the purpose of this policy, Senior Manager is defined as Band 2 or Band F or G as appropriate to their current employment.
- 7.10 When a declaration is considered to identify a high-risk conflict of interest UKRI will carry out further investigations to determine the exact nature of the relationship and its impact on UKRI's operations and reputation. Such investigations might include:
- discussions with the individual concerned;
  - requests for further information on the nature of the relationship; and
  - review of UKRI's financial and business relationship with the third party;
  - records updated by an amendment to the Declaration form and mitigating actions.
- 7.11 UKRI reserves the right to take any reasonable action in response to the investigation but actions following evaluation and investigation may include:

# UK Research and Innovation

- agreement that the relationship presents no risk to UKRI and may therefore continue;
- ensuring that the individual has no part in discussions or funding decisions about the third party;
- requiring the individual to give up the relationship with the third party; and
- terminating or amending any affected grant or contractual relationship.

## **8. Reporting Concerns**

8.1 Staff should report any concerns to their line manager, in accordance with the UKRI Fraud and Bribery policy. Issues that should be reported include:

- a potential conflict that has not been declared; or
- any conflicts where it is suspected of an undue influence over management decisions.

# UK Research and Innovation

## Appendix 1 Relevant Authoritative Bodies related UKRI Documents, Legislation, Regulations and Supporting Frameworks.

### Authoritative Bodies

Department for Business, Energy and Industrial Strategy (BEIS)	Supports the scientific community and funds UKRI activities.
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### Related Documents

The Fraud Act 2006	<a href="http://www.legislation.gov.uk/ukpga/2006/35/contents">http://www.legislation.gov.uk/ukpga/2006/35/contents</a>
The Bribery Act 2010	<a href="http://www.legislation.gov.uk/ukpga/2010/23/contents">http://www.legislation.gov.uk/ukpga/2010/23/contents</a>
Managing Public Money	<a href="https://www.gov.uk/government/publications/managing-public-money">https://www.gov.uk/government/publications/managing-public-money</a>
UKRI Code of Conduct	<a href="https://www.ukri.org/files/termsconditions/rcukukriterms/code-of-conduct-pdf/">https://www.ukri.org/files/termsconditions/rcukukriterms/code-of-conduct-pdf/</a>
UKRI Disciplinary Policy	<a href="https://www.ukri.org/files/termsconditions/rcukukriterms/disciplinary-pdf/">https://www.ukri.org/files/termsconditions/rcukukriterms/disciplinary-pdf/</a>
UKRI Whistleblowing Policy	<a href="https://www.ukri.org/files/termsconditions/rcukukriterms/whistleblowing-pdf/">https://www.ukri.org/files/termsconditions/rcukukriterms/whistleblowing-pdf/</a>
UKRI Fraud and Bribery Policy	<a href="https://www.ukri.org/files/termsconditions/ukri-counter-fraud-and-bribery-policy-pdf/">https://www.ukri.org/files/termsconditions/ukri-counter-fraud-and-bribery-policy-pdf/</a>
UKRI Gifts & Hospitality Policy	Link to be confirmed
Cabinet Office Counter Fraud Framework	<a href="https://www.gov.uk/government/groups/counter-fraud-standards-and-profession#our-framework">https://www.gov.uk/government/groups/counter-fraud-standards-and-profession#our-framework</a>

# UK Research and Innovation

## Appendix 2: Points of Contact

Name	Role	E-Mail
Ian Kenyon	UKRI Chief Finance Officer	<a href="mailto:Ian.Kenyon@ukri.org">Ian.Kenyon@ukri.org</a>
Victoria McMyn	Director Governance Risk Assurance and Information	<a href="mailto:Victoria.mcmyn@ukri.org">Victoria.mcmyn@ukri.org</a>
Fraud Line	Alternative method of reporting	<a href="mailto:reportfraud@ukri.org">reportfraud@ukri.org</a>
Action Fraud	Reporting body of fraud referrals	<a href="http://www.actionfraud.police.uk/contact-us">http://www.actionfraud.police.uk/contact-us</a>

# UK Research and Innovation

## Appendix 3: Declaration of Interest Form

*(There is more detail on the categories in sections 4 and 5 of the policy)*

Name	Details
Primary Role/Post with UKRI	
Other Roles/Services provided to UKRI in addition to primary role	
Professional memberships or affiliations	
Appointments, Employment, Directorships and consultancies with other organisations	
Roles in organisations receiving UKRI support where you receive Remuneration/Benefits in kind/other income received.	
Unremunerated involvement with relevant bodies	
Direct investments (shareholdings, dependencies and/or other financial interests)	
Direct investments in organisations receiving UKRI funding and/or support	
Financial, pecuniary and non-financial links of close family members in above areas	

I confirm that this is an accurate declaration of my outside interests and those of close family. I understand that failing to make an accurate declaration may be treated as a disciplinary matter by UKRI or lead to termination of my contract with UKRI.

Signature..... Date.....

# UK Research and Innovation

**Line manager<sup>1</sup> assessment:**

I have assessed the impact of the declared conflicts and taken the following mitigation action:

Conflict of Interest	Mitigating action (where appropriate)

**Signature**.....

**Print Name** ..... **Date**.....

Line manager, secretariat or CEO (as appropriate) to scan and send the completed form to [Conflictsofinterest@ukri.org](mailto:Conflictsofinterest@ukri.org).

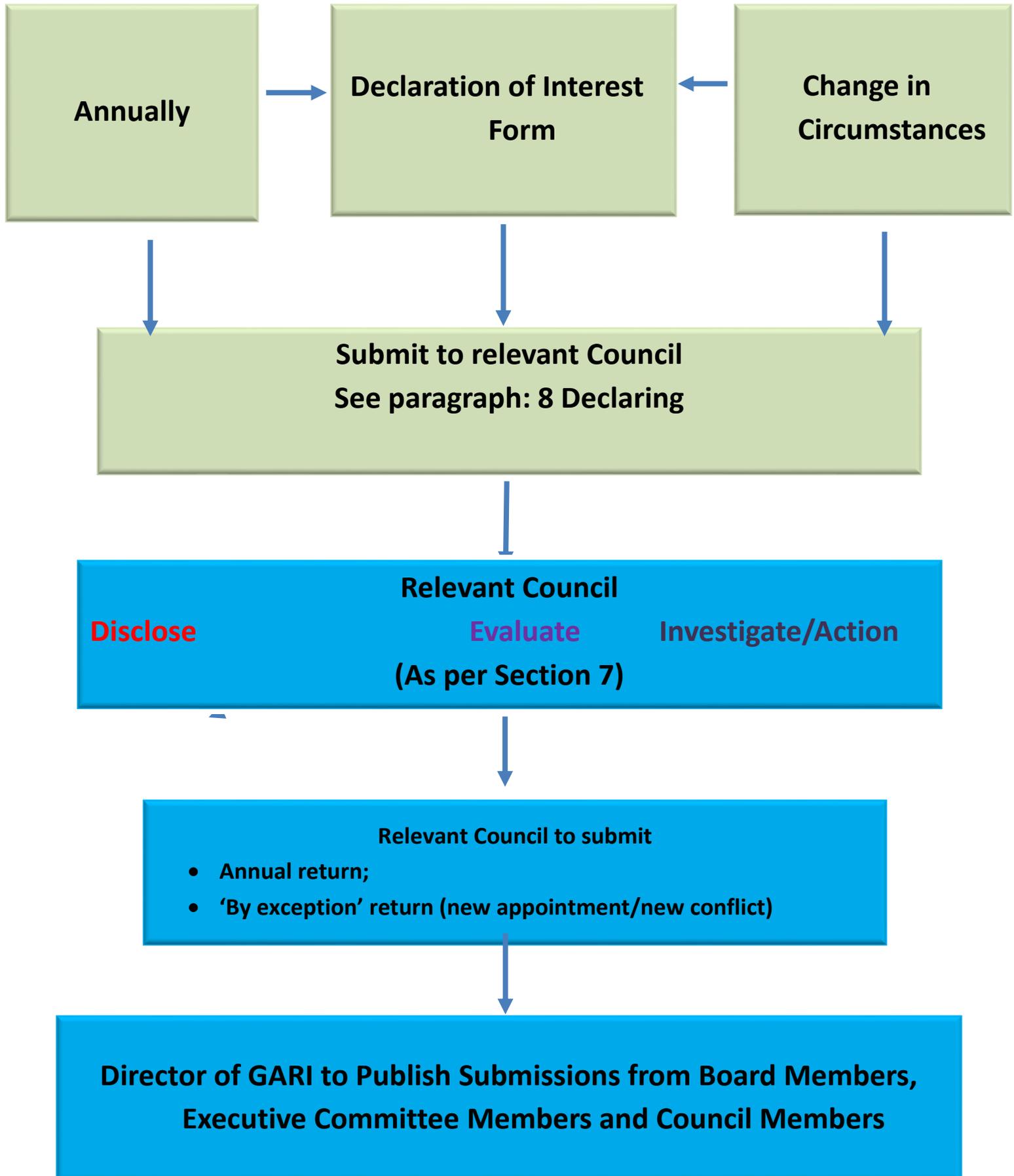
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<sup>1</sup> Line manager:

- a. Non-executives refer to the chair of the relevant board/committee.
- b. CEO refer to Chair of UKRI Board.
- c. Executive Chairs refer to Council SIM.

# UK Research and Innovation

Appendix 4: Process Flowchart



# UK Research and Innovation

## Appendix 5: Document Review and Version Control

Document Control	
Original Version	1.0
Effective From Date	1 July 2018
Approved By	Design and Delivery Sub Board
Date of Approval	10 April 2018
Date of Last Review	13 June 2018
Date of Next Review	1 July 2019
Retention Period	
Owner	Director of Governance Risk, Assurance and Information
Author	Brendan Harper, Investigations Manager UKRI

Version Control				
Version Number	Status	Revision Date	Author(s)	Summary of Changes

### 13 Amendment History.

Version	Date	Comments / Changes
1.0	9 February 2018	Terms and Conditions Working Group
1.0	20 February 2018	Terms and Conditions Working Group
1.0	26 June 2018	JNCC
1.0	1 November 2018	PFO and UKRI GARI