

Conflict of Interest? When in doubt, declare!



<http://search.dilbert.com/comic/Conflict%20Of%20Interest>

The Council of Stellenbosch University (SU) approved an institutional policy on *Conflict of Interest* in April 2013. This policy, applicable to everyone affiliated with SU in some way or another (be it as an academic staff member, member of support staff, member of the management of the university, students, or council members), has been widely consulted across campus before it was presented to Senate and Council for approval in 2013.

The formulation and implementation of the conflict of interest policy represent part of the ongoing effort to ensure that SU adheres to internationally acknowledged standards of good corporate governance and professional practice. Not only is a policy like this essential to ensure awareness and application of good corporate governance, but the adoption of such a policy is critical in ensuring that SU can continue to receive and manage major research grants and other funding streams from across the globe. Increasingly our funders wish to know that we subscribe to the highest possible standards of good corporate governance – and responsibly managing potential conflicts of interest represents one of the crucial pieces of this puzzle.

What is conflict of interest¹?

According to *Wikipedia* a conflict of interest (COI) occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt the motivation. It is important to highlight that the presence of a potential conflict of interest is independent of the occurrence of impropriety. Therefore, a conflict of interest can be discovered and voluntarily defused before any corruption occurs.

A widely used definition is: "A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest."²

Wikipedia explains that "Primary interest refers to the principal goals of the profession or activity, such as the protection of clients, the health of patients, the integrity of research, and the duties of public office. Secondary interest includes not only financial gain but also such motives as the desire for professional advancement and the wish to do favours for family and friends, but conflict of interest rules usually focus on financial relationships because they are relatively more objective, fungible, and quantifiable.

¹ From Wikipedia, the free encyclopedia - http://en.wikipedia.org/wiki/Conflict_of_interest

² Lo and Field (2009). The definition originally appeared in Thompson (1993).

Secondary interests are not treated as wrong in themselves, but become objectionable when they are believed to have greater weight than the primary interests. The conflict in a conflict of interest exists whether or not a particular individual is actually influenced by the secondary interest. It exists if the circumstances are reasonably believed (on the basis of past experience and objective evidence) to create a risk that decisions may be unduly influenced by secondary interests.”

The following are some of the most common general forms of conflicts of interests³:

- Self-dealing, in which an official who controls an organization causes it to enter into a transaction with the official, or with another organization that benefits the official. The official is on both sides of the "deal."
- Outside employment, in which the interests of one job contradict another.
- Family interests, in which a spouse, child, or other close relative is employed (or applies for employment) or where goods or services are purchased from such a relative or a firm controlled by a relative. For this reason, many employment applications ask if one is related to a current employee. If this is the case, the relative could then recuse from any hiring decisions. Abuse of this type of conflict of interest is called nepotism.
- Gifts from friends who also do business with the person receiving the gifts. Such gifts may include non-tangible things of value such as transportation and lodging.

The SU Conflict of Interest Policy and its implementation

The SU Policy on conflict of interest makes specific provision for the disclosure and appropriate management of any potential conflicts of interest of members of the institution. The main take-home message in this policy document is: ***When in doubt, declare!*** So if you are asking yourself right now if there might be a need to officially declare your secondary interest(s), that question is already answered in the affirmative by the SU policy. As with everything else in life, prevention is a whole lot better than cure!

Such a declaration to your direct line manager and the subsequent implementation of appropriate management measures, will not only serve to protect SU’s reputation as an ethically responsible institution, but will also protect the activities and reputation of each member of this institution. It is often difficult for those directly or closely involved in a transaction to recognize a potential conflict of interest, and what needs to be done to avoid any real conflict of interest. This is why the potential conflict of interest declaration and its management plan is normally approved by two levels of line management above the person declaring the potential conflict.

Following disclosure there are a number of ways in which real conflict of interest can be avoided, including complete avoidance of a transaction, recusal from the decision-making process, as well as independent third-party evaluations. The desired outcome is that all real conflict of interest at SU will be avoided by putting the appropriate decision-making and management structures in place for transactions where a potential conflict is possible. While declarations of conflict of interests might be new to many SU environments, there are of course also university environments where processes to mitigate conflicts of interest have been in place for many years.

It is important to note that the responsibility for the implementation of the SU Conflict of Interest Policy rests with each individual, and with each operational unit within the university. Within each

³ From Wikipedia, the free encyclopedia - http://en.wikipedia.org/wiki/Conflict_of_interest

academic department, research entity, faculty or support division, the necessary processes for the implementation of the policy must be established.

The SU Division of Research Development (DRD) was appointed the curators of the conflict of interest policy. This simply means that the division accepts the responsibility for awareness raising of and revisions to the policy, as well as for providing advice and guidance with regards to policy implementation. In the process of managing all research contracts, a conflict of interest declaration is included in the standard declaration letter attached to each research contract. The division will also monitor policy implementation, in close collaboration with the Deans and Divisional Heads. Statutory external audits are conducted on an annual basis, as strict rules regarding the avoidance of conflict of interests in the higher education sector have been stipulated in the Higher Education Act of SA.

Please note that the Oracle System will not be the official Conflict of Interest declaration system, as indicated as an option in the Policy. The declaration forms are available from the links provided. The Final completed and signed forms must be submitted to Ms. Malherbe (cvdm2@sun.ac.za), as DRD is responsible for record keeping of all Conflict of Interest Declarations.

A copy of the policy, as well as the declaration forms can be found at:

For Afrikaans version:

<http://www.sun.ac.za/afrikaans/research-innovation/Research-Development/policies-guidelines>

For English version:

<http://www.sun.ac.za/english/research-innovation/Research-Development/policies-guidelines>

For any advice or clarification needed to guide the implementation of the conflict of interest policy, kindly contact Dr Therina Theron, Senior Director: Research and Innovation (ttheron@sun.ac.za) or Ms Cornelia Malherbe, Director: Research Contracts (cvdm2@sun.ac.za) .