

## CONFLICTS OF INTEREST

### Objective:

To determine if and how the department/unit reviews and monitors employee outside activities to avoid question of the institution's integrity/objectivity.

### Potential Impact:

Results in violations of UHD and/or UH SAM policies and procedures as well as state laws; fines and/or penalties and negative publicity may result for the institution if conflicts of interest are not properly identified, monitored, and managed.

### Defining Conflict of Interest/Commitment:

Conflict of Interest: "A situation in which there is a divergence between the employee's private interests and the employee's professional obligations to the component University (i.e. the public interest) such that an independent observer might reasonably question whether the employee's actions or decisions are determined by considerations of private gain, financial or otherwise, to the component University's detriment." (UH SAM - Conflicts of Interest Policy – Paragraph 3.3)

Conflict of Commitment: "A situation in which an employee's outside activities interfere with the employee's primary commitment of time and intellectual energies to the University, or in which a full-time employee's primary professional loyalty is not to the System. The general permitted limit to external commitments is one day per calendar week, never to conflict with the employee's scheduled classes or other duties and responsibilities." (UH SAM – Ethical Conduct of Employees – Paragraph 3.2)

### Helpful Tools:

- UH System Board of Regents (BOR):
  - [Administration and Finance - 57.01 Code of Ethics](#)
- UH System Administrative Memorandum:
  - [02.A.29 – Ethical Conduct of Employees](#)
  - [02.A.09 – Conflict of Interest](#)
  - [01.D.08 - Sexual Misconduct Policy](#)
  - [02.A.21 - Nepotism](#)
  - [03.A.17 – Disclosure of Related Party Interest](#)
  - [01.C.04 – Reporting/Investigating Fraudulent Acts](#)
- UH – Downtown Policy Statement:
  - [Administrative - 01.A.12 - Standards of Conduct Policy](#)
- Texas Government Code:
  - [Standards of Conduct for State Employees –Section 572.051](#)
  - [Texas Penal Code Section 36.08 – Gifts to Public Servant](#)
  - [Texas Penal Code Section 36.10 – Non-Applicable](#)

**Contacts:**

Mary Cook  
[cookm@uhd.edu](mailto:cookm@uhd.edu)  
713-222-5340  
S621

**Frequently Observed Weaknesses/Deficiencies:**

- Failure to monitor activities of employees to identify conflicts of interest
- Failure to periodically communicate policies governing conflict of interest to employees
- Allowing personal interests to compromise official obligations

**Best Business Practices:**

1. Management should periodically communicate policy information regarding conflicts of interest to all employees
2. Encourage employees to make every reasonable effort to avoid potential and actual conflicts of interest. Do not allow personal interests to compromise official duties, and do not allow even the mere appearance of a conflict to cause others to question your integrity
3. Encourage all employees to disclose the existence of any actual or potential conflict of interest to management, and to any other party with a need to know, such as the department chair of a search committee or procurement personnel (Note: This is critical to protect the integrity of the work in furtherance of the institution's mission)
4. Require every employee to continually monitor, evaluate and manage his or her financial and professional affairs to ensure the absence of conflicts of interest. Such monitoring should cover, at a minimum, outside professional activity, nepotism (employment of relatives), political activities, gifts/gratuities, purchasing and hiring practices
5. Emphasize to employees that they should not use their office, title, or official influence for any other purpose than carrying out official duties
6. Management should not allow any employee to participate in a decision, including employment and purchasing decisions, if they have a conflict of interest
7. Every investigator should disclose any conflict of interest to management which arises during the course of his/her employment

**AREA**

This questionnaire is designed so that “no” answers indicate that an internal control weakness may exist and the procedure/process may need to be examined in greater detail. When such weaknesses are identified, a change in the process may be necessary OR a control may need to be put into place to address the weakness. The appropriate UHD contact office (as outlined in the self-assessment text) may be contacted for assistance with identified weaknesses.

<b>Self-Assessment of Internal Controls for Conflict of Interest</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Are employees familiar with institutional and UH SAM policies and procedures regarding conflicts of interest and ethics?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does management periodically communicate information regarding conflict of interest and ethics to all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does management have a process for identification, monitoring and proper management of potential conflict of interest?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does management encourage employees to disclose the existence of any actual or potential conflicts of interest to management, and to any other party who needs to know?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are employees with conflicts of interest prevented from participating in employment or purchasing decisions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does management emphasize to employees that they should not use their office, title, or official influence for any other purpose than carrying out official duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does management ensure that employment practices are in line with BOR and UHS policies that govern nepotism?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are appropriate steps taken by management to ensure that such conflicts of interest are appropriately managed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department/unit retain information documenting the management of conflicts of interest?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

This is a living document and will be updated as revisions are necessary. Periodically, you may want to check for updates and revisions. We welcome any questions and feedback regarding the information contained in this tool including any comments regarding how this may be more useful and effective.