

Purchasing Awareness: Conflict of Interest (COI)

Avoid Conflict of Interest (COI) as far as possible; if unavoidable, declare it promptly and remove yourself from the relevant decision-making process until clearance is received.



Avoid is very important! Screen for connections, interests and advantages before participating.

Declare Early If a conflict cannot be avoided, stop and declare it before taking any further action.

Early disclosure protects you, your office and PolyU. **No Surprises!**

1. Definition of COI and the 3 Types of Conflicts in Purchasing

Conflict of interest (COI) arises when a person's **private interests, relationships, or personal benefits interfere with, or appear to interfere with, their ability to perform their duties objectively** and in the **best interests** of the organization

ACTUAL	POTENTIAL	PERCEIVED
Employee's personal & financial interests are currently and directly compromising (or directly competing with) their official duties and decision-making in the procurement process. (e.g., Suppliers that are related to the employee's Immediate family members, close friends or the employees' self-owned company, etc.)	Employee's personal or financial interest that does not currently conflict with official duties but could reasonably become an actual conflict if circumstances or responsibilities change. (e.g., a staff or student member who is planning to form a start-up / spin-off business that could later supply goods and services to the University in the future)	When a 3rd party (a colleague, a student, a journalist, or the public) could reasonably conclude that a conflict of interest exists, even if there is no actual conflict. they could possibly damage the university's reputation just as much as an actual conflict. (e.g., a staff who used to work for a professional firm before joining the University, such working relationship in the past could lead others to question the staff's objectivity in purchasing decision especially when that firm involves)

2. Why Avoid COI Matters and Makes a Difference



Avoid is the 1st line of defense against COI. **Avoid** means recognizing conflict risks early, taking proactive safeguard measures and stepping away before your interests, relationships, or circumstances can affect or appear to affect the decision making & integrity of purchasing process.

3. Recognize the Trigger Points

		
A CONNECTION	AN INTEREST	AN ADVANTAGE
Family, relative, friend, former student, former colleague or other type of personal relationship with a bidder.	Ownership, equity, management role, outside work or potential benefits linked to a supplier.	Gifts, meals, entertainment, discount, favour, free trial or special treatment from a supplier or a potential employer.

Every fair purchase begins with awareness. Recognizing trigger points early, keeping a distance not to participate, and declaring conflicts will help to avoid risks and protect the integrity of the purchasing process

Even if the staff member believes he/she can remain objective, a conflict of interest exists because his/her personal relationship could influence, or be perceived to influence, the decision.

Type	Example
Financial	Holding shares in a vendor
Family Relationship	Relative works for a bidder
Friendship	Close friend owns the bidding company
Outside Employment	Working as a consultant for a supplier
Gifts & Hospitality	Accepting travel, entertainment or expensive meals from vendors
Post-employment	Negotiating a future job with a bidder
Self-dealing	Approving purchases from one's own business

4. From COI Awareness to Action

The **Three** moves framework (**A.D.D.**) keep the purchase fair and the record clean.

		
1 AVOID	2 DECLARE	3 DISTANCE
Screen early. DO NOT enter or continue any type of conflict role	Disclose the actual, potential or perceived conflict promptly	Stay away to recuse yourself and DO NOT influence the process while the matter is reviewed

5. How to Properly Declare Conflict of Interests (COI)?

DISCLOSE & DECLARE	Upon identifying an actual or potential COI , submit the FORM FO-PU9 to the approver ASAP
REVIEW & DECIDE	The approver assesses the declaration and determines appropriate control measures
IMPLEMENT & RECORD	Staff acknowledge the decision, and records are retained confidentiality

6. R&R for Staff / Managers / Approvers in COI Declaration

Role	Roles & Responsibilities	Accountabilities
Staff	Screen, avoid and declare when necessary	Ensure conflicts are identified, declared or confirmed with none
Manager	Guide and monitor the staff's declaration	Ensure staff's compliance and awareness
Approver	Review the declaration and decide	Ensure proper review is conducted and make the final decision way forward for the purchase and involved staff

Learn from real examples. 2 Case Sharing cases and FAQs are available [here](#) for easy reference

More questions about COI Declaration or any ideas to share?

Please email to **the Purchasing Unit** (purchasingunit@polyu.edu.hk), you may also refer to the **University purchasing procedures & declaration requirements** for details.

This Newsletter is issued by PolyU's Purchasing Unit under Finance Office.

