



DIOCESE OF CHICHESTER
ACADEMY TRUST

Conflict of Interests Policy

Date Agreed:	22nd September 2021
Review Date:	September 2022
Type of Policy:	DCAT Statutory Policy

Revision No.	Date Issued	Prepared By	Approved	Comments
1	10 th September 2015	JS	Board of Trustees	New policy
2	20 th September 2016	JS	Board of Trustees	Year 1 revised
3	13 th September 2017	DC/SJP	Board of Trustees	Updated inc reference to Academies Financial Handbook 2017
4	13 th September 2018	DC/SJP	Board of Trustees	Updated inc reference to Academies Financial Handbook 2018
5	13 th September 2019	JS	Board of Trustees	No amendments
6	23 rd September 2020	JS	Board of Trustees	Form amended to electronic version
7	22 nd September 2021	JS	Board of Trustees	Updated references to handbooks, definitions and forms

<i>Type of Policy</i>	<i>Tick</i>
DCAT Statutory Policy	✓
DCAT Non-statutory Policy	
DCAT Model Optional Policy	
Academy Policy	
Local Authority Policy	

Contents

Introduction	1
1. Policy Aims	2
2. Definitions.....	2
Conflict of interest.....	2
Related Party.....	2
3. The Declaration of Interests	3
Members and Trustees	3
Local Governors.....	3
Employees	3
4. Data Protection.....	4
5. What to do if you face a conflict of interest.....	4
6. Decisions taken where a Member, Trustee, Local Governor or Employee has an interest	4
7. Managing contracts	4
Appendix I: Declaration of Interests Form.....	5
Guidance Note – Related Party Transaction.....	5
1. Am I a Related Party?	5
2. What is a Related Party Transaction?.....	5
3. Examples of a Related Party Transaction.....	5
4. Are there Exceptions?	5
5. Will declarations be included in the Trust’s accounts?	5

FOR INFORMATION - Updates 2021:

- Introduction added and format consistent with other Trust policies
- References to the *Academies Financial Handbook 2020* amended to *Academies Trust Handbook 2021*
- References to *governor* changed to *local governor*
- Updated the related party transaction definition and guidance
- Declaration of Interest forms – updated how these are completed
- Added clarity on staff expected to complete declarations
- Amended the *company secretary* to *clerk* when minuting decisions

Introduction

Our **vision** for our Trust is we exist to:

Help every child achieve their God-given potential

Our **aims** are clear. We aim to be a Trust in which:

Developing the whole child means pupils achieve and maximise their potential

Continued development of staff is valued and improves education for young people

All schools are improving and perform above national expectations

The distinct Christian identity of each academy develops and is celebrated

Our work as a Trust is underpinned by shared **values**. They are taken from the Church of England's vision for Education and guide the work of Trust Centre team. They are:

Aspiration

I can do all things through Christ who strengthens me
(Philippians 4 vs 13).

Wisdom

Listen to advice and accept discipline, and at the end you will be counted among the wise
(Proverbs 19 vs 20)

Respect

So in everything do to others what you would have them do to you
(Matthew 7 vs 12)

Our vision of helping every child achieve their God-given potential is aligned with the Church of England's vision for education and is underpinned by the Bible verse from John: *I have come that they may have life, and have it to the full.*

I. Policy Aims

This policy applies to Members, Trustees, Local Governors and Employees of the Diocese of Chichester Academy Trust and is based on a model policy prepared by the Institute of Chartered Secretaries and Administrators and used by other Diocesan Trusts. The Articles of the Diocese of Chichester Academy Trust and the ESFA [Academies Trust Handbook 2021](#) also set out requirements in circumstances where Members, Trustees, Local Governors and Employees may face a conflict of interest. In addition, accounting standards require that where a conflict of interest results in a transaction with the Trust, such related party transactions will be disclosed in the Trust's financial statements. The Trust will at all times operate within the provisions laid down in these documents; any failure to do so will be reflected in the auditor's review of the Trust's Statement of Accounts and in sanctions that the Education and Skills Funding Agency may apply.

Trustees have a legal obligation to act in the best interests of the Diocese of Chichester Academy Trust and in accordance with the Trust's governing document and the Academies Trust Handbook and to avoid situations where there may be a potential conflict of interest with any other body they are linked to. Employees have similar obligations. Furthermore, the declaration of any transactions between "related parties" is standard accounting practice across the private and public sectors, to provide accountability and transparency and to demonstrate that conflicts of interest are being identified, managed and reported.

2. Definitions

Conflict of interest

Anything that impedes or might be perceived to impede an individual's or the Board's ability to act impartially and in the best interests of the Trust. It can be:

- A financial interest
- A personal relationship
- A commercial relationship

Such conflicts may:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the Trust and
- risk the impression that the Trust has acted improperly

Related Party

Related parties arise "where one party has control or influence over the other, or where the parties are subject to common control". This includes:

- Parties with control over, or controlled by, the trust, e.g. parent and subsidiary companies
- Parties having significant influence over the trust
- Key management personnel of the trust, including any director, whether executive or otherwise
- Close family members of any of the above
- Others subject to control or significant influence by any individual referred to above

This means that **related parties include an academy trust's trustees and their close family members and business partners.**

Members, Trustees, Local Governors and Employees in the Trust are required to declare each year as part of the statement of accounts whether they have had any related party transactions. If they answer "yes" they are required to provide details of the transaction. Thus the Related Party declaration goes further than the conflict of interest declaration in that it quantifies the interest and reports it in the Trust's accounts. The declarations are subject to independent review as part of the statutory audit.

The Education Funding Agency [EFA] provides guidance on [Related Party Transactions](#)

Where related party transactions had occurred, the Academies Accounts Direction, section 7.6.10 stipulated that disclosure must be made and should include

- the names of the related parties
- a description of the relationship between the parties
- a description of the transactions
- the amounts involved
- the amounts due to or from related parties at the balance sheet date, and any provisions for doubtful debts or amounts written off

***NB: From 1st April 2019 there will be a requirement for all Related Party Transactions to be reported to ESFA before transactions take place.**

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

3. The Declaration of Interests

Accordingly, we ask Members, Trustees, Local Governors and Employees to declare their interests and any gifts or hospitality received in connection with their role in the Trust.

Members and Trustees

A declaration of interests form is provided online for this, listing the types of interest you should declare. To be effective, the declaration of interests needs to be updated annually and also when any changes occur. It is proposed that this is completed as part of the annual start of year processes as the Trust has also to gather information about Related Party Transactions at that time to publish as part of its statutory accounts.

Local Governors

Governors are asked to complete the declaration of interests form provided for this purpose on Governor Hub, listing the types of interest you should declare. To be effective, the declaration of interests needs to be updated annually and also when any changes occur. It is proposed that this is completed as part of the annual start of year processes as the Trust has also to gather information about Related Party Transactions at that time to publish as part of its statutory accounts.

Employees

Senior staff and those with financial responsibilities are asked to complete the online declaration for the Trust or school. Employees with financial responsibilities are those employees involved in the procurement of services and management of finances. This will include Headteachers and Senior Leadership Team, School Business Managers, Admin staff, Premises / Site staff. This list is not exhaustive, for guidance contact the Head of Operations and Governance.

The Trust is required to publish the register of interests on its website, along with information about its members and trustees and their business and pecuniary interests, its memorandum of association and its articles of association and funding agreement.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Head of Operations and Governance for confidential guidance. [email: jsaunders@dcat.academy]

This register of interests shall also be used to record all gifts, of whatever value, received by the trustees and staff in connection with their role. Interests and gifts will be recorded on the charity's

register of interests, which will be maintained by the Head of Operations and Governance.

4. Data Protection

The information provided will be processed in accordance with data protection principles as set out in the 'General Data Protection Regulation (GDPR), Data Protection Act 2018. Data will be processed only to ensure that Members, Trustees, Governors and Employees act in the best interests of the Trust. The information provided will not be used for any other purpose.

5. What to do if you face a conflict of interest

If you are, for example,

- a local governor in an academy which might provide services to the Trust;
- a local governor in a school which might join the Trust;
- a director or employee of any organisation which might provide services to the Trust;
- a trustee of any other multi-academy trust;
- or have any other role or position which may present a potential conflict of interest; you should not be involved in decisions where your other role(s) might create a conflict of interest.

If such a situation arises, you should declare your interest at the earliest opportunity and withdraw from any subsequent discussion. The same applies if you face a conflict for any other reason, which could be personal or financial.

6. Decisions taken where a Member, Trustee, Local Governor or Employee has an interest

In the event of the Board having to decide upon a question in which a Member, Trustee or employee has an interest, all decisions will be made by vote, with a two thirds majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate. Interested Trustees may not vote on matters affecting their own interests. All decisions under a conflict of interest will be recorded by the clerk and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict;
- an outline of the discussion;
- the actions taken to manage the conflict.

Where a Member or Trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the Related Party Transaction disclosure requirements. All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question. Similarly, where a member of the Trust's staff is connected to a party involved in the supply of a service or product to the charity, this information will also be fully disclosed in the annual report and accounts. Independent external moderation will be used where conflicts cannot be resolved through the usual procedures.

7. Managing contracts

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. The provisions set out in the Academies Trust Handbook will apply in such cases. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

Appendix I: Declaration of Interests Form

The 2021 form can be accessed online –

- Members and Trustees – please click [here](#)
- Local Governors – please access via [Governor Hub](#)
- Employees – please contact your Business Manager / Head of Administration for the link to complete the school form.

Guidance Note – Related Party Transaction

1. Am I a Related Party?

Yes – all Members, Trustees, Local Governors and employees are related parties to the Trust. The following are also related parties:

- Members of the close family or household of a trustee
- A partnership, company or trust in which the trustee or family member has an interest

2. What is a Related Party Transaction?

It is defined as a transfer of resources or obligations between a reporting entity and a related party, regardless of whether a price is charged. Examples include:

- You own a company, or have control over a company (via shares or otherwise) that contracts with the Trust;
- A close relative or member of your household owns a company, or has control over a company (via shares or otherwise) that contracts with the Trust;
- You hold a position of influence within a voluntary organisation that receives money or provides services to the Trust;
- You, a close relative, or member of your household are in receipt of income from an organisation that relies upon funding from the Trust.

3. Examples of a Related Party Transaction

The transactions which need to be considered for disclosure include both financial and non-financial transactions:

- Payments under contract for the purchase or sale of assets e.g. land transactions or equipment supplied by the Trust;
- Payments under contract for the supply of services to the Trust e.g. building maintenance, printing, professional services;
- Payments or loans to senior staff of an exceptional nature not covered by normal contracts of employment.
- The provision of a guarantee in relation to a liability or obligation of a related party
- The reduction or waiving of a charge for services e.g. free use of facilities for particular individuals or groups.

4. Are there Exceptions?

Where transactions are common to all individuals they do not need to be declared. E.g. transactions that would occur regardless of whether the individual was a related party or not.

5. Will declarations be included in the Trust's accounts?

The Company Secretary will decide in each individual case whether disclosure in the Trust's accounts is required. If so, a draft of the proposed disclosure will be produced prior to publication.