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POLICY DOCUMENT

Conflict of Interest Policy

ST JOHN BOSCO CATHOLIC ACADEMY



1. Aims

The SJBCA Conflict of Interest Policy is intended to provide guidance in identifying and handling potential and actual conflicts of interest across the company. In most instances, conflicts of interest can be avoided simply by continuing to exercise good judgment. SJBCA is committed to the highest levels of integrity. Employees of SJBCA are expected to conduct their relationships with each other, the MAC, and outside organizations with objectivity and honesty. The general rule is that SJBCA employees are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving the foundation, and remove themselves from a position of decision-making authority with respect to any conflict situation involving the MAC.

2. The Law

2.1 This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006
- Conflicts of Interest: A Guide for Charity Trustees (Charity Commission).

2.2 This policy should be read in conjunction with the following other documents:

- Academies Trust Handbook (Education and Skills Funding Agency)
- Articles of Association of St John Bosco Catholic Academy
- St John Bosco Catholic Academy Scheme of Delegation, Terms of Reference and Code of Conduct.

2.3 This document consists of:

- Conflicts of Interest Policy
- Appendix A Template for Register of Business and Pecuniary Interests Form for completion by each Relevant Individual
- Appendix B Guidance Note on Related Party Transactions

3. Definition of a Conflict of Interest

3.1 The St John Bosco Catholic Academy adopts the guidance of the Charity Commission, which advises that a conflict of interest is any situation in which a relevant individual's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the Company.

3.2 Conflicts of interest usually arise where either: - there is a potential financial or measurable benefit directly to a relevant individual, or indirectly through a connected person; or - a relevant individual's duty to the Company may compete with a duty or loyalty they owe to another person or organisation. An example of a conflict of interest would be where a Director or Governor (or a close relation of such) is a sole proprietor or partner in a supplier from which the Company could make purchases and Director or Governor is involved with the selection of suppliers.

3.3 To avoid repetition within this document, the phrase 'Relevant Individuals' is used to include all Members, Directors, Governors and Staff in the Central team and Senior Staff in each academy (the latter defined for these purposes as the Principal and their direct line reports).

3.4 Reference to the 'Company' should be interpreted as 'the MAC' including all its academies.

4. Background and Statement of Intent

4.1 The St John Bosco Academy Members, Directors, Governors and Staff have an obligation under both company and charity law to act in the best interests of the Company and in accordance with its regulatory documents.

In addition, the Company is subject to rules and regulations in relation to transactions with connected parties. The Academies Trust Handbook makes reference to these as 'related party transactions'. In general terms, related or connected parties include family, relatives or business partners of a Relevant Individual as well as businesses in which a Relevant Individual has an interest through ownership or influence. Appendix B of this policy provides guidance on the ATH requirements regarding related party transactions.

Situations may arise where personal, private or family business and pecuniary interests' conflict with those of the Company. This may create tensions, inhibit free and open discussion and result in decisions or actions that are not in the interests of the Company.

It is vital that the decision-making processes, decisions and the application of decisions at the Company and its academies are, and are seen to be, free from personal or other bias such that the Company is not laid open to criticism, challenge or reputational damage. In spending public money, it is imperative that Relevant Individuals do not benefit personally from the decisions that they make.

To this end, all Relevant Individuals are required to declare any business and pecuniary interest which leads to, or may potentially lead to, a conflict of interest and, wherever possible, to avoid situations in which there is or may be a conflict of interest. Declarations of business and pecuniary interests are recorded in a Register of Business and Pecuniary Interests.

Any financial transactions between the Company and related parties are required by legislation to be disclosed in the Company's published audited accounts each year.

The Company seeks to identify conflicts of interest and take appropriate action to prevent them from affecting any decisions made, such that the best interests of the Company are safeguarded.

4.2 This policy sets out the framework for ensuring that decisions are made in the best interests of the Company, free from personal or other bias and do not unfairly favour any individual or organisation connected with the Company, in line with its legislative context. It intends to

- Ensure that every Relevant Individual understands what the Company considers to constitute a conflict of interest or a potential conflict of interest;
- Ensure that every Relevant Individual understands that they have a responsibility to identify and declare any business or pecuniary interest that might arise;
- Ensure that every Relevant Individual formally records in the Company's Register of Business and Pecuniary Interests the interest and their responsibility to take any

necessary actions to ensure that the interest does not affect the decision-making of the Company.

5. Register of Business and Pecuniary Interests

5.1 The Register of Business and Pecuniary Interests is maintained by the Chief Operations Officer and by the Principal at each academy (in the case of relevant Senior Staff).

5.2 In the case of Members, Directors and Governors, the Register is also published on the Company website in accordance with the requirements of the Academies Trust Handbook.

6. Identifying Conflicts of Interest

6.1 Relevant Individuals are expected and required to identify and declare formally all interests that might conflict with the interests of the Company. Those failing to identify and declare any conflicts of interest will fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interests of the Company.

Examples of interests which should be declared include, but are not limited to, the following:

- Being an employee, director, advisor or partner of another business or organisation;
- Holding another public office;
- Trusteeships and governorships at other institutions and charities;
- Significant shareholdings;
- Appointments of influence or control within a business or organisation;
- Being a member of a club, society, group, collective, co-operative or association whether business, professional, recreational, sporting, political, religious or social;
- Having a professional, legal or moral obligation to someone else;
- Holding or expressing political, religious or personal views that may indicate prejudice or predetermination for or against a person, group or issue;
- Being a spouse, partner, relative or close friend, or business or private associate of someone who has one of these interests.

6.2 A relative is defined as a close member of family or a member of the same household, who may be expected to influence, or be influenced by, the Relevant Individual. This includes, but is not limited to, a child, grandchild, parent, sibling, spouse, civil partner or cohabitee.

6.3 Having a professional, legal or moral obligation to someone else would include, but is not limited to, disclosure of close family relationships between Relevant Individuals and between Relevant Individuals and other Company employees.

6.4 Significant shareholdings include companies in which the Relevant Individual or relative of the Relevant Individual (taken separately or together) holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company. However, in the case of a company which has shares listed on a recognised stock exchange, an interest must be declared where a Relevant Individual holds more than 1% of the issued capital.

6.5 An organisation is influenced or controlled by the Relevant Individual or relative of the Relevant Individual (taken separately or together) if that individual is able to secure that the affairs of the body are conducted in accordance with the individual's wishes.

6.6 It is expected that such interests would be declared if they might be deemed to conflict with the interests of the Company e.g. links with firms or organisations from which the Company does or may wish to buy goods or services; the ownership of shares in or the owing of a debt to a company that does, or might, supply goods and services to the Company now or at any time in the future. If in doubt about whether or not there is a conflict of interest, the recommendation is to declare it.

7. Declaring Conflict of Interest

7.1 It is expected that conflicts of interest are identified and declared at an early stage. If an interest is not declared immediately for any reason, there is a legal and moral obligation to declare such an interest at a later date as soon as the Relevant Individual becomes aware that it has become an interest that might conflict with the interests of the Company and/or might influence their involvement in and/or the conduct of and/or outcome of discussions or decisions being made by the Company.

7.2 All Relevant Individuals are required to keep an updated entry record of any conflicts or potential conflicts of interest in the Company's Register of Business and Pecuniary Interests.

7.3 The Register shall be circulated to all Relevant Individuals annually or more frequently on request. In the case of Members, Directors and Governors, the Register is also published on the Company website in accordance with the requirements of the Academies Trust Handbook. All Relevant Individuals undertake to review the Register and to draw attention to any potential conflicts of interest which they consider have been omitted or overlooked by any Relevant Individual. If in doubt about whether or not there is a conflict of interest, there should be a presumption to include it on the Register.

7.4 All Relevant Individuals are obliged to complete and sign a declaration of their business and pecuniary interests even if their declaration is 'None'.

7.5 All formal meetings of the Board of Directors have a standard agenda item at the beginning of each meeting to enable any actual or potential conflicts of interest to be declared. Relevant Individuals are required to declare any interest which they have in an item to be discussed at the earliest opportunity and before any discussion of the item itself.

7.6 If a Relevant Individual is uncertain whether or not they have a conflict of interest, they should declare the issue and discuss it with those attending the meeting.

7.7 If an individual is aware, or becomes aware, of an undeclared conflict of interest affecting themselves or any other Relevant Individual, they should notify those attending the meeting immediately.

8. Managing Conflicts of Interest

8.1 All Relevant Individuals must consider their conflicts of interest such that any potential effect on decision-making is eliminated and must follow the legal or governing document requirements on how conflicts of interest must be handled.

9. Articles of Association

9.1 Article 97 of the Articles of Association states that “Any Director who has or can have any direct or indirect duty or personal interest (including but not limited to any Personal Financial Interest) which conflicts or may conflict with his duties as a Director shall disclose that fact to the Directors as soon as he becomes aware of it. A Director must absent himself from any discussions of the Directors in which it is possible that a conflict will arise between his duty to act solely in the interests of the Company and any duty or personal interest (including but not limited to any Personal Financial Interest).”

9.2 Articles 6.2 – 6.9 of the Articles of Association detail the circumstances in which the Company may or may not authorise a transaction with, or benefit to, a Member or Director of the Company (or a connected party) and the procedures to follow to ensure that legal authority is assured. Page 6 Whilst these Articles specifically refer to the conduct of Members and Directors, the Trust applies the same requirements to all Relevant Individuals.

9.3 In serious cases, Relevant Individuals may decide that removing the conflict of interest itself is the most effective way of preventing it from affecting decision making. Serious conflicts of interest include, but are not limited to, those which:

- are so acute and extensive that the individual is unable to contribute to a decision in the best interests of the Company, or could be seen to be unable to do so
- are present in significant or high-risk decisions of the Company
- mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach
- are associated with inappropriate personal gain or benefit.

10. The Decision - Making Progress

10.1 Charity law states that Directors can only benefit from the Company where there is an explicit authority obtained in advance. Authority is required where there is the possibility of benefit, therefore it is imperative that there is proper authority for any situation where a Director could benefit, irrespective of whether there is any actual benefit to the Director. The Company seeks to ensure that proper procedures are in place to authorise benefits or potential benefits to all Relevant Individuals.

10.2 Where there is a proposed financial transaction between the Company and a Relevant Individual, or any transaction or arrangement which confers a benefit to the Relevant Individual, which does not contravene the Company’s governing documents:

- the benefit must be authorised in advance by the Finance Audit and Risk Committee. If there is no Finance Audit and Risk meeting planned within the time frame of authorisation required, then written resolution will be sought.
- where the Relevant Individual is a Director, it may be necessary to obtain the prior written approval of the Charity Commission in accordance with Article 6.6 depending on the nature of the benefit e.g. property transactions.
- the Relevant Individual must absent him/herself from any part of the meeting in which the issue is discussed or decided. - the Relevant Individual must not vote or be counted as part of the quorum for the matter.

10.3 Where there is a conflict of loyalty and the Relevant Individual does not stand to gain any benefit and the Company's governing documents do not specify how the conflict of loyalty must be handled, the Relevant Individual should declare the interest which should be duly registered and the rest of those attending the meeting must then decide the acceptable level of participation of the Relevant Individual.

The options may include, but are not limited to, the decision to:

- allow the Relevant Individual to participate in the decision;
- allow the Relevant Individual to remain in the meeting where the decision is discussed but not participate;
- require the Relevant Individual to absent him/herself from the part of the meeting in which the issue is discussed or decided.

10.4 When deciding which course of action to take regarding the conflict of loyalty, the following must be borne in mind:

- the decision must be made only in the best interests of the Company and be demonstrably so;
- the conflict must pose no risk or low risk to the decision-making being made in the best interests of the Company;
- due regard to the protection of the Company's reputation must be paid and the impression given to those outside the Company;
- the presence of a conflicted individual could affect trust between participants of the meeting and inhibit free discussion or influence decision-making.

11. Records of proceedings

11.1 Minutes should record details of any and all discussions on potential conflicts of interest and the decisions made.

12. Confidentially

12.1 Relevant Individuals must not use information obtained directly or indirectly at or from the Company for their own benefit (financial or otherwise) or for the benefit of

another individual, entity or organisation. All information obtained shall be deemed to have been obtained in confidence.

13. Monitoring and enforcement

13.1 The Finance Audit and Risk Committee will monitor proceedings to ensure that any conflicts of interest are identified and mitigated as soon as possible.

13.2 Any Relevant Individual who fails to declare an interest and is found to be acting not in the best interests of the Company will be required to explain the reasons for their omission and may face appropriate disciplinary action.

14. Policy Circulation

14.1 This policy will be circulated to every Relevant Individual who shall annually sign a statement which affirms that they have: - Received a copy of the policy; - Read and understood the policy; - Agreed to comply with the policy.

14.2 The Conflict of Interests Policy will be published on the Company website and be reviewed in accordance with the Policy Approval Schedule.



Registration of Financial and Other Interests To be completed by new Governors, Directors and Members of Staff

Please refer to the corresponding guidance notes when completing the declaration

(Please complete this section in block capitals)

Full Name:

Post Title:

Name of Academy.....

SECTION A: Relevant Interests (*Please tick the relevant box*)

I and members of my immediate family have **no relevant business or pecuniary interests** which could be perceived as an unfair influence on decision-making processes (Please move on to Section C)

Or

I declare the following business and pecuniary interests on behalf of myself and my immediate family, and undertake to exclude myself from decision making processes in these areas (Please complete Section B and Section C)

SECTION B: FURTHER INFORMATION (*Please insert the word 'NONE' in boxes that do not apply*)

DIRECTORSHIPS, PARTNERSHIPS OR EMPLOYMENT		
Name of business/ organisation	Nature of interest	Date interest first started

GOVERNOR / TRUSTEE ROLES AT OTHER EDUCATIONAL INSTITUTES / CHARITIES		
Name of school/establishment/charity	Nature of link	Date interest first started

PERSONAL RELATIONSHIPS (INCL SPOUSE / PARTNER AND CLOSE RELATIVES)			
Name of Person	Nature of the relationship	Nature of the interest arising	Date interest first started

RELEVANT BUSINESS INTERESTS OF SPOUSE / PARTNER AND CLOSE RELATIVES			
Name	Relationship to you	Relevant interest	Date interest first started

SECTION C: DECLARATION

I confirm that I have read the conflicts of interest policy within the current academic year

I confirm that I have not received a police charge, caution or been convicted of a crime either at home or overseas since completing my most recent DBS application

I undertake to inform the relevant persons of any changes that will affect the above declaration within 28 days.

Signed Date

1.1 Notes for Guidance

Conflict:

Members, Directors, Governors and Staff members should declare any financial or non-financial interests that may cause any conflict with the academy’s or MAC interests.

When considering whether there may be a conflict of interest you should apply the test “Would a reasonable member of the public knowing all the facts, think the Governor might be influenced?” If the answer is yes, then the interest should be declared. If in doubt

declare the interest. Assistance can be sought from your Principal if any clarification is required.

Interests will include pecuniary interests, for example, land ownership, and involvement in contractual or employment relationships. Interests will also include indirect pecuniary interests, where known, i.e. pecuniary interests of your close relatives. A pecuniary interest is one, which has the potential for making you, the college or your relative or friend gain or lose financially.

Non pecuniary interests, where known, are just as important. Any potential for a good or a bad effect on the academy, Directors/Governors, employees, their family, relatives, friends, club or societies etc. any of those are associated with, will count.

This declaration is aimed at ensuring that governors and staff are aware of the standards of behaviour expected of them by the MAC.

Failure to observe the requirements, including failure to declare conflicting interests where applicable, will be regarded as serious and any breach may result in dismissal from the Board.

1. Close Relative:

A close relative is defined as a child, spouse, grandchildren, parents, in-laws, grandparents and siblings (including step)

2. Involvement could be either paid or unpaid. Involvement in companies includes, for example, directorships and company secretary, or any other position where a person is actively involved in the running of a company's affairs, where the company has, or may have, a contractual relationship with the academy or MAC. This declaration is in addition to the requirements of the conditions of service concerning employment outside normal hours.

3. The holding of shares or other securities in a company or other body with the academy/MAC or contracts held by the academy/MAC or is considering contracting, must be declared if the holding exceeds £25,000 or more than 1/100th of the nominal value of the issued share capital, whichever is less. The size and nature of the holding need not be declared, simply the name of the company. This requirement does not extend to banks and building societies.

4. Membership of Governing Bodies or Management Committees, including all academies/schools, all further education establishments and all grant maintained/academy schools.

5. Close relative (also described in section 1) is defined as a child, child, spouse, grandchildren, parents, in-laws, grandparents and siblings (including step) A 'close relationship' is defined as any relationship that is likely to be perceived as advantageous.