



Conflict of Interests policy

This policy is applicable to our current schools, Khalsa Secondary Academy (KSA), ATAM and The Khalsa Academy Wolverhampton and for any further schools we open

Document control	
Date Approved	December 2019
Date for Review	December 2021
Authorised By	Khalsa Academies Trust Board
Published Location	Website
Document Owner	Secretariat

Introduction

In charity law, trustees must act in the best interests of the charity. Any situation in which another interest may conflict with this duty becomes a conflict of interest and must be managed as it arises.

As an academy, our basis of operation stems from the conflict of interest section in the academy's articles of association. Acting outside these terms of reference may not be valid and could be challenged as a breach of our legal responsibilities by the Charity Commission itself, or by another interested party, and could result in financial penalties.

The law states that trustees may not receive a benefit from their charity (the academy) either directly or indirectly.

The academies financial handbook provides guidance about business and pecuniary interests of members, trustees, local governors of academies within a multi-academy trust and senior employees. The academy follows this guidance.

The potential for someone to benefit creates a conflict of interest. A conflict of interest usually arises where:

- There is potential financial or measurable benefit directly to an individual, or indirectly through a connected person.
- An individual's duty may compete with loyalties to another organisation or person.

This policy is applicable to all members, trustees, local governors of academies within a multi-academy trust and senior employees of any of the academies within the MAT.

The Khalsa Academies Trust or any of its academies has a zero tolerance of placing transactions which represent a conflict of interest.

The Khalsa Academies Trust discloses in its annual accounts all remuneration (if relevant) and all benefits received by the governors/trustees.

Evidence of transactions involving members, trustees, local governors of academies within a multi-academy trust and senior employees or connected parties will show that such transactions have been conducted in accordance with the high standards of accountability and transparency required within the public sector.

Any conflicts of interest arising from relationships at work will be resolved through the appropriate change in line managing reporting and avoiding any potential bias in performance management reviews that may favour employees involved in a relationship.

1 Objectives and targets

The purpose of this policy is to explain the steps to be taken if a potential or actual conflict of interest arises and to ensure that the procedures outlined are followed.

3 Action plan

3.1 Responsibilities of members, trustees, local governors of academies within a multi- academy trust and senior employees

Before appointment, prospective governors/trustees/members will be asked about potential conflicts of interest and these will be declared to those who make the appointment.

On appointment, governors/trustees/members will be made aware of this policy and its part in the framework of governor/trustee/member responsibilities. They will also be made aware of:

- Their responsibility not to use their connection to the academy for personal gain or for the gain of others to whom they are connected.
- The fact that no payments will be made by the academy to any governor/trustee/member or connected party unless such payments are permitted by the articles of association, comply with this conflict of interest policy and have the Charity Commission's or Education Secretary's prior approval, where required. Any payment provided to connected parties must also comply with the Education Funding Agency's 'at cost' requirements in the academies financial handbook and will be disclosed in the academy trust's financial statement. (The 'at cost' policy was introduced by the DFE in November 2013. It requires related party transactions to be at cost only, with no profit allowed. For the accounting period 2014/15, to reduce bureaucracy, a de minimis limit of £2,500 has been introduced, but transactions above that must be at cost.)
- Their responsibilities to declare any conflict of interest which might apply to them.
- The fact that it is a serious matter if they do not make appropriate declarations.
- The fact that the governors/trustees/members manage conflict of interest situations, whether relating to an individual governor/trustee/member or a connected party, in a similar way across the academy trust if they arise, and with integrity and openness.
- How the academy deals with conflicts of interest should they arise?

3.2 Register of members, trustees, local governors of academies within a multi-academy trust and senior employees' interests

The Khalsa Academies Trust holds a register of relevant business and pecuniary interests of members, trustees, local governors of academies within a multi-academy trust and senior employees. The academy has considered whether to include the interests of other individuals in the register, with a presumption in favour of disclosure to support transparency and accountability. All relevant individuals have the responsibility to identify in this register the nature of any interest that they may have which could affect any decision making. These interests will include:

- Business interests and those of their spouse, partner, family and close relatives
Personal interests and those of their spouse, partner, family and close relatives.
- Interests with suppliers from which the academy may wish to buy goods or services (e.g. directorships, partnerships and employment).
- Interests in the appointment, salary, promotion or conditions of service of members of staff.
- Loyalties to other organisations which may conflict with loyalties to the academy (e.g. trusteeships/governorships at other educational institutions or charities – whether or not the academy has a trading link).

They are required to inform the academy of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate. Any relevant individual who is unwilling to declare their interests or complete a nil return is not permitted to influence any buying or staffing decision.

When a situation of potential conflict of interest arises the Khalsa Academies Trust is aware that certain transactions, or those involving people in a particular position of control and influence, will need to be regarded with greater scrutiny by auditors and potentially by members of the public. Examples of such transactions include:

- Transactions involving the board of trustees, particularly the chair and headteacher (connected party/related party transactions).
- Payments to commercial profit-motivated companies rather than those in the voluntary sector.
- Relationships with external auditors.

At any meeting where there will be a discussion on a subject which may cause a conflict of interest, the individual in question should declare his/her interest in the subject at the beginning of the meeting. If this is not forthcoming, but another suspects that there might be a conflict of interest, then that person should inform the group.

At that point, and in the absence of the conflicted governor, decisions will be made on whether the subject would be a conflict of interest.

A note in the minutes of the meeting will be recorded to explain:

- The nature of the conflict.
- Who was involved.
- Whether the conflict of interest was declared in advance.
- An outline of the discussion.
- Whether anyone was asked to withdraw from the discussion.
- How the directors took the decision in the best interests of the academy.

3.3 Monitoring and evaluation

This policy will be monitored by the directors. Instances of conflict of interest are recorded and evaluated. The policy will be revised where necessary in the light of new legislation or changes needed following evaluation.

3.4 Reviewing

This policy will be reviewed annually by the directors.

Next review date Nov 2021



Register of Business Interests for Trustees/Members/Headteachers/Governors/Other

APPENDIX A

Name _____ Date of Appointment _____ Date of Resignation/Retirement _____

Pecuniary Interests	Please provide details of the interest			Date interest ceased
Current Employment				
Businesses (of which I am a partner/proprietor)				
Company directorships				
Charity trusteeships				
Any other conflict				
Personal Interests	Their name	Relationship to me	Nature of the interest	
Immediate family/close connections to the Trustee working in school				
Business involvement/ company directorships or trusteeships of family/close connections to the Trustee (e.g. a business the school might deal with)				
Other schools where I am a Governor / Trustee	Name of school	Position held	Date appointed / elected	

Record of Reviews (Clerk of Trustees must distribute this form to the respective Trustee for amendment as necessary and signature annually)

Date :	
Signature :	

- Notes:
1. The form must be completed by the Trustee/Member/Governor/Headteacher/Other. If there are no interests, record "NONE" and ensure that all entries are signed and dated
 2. Use one form per Trustee/Member/Governor/Headteacher/Other (or more if required).
 3. Make all entries in ink.

Trustee/Member/Governor/Headteacher/Other are reminded that completion of this form does not remove the requirement upon them to disclose

orally any interest at any specific meeting and to leave the meeting for that agenda item.

Guidance notes

Trustee/Member/Governor/Headteacher/Other have a legal duty to act only in the best interests of their schools. Where a situation arises in which they cannot do this due to a personal interest they have, steps should be taken to identify, prevent and record the conflict. This ensures Trustee/Member / Governor/Headteacher/Other are acting in the best interests of the school.

In the declaration above, you must provide details relating to:

- Your ownership or partnership of a company or organisation which may be used by the school to provide goods or services;
- Goods or services you offer which may be used by the school;
- Any close relation you have to someone who satisfies either of the above;
- Any close relationship you have to someone who is employed by the school.

Declaring your conflicts of interest is a legal requirement within the School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 and for academies, in the Articles of Association and Academies Financial Handbook. However, making an annual declaration does not remove your requirement to make an oral disclosure of the interest and temporarily leave the meeting, where the interest is relevant to something being discussed.

Pecuniary interests

Generally, Trustees should not participate in any discussions in which they may directly or indirectly benefit from a pecuniary interest, except where the relevant authority has authorised this i.e. legislation for maintained schools or articles of association for academies. A direct benefit refers to any personal financial benefit and an indirect benefit refers to any financial benefit you may have by virtue of a relationship to someone who stands to gain from a decision of the governing body. Both direct and indirect interests must be declared.

Non-pecuniary interests (Conflicts of loyalty)

There may be a non-pecuniary interest whereby the Trustee does not stand to gain any benefit but a declaration should still be made. For example, this might be where a Trustee has a family member working in the school. While the Trustee might not benefit personally, their judgment could be impaired if something was brought up that would affect the family member



KHALSA ACADEMIES TRUST TRUST

Current Trust Year
Register of Business Interests

NAME	TERM	COMMITTEES	BUSINESS AND PERSONAL INTEREST DECLARED	MITIGATING ACTIONS – WHERE CONFLICT IS IDENTIFIED
MEMBERS				
TRUSTEES				
OTHER				

