Conflict of Interests policy
CONFLICT OF INTEREST POLICY

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.
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.

Action plan
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.

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 (eg 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 (eg 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.

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.
Reviewing
This policy will be reviewed annually by the directors.
Next review date Nov 2016