



Conflicts of Interest Policy

Policy Code:	Gov9
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Policy Review Date:	September 2024

1. Introduction and purpose

- 1.1 CIT is a charitable company limited by guarantee and governed by its Articles of Association (AoA). The Trustees of CIT are both Company Directors and Charity Trustees.
- 1.2 Trustees have a legal obligation to act in the best interests of CIT, to act in accordance with its governing document, and to avoid situations where there may be a potential conflict of interest. Staff have similar obligations.

2. Scope

- 2.1 This policy applies to CIT Trustees and CIT members of staff.

3. Legislation and regulation

- 3.1 The following legislation and regulations apply in respect of this policy:
 - Companies Act 2006 ss175 and 177¹
 - Education and Skills Funding Agency (ESFA) Academies Trust Handbook 2021
 - Academies Accounts Direction²

4. Conflicts of Interest/Declarations of Interest

- 4.1 A conflict of interest is a situation in which your personal interests conflict with the interests of CIT.
- 4.2 A conflict of duty is where a conflict arises as a result of you owing duties to other organisations under company and/or charity law (for example, being a Trustee at more than one organisation or working in CIT whilst sitting on a Board of another Multi-Academy Trust).
- 4.3 A conflict of interest may arise as a result of circumstances affecting a person connected with you. 'Connected persons' can include individuals who are family members and other bodies in which you or your family members have certain interests.
- 4.4 Trustees, as Directors of the company, are subject to a number of statutory duties which are set out in the Companies Act 2006³. One of these statutory duties is to avoid actual and potential conflicts of interest. The duty to avoid conflicts also arises under Charity Law. Staff members have similar duties.
- 4.5 Importantly, as the duty extends to avoiding potential conflicts, conflicts should be declared in advance; you should not wait until a situation of conflict has actually arisen.
- 4.6 As a result, Trustees and staff need to be conscious of conflicts at all times. Staff should consider whether there is anything, or any connection, which could potentially divert their focus from considering promoting the success of CIT.
- 4.7 CIT will manage potential conflicts of interests by ensuring that:

¹ <http://www.legislation.gov.uk/ukpga/2006/46/section/177>

² <https://www.gov.uk/guidance/academies>

³ <http://www.legislation.gov.uk/ukpga/2006/46/contents>

- There is systematic capturing of Declarations of Interests;
- Conflicted individuals/organisations are removed from the decision-making process. This will include, but is not limited to, the original decision to enter into a contract with the related party, periodic contract performance reviews and/or contract renegotiation/renewal;
- Competitive procurement procedures are followed in line with CIT's procurement policy;
- Decision making is based on a value for money assessment.

5. Declaration of Interests

- 5.1 Trustees, Members, Local School Board Governors (LSBs), the Executive Leadership Team (ELT), Head Teachers (HTs) and members of Senior Leadership Teams (SLTs), School Operations Managers (SOMS), school-based Finance personnel, Site Managers, Caretakers and the Central Services Staff Team are all required to declare their interests in connection with their role in CIT.
- 5.2 An electronic Declaration of Interests Form is distributed annually via an online form portal, listing the types of interest that should be declared. This form is in line with the ESFA Academy Trust Handbook, which requires Academy Trusts to maintain a Register of Interests which 'must capture relevant business and pecuniary interests of members and trustees of academies within a multi-academy trust and senior employees.'
- 5.3 The Register of Interests will be published on the CIT webpage and respective school websites and updated at least annually with any new declarations.
- 5.4 The central Register of Interests will be presented annually to Trustees for review.
- 5.5 The Declaration of Interest form – or other such form that meets regulatory requirements and is approved by the Director of Governance and Operations (DoGO) – should be completed:
- By all new Trustees, Members, Local School Board Governors, members of the Executive Leadership Team, and Academy Senior Leadership Teams, SOMs, school based staff with financial responsibilities, site managers/caretakers and Central Services staff
 - And then again annually by all of the above whilst remaining in post/position.
 - And when any of the above becomes aware of a new interest;
 - When any staff member is promoted to a new role as per the above.
- 5.6 These details will be held on the central register of interests. The Finance Team will be informed of any business interests.
- 5.8 Trustees shall be made aware of any possible conflicts of interest involving prospective Trustees or senior staff members.
- 5.9 Each agenda for Trustee Board meetings, Committee meetings and LSB meetings will include an item for identification of any conflicts of interest or potential conflicts of interest. Any new interests declared in this way will be entered in the Register of Interests.
- 5.10 If there is any uncertainty about whether an interest gives rise to a conflict, the other members of the Committee have the right to determine by a majority decision (without the interested Trustee or staff member being present) whether a conflict exists in the

circumstances. Any determination regarding the existence of a conflict will be made by a vote of unconflicted members based on an objective evaluation. In the event of a split vote, independent external moderation will be used where conflicts cannot be resolved.

5.11 Once it has been established that a conflict exists in relation to a particular agenda item, that situation must be managed by:

- The member absenting themselves from any discussions in relation to the matter;
- Not taking part in any vote on the matter and not being counted in the quorum in relation to that decision.
- Minutes of the meetings of Trustees/LSBs at which conflicts are an issue will record the nature of the conflict and determinations regarding the conflict;
- The relevant person's non-participation with respect to consideration of the matter;
- Any limitation on the person's ability to act with respect to such matter;
- Any alternatives that were discussed;
- The names of persons present for discussion and the votes taken regarding the conflict.

6.0 Related Party Transactions (RPTs)

6.1 ESFA's Academies Accounts Direction sets out that, for Academy Trusts, related parties include:

- Parties with control over, or controlled by, the entity (for example parent and subsidiary companies);
- Parties having significant influence over the entity;
- Key management personnel of the entity, 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.

6.2 Such transactions are permitted under Company Law, Charity Law and under the ESFA Academies Trust Handbook, provided that open and transparent procurement procedures have been followed, and any potential conflicts of interest are adequately and appropriately managed.

6.3 As of April 2019, the ESFA require related party transactions in advance over a certain limit, and the Finance Team will keep an up-to-date list of business interests to aid this disclosure. To address this within CIT, all related party transactions must be agreed with the CFO before being committed.

6.4 Any related party transactions and potential conflicts between the interests of CIT and the interests of an individual must be:

- Identified;
- Declared;
- Managed in accordance with the Articles;
- Minuted.

7.0 Related Party Interest Disclosure Requirements

7.1 Accounting standards require related party transactions to be disclosed in a reporting entity's financial statements so that users can gain a full understanding of the transactions which have taken place, and any factors that might have influenced them.

7.2 Where related party transactions have occurred, the Academies Accounts Direction stipulates 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.

7.3 The Department for Education (DfE) also require related party transactions, as defined in the ESFA Academies Trust Handbook, to be at cost only, with no profit allowed.

7.4 Any connected party supplying goods or services to CIT must complete the Statement of Assurance to confirm that the goods and services are being supplied 'at cost' only.

8. Additional considerations where interests arise from potential benefits to a Trustee

8.1 As a charitable company, only the Members of the company may authorise conflicts, but this is only permissible if there is an express provision in the CIT Articles. When authorising conflicts, Trustees must always consider their own statutory duties by, for example, considering whether authorising the conflict is in the best interests of the Trust.

9. Training

9.1 All CIT senior staff, Members and Trustees must read and understand fully their obligations in uploading the requirements set out in this policy. Familiarisation with this policy should occur as part of induction at CIT.

9.2 Where necessary additional support and training can be provided through the Governance Team.

10. Responsibilities

10.1 All Members, Trustees, LSB members and relevant employees are responsible for ensuring they complete their Annual Declaration of Interest forms.

10.2 The Company Secretary will ensure the Register of Interests is published annually on the main CIT website for Trustees, Members, ELT and Central Services staff.

10.3 The respective Clerk to the Local School Board will ensure for each school that a Register of Interests is published annually for all Head Teachers, Senior Leadership Teams, SOMs, Site Managers/Caretakers, personnel with financial responsibility and LSB members.

10.4 The Finance Team are responsible for ensuring compliance with the related party transaction requirements.

11. Monitoring and Compliance

- 11.1 The Director of Governance and Operations shall keep a Trust-wide Register of Interests and shall ensure that the register is updated at least annually.
- 11.2 The Director of Governance and Operations will annually issue (online) the Declaration of Interest forms to all Trustees, Members, Local School Board Governors (LSBs), the Executive Leadership Team (ELT), Head Teachers (HTs) and members of Senior Leadership Teams (SLTs), School Operations Managers (SOMs), school-based Finance personnel, Site Managers, Caretakers and the Central Services Staff Team, and will collate a central Register of Interests. These persons must notify either the Company Secretary or Clerk to the LSB of any in-year changes which need to be made to their entry in the Register of Interests when those changes occur.
- 11.3 The Finance, Audit and Estates Committee will review the Register of Interests annually. The Register will also be placed on either CIT's or individual school's website for full transparency.
- 11.4 Full Registers will be kept, both of any conflicts declared and any conflicts actively managed within meetings, and/or benefits which the Board/LSB has authorised, including the date such authority expires (if relevant) and any restrictions or limitations on the authority. This will include such benefits as payment for contract of services.
- 11.5 All transactions with Trustees and persons connected with them shall be reported to the auditors and noted in CIT's Annual Accounts as Related Party Transactions in accordance with the Statement of Recommended Practice on charity accounting.

12. Policy Review

- 12.1 This policy will be reviewed by the Finance, Audit and Estates Committee every three years.