

The Four Stones Multi Academy Trust

Conflicts of Interest Procedure

Version Control

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Version	Date	Details
1.0	14 th Dec 2020	Procedure written for The Four Stones Multi Academy Trust
2.0	18 th Oct 2021	General updates-eg 'Academies Financial Handbook' with 'Academy Trust Handbook'.

1 Legal and operational framework

1.1 This procedure is framed by the following legislation and statutory guidance and the Four Stones Multi Academy Trust's (MAT's) governing documents:

- Companies Act 2006
- The MAT's Funding Agreements with the Secretary of State for Education
- The MAT's Articles of Association
- The current DfE *Governance Handbook* and ESFA *Academy Trust Handbook*
- The MAT's codes of conduct for Trustees and Governors, which include reference to the Nolan Principles
- Charity Commission guidance: *The Essential Trustee: What you need to know; Conflicts of Interest: A Guide for Charity Trustees*

This procedure is to be read and implemented in conjunction with the MAT's *Conflicts of Interest Policy*.

2 The MAT's and schools' registers of business, pecuniary and governance interests

2.1 Members, Trustees, Governors and the MAT's Accounting Officer are expected to complete and sign written declarations (i) on an annual basis, and (ii) promptly at the time of any material changes, of relevant interests as set out in 2.2 below. Where no relevant interests exist there is still a requirement to make and sign a 'nil' declaration.

2.2 In accordance with the *Governance Handbook* and *Academy Trust Handbook*, Members, Trustees, Governors and the MAT's Accounting Officer are required to state in their declarations:

- (i) For themselves and close relatives (e.g., but not limited to, spouse/partner, brother/sister, parent, son/daughter) any proprietary, shareholding, directorial, partnership, management, membership or employment involvement in businesses or organisations that provide goods, services or funds to the MAT or any of its constituent schools.
- (ii) Any close family relationship to another person employed at a senior level by, or holding a governance role in, the MAT or any of its constituent schools.
- (iii) For themselves only, any proprietary or governance roles in any other educational institution(s), irrespective of location or whether those institution(s) have any trading or business relationship with the MAT or its constituent schools.
- (iv) In relation to (i), (ii) and (iii) above, for each interest: the name of the organisation; the nature of the interest; and the date when the interest began.

A template declaration form and guidance note on what needs to be included in written declarations are attached at Appendices A and B.

2.3 The register of interests for Members, Trustees and the MAT's Accounting Officer will be held by the Clerk to the Trust Board/Company Secretary, and its content published and updated at least termly and whenever changes are notified on the MAT's website, as stipulated in the *Governance Handbook* and *Academy Trust Handbook*.

- 2.4 The registers of interests for Local Governing Bodies (LGBs) will be held by the Clerks to the respective LGBs, and their content published and updated at least termly and whenever changes are notified on the relevant schools' websites.
- 2.5 For purposes of transparency and as a matter of good practice (though additional to legal requirements) the Trust Board has further directed that each of the MAT's constituent schools shall maintain a separate register of interests for all members of its senior leadership team, to include the same information set out at 2.2 above, and shall also publish and regularly update the content on its own website.

3 Declaring interests at meetings

- 3.1 At every level of the MAT's governance, all meetings are required to have a standard agenda item at the beginning when all Members, Trustees, Governors and officers of the MAT in attendance ('relevant participants' in 3.2 to 3.4 below) are expected to declare any actual or potential conflicts of interest in relation to matters listed for discussion and/or decision at the meeting. This applies equally: to general meetings of the Members; to meetings of the Trust Board and its committees (including Local Governing Bodies); and to meetings of all other subcommittees and working groups.
- 3.2 In the event that a material interest was not identified at the start of the meeting but becomes known or apparent during the course of the meeting, any relevant participant should declare it at the earliest possible opportunity and before any discussion takes place of the item itself.
- 3.3 If a relevant participant is uncertain whether or not he/she is conflicted, he/she should declare the issue and discuss it with the other relevant participants. The clerk to the Trust Board or Local Governing Body (as the case may be) may also be able to offer general guidance if consulted in advance of the meeting.
- 3.4 If a relevant participant is aware of an undeclared conflict of interest affecting another relevant participant, then he/she should inform the other relevant participants or the Chair.

4 Removing conflicts of interest

- 4.1 Members, Trustees and Governors must consider the conflict of interest so that any potential effect on decision-making is eliminated.
- 4.2 Members, Trustees and Governors must follow the requirements of any legal or governing document on how a conflict of interest must be handled, but may in serious instances decide that removing the conflict of interest itself is the most effective way of preventing it from affecting their decision-making. Serious conflicts of interest include, but are not limited to, those which:
 - (i) are so acute and extensive that the Members, Trustees or Governors are unable to make their decisions in the best interest of the MAT and its students or could be seen to be unable to do so;
 - (ii) are present in significant or high-risk decisions of the Members, Trustees or Governors;
 - (iii) mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach; or
 - (iv) are associated with inappropriate benefit to Member(s), Trustee(s) or Governor(s).

5 Withdrawing from decision-making

- 5.1 Where there is a proposed financial transaction between a Member, Trustee or Governor and the MAT, or any transaction or arrangement involving benefit to a Member, Trustee or Governor:
 - (i) The benefit must be authorised in advance.
 - (ii) The affected Member, Trustee or Governor shall be absent from any part of any meeting where the issue is discussed or decided.
 - (iii) The affected individual should not vote or be counted in deciding whether a meeting is quorate.

- 5.2 Where there is a conflict of loyalty and the affected Member, Trustee or Governor does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected Member, Trustee or Governor should declare the interest.
- 5.3 The remaining Members, Trustees or Governors (as the case may be) must then decide what level of participation, if any, is acceptable on the part of the conflicted individual. The options might include, but are not limited to, deciding whether the conflicted Member, Trustee or Governor:
- (i) having registered and fully declared the interest, can otherwise participate in the decision;
 - (ii) can remain present in the meeting where the decision is discussed and made, but may not participate; or
 - (iii) should withdraw from the decision-making process.
- 5.4 In deciding which course of action to take regarding a conflict of interest, Members, Trustees and Governors:
- (i) must always make their decisions only in the best interest of the MAT and its students;
 - (ii) should always protect the MAT's reputation and be aware of the impression that their actions and decisions may convey to those outside the MAT;
 - (iii) should always be able to demonstrate that they have made decisions in the best interests of the MAT and its students, and independently of any competing interest;
 - (iv) should require the withdrawal of the affected Member, Trustee or Governor from any decisions where the affected individual's other interest is relevant to a high risk or controversial decision of the Members, Trustees or Governors or could, or could be seen to, significantly affect their decision-making;
 - (v) can allow a Member, Trustee or Governor to participate where the existence of his/her other interest poses a low risk to decision-making in the MAT's interest or is likely to have only an insignificant bearing on his/her approach to an issue; and
 - (vi) should be aware that the presence of a conflicted Member, Trustee or Governor can affect trust between Members, Trustees or Governors, could inhibit free discussion, and might influence decision-making in some way.
- 5.5 Members, Trustees and Governors can, before their discussion, ask a Member, Trustee or Governor who is withdrawing to provide any information necessary to help make the decision in the best interests of the MAT and its students.

6 Records of proceedings

- 6.1 Members, Trustees and Governors should record in their minutes details of any and all discussions on potential conflicts of interests and the decisions made.
- 6.2 Where there is a conflict of interest the written record should show:
- the nature of the conflict;
 - which Member(s), Trustee(s) or Governor(s) were affected;
 - whether any conflicts of interest were declared in advance;
 - an outline of the discussion;
 - whether anyone withdrew from the discussion; and
 - how the Members, Trustees and Governors took the decision in the best interests of the MAT.

7 Confidentiality

- 7.1 Members, Trustees and Governors may not use information obtained at the Trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

8 Monitoring and enforcement

- 8.1 The MAT's Trust Board will carry out monitoring of the MAT's activities and those involved in the MAT's governance to ensure that any conflicts of interest are identified and mitigated as soon as possible. The Trust Board's Finance, Audit and Risk Committee will undertake this work.
- 8.2 Any Member, Trustee or Governor who fails to declare an interest and is found to be in conflict with the best interests of the MAT will be expected to explain to the Trust Board or Local Governing Body (as the case may be) the reasons for his/her omission.
- 8.3 Members may decide to terminate the office of the relevant Member or Trustee, or the Trust Board may decide to terminate the office of the relevant Governor or other committee member, if he/she is found to have knowingly and deliberately failed to declare an interest and has thereby brought the MAT into disrepute.
- 8.4 Members will consider reporting serious breaches to the appropriate bodies such as the Education and Standards Funding Agency, the Charity Commission and the appointed auditors for the MAT.

THE FOUR STONES MULTI ACADEMY TRUST REGISTER OF BUSINESS AND PECUNIARY INTERESTS

Members, Trustees, the Accounting Officer and LGB Governors need to declare:

- For **themselves and close relatives** (e.g., but not limited to, spouse/partner, brother/sister, parent, son/daughter) any proprietary, shareholding, partnership, directorial, management, membership or employment involvement in organisations with which the Four Stones MAT or any of its constituent academies/schools **has actual business dealings**. So, for instance, owning a local shop or being a partner in a local professional practice would only qualify if it were a supplier of goods or services to the MAT and/or school(s). Unrelated shareholdings need not be declared.

Under this head, trusteeship or committee membership of any foundations connected with the schools, or of outside trusts with which the schools are affiliated, **does** need to be declared.

- Any close family relationship to another person employed at a senior level by, or holding a governance role in, the Four Stones MAT or any of its constituent academies/schools.
- For **themselves only**, any **proprietary or governance** roles in **any other educational institution(s), irrespective of location or whether the institution has business dealings with the MAT** – so this would cover anything (for example) from being a governor of a maintained school, owner of a registered private nursery, academy member/trustee/governor, FE college governor, to membership of a university council or senate.

Guidance on using the declaration form:

- If you are completing the form for the first time please record, sign and date each relevant interest in a separate row (first five columns). Use the 'notes' column to indicate if it is a close relative's interest that is being recorded (and what the relationship is), or for anything else you wish to explain. If there are insufficient rows for all interests to be declared, the Clerk can supply a continuation sheet.
- If you have no relevant interests to declare, please write NIL in the top row and sign and date alongside.
- Please initial and date the first blank cells from the left in the 'Record of Reviews' grid at the bottom of the form, and return to the Clerk.
- If there are subsequent changes, then new interests can be recorded in further rows, and the three columns on the right can be used to record any cessation of previously declared interests.
- The form is designed so that if there have been no changes when annual reviews take place, all that will be needed are fresh initialling and dating in the grid at the bottom, rather than a new form being filled in each time.
- Declarations are reviewed at least annually at the start of each academic year (September), but in the event that you have a relevant change of circumstances at any other time please notify the Clerk who will arrange for you to update the form.