



Pope John XXIII Catholic Multi-Academy Company

CONFLICTS OF INTEREST POLICY

**Approved by Finance and Resources Committee:
Approved by Board of Directors: 15th March 2016**

Date of Review: 1st Jan 2018

**For: Corpus Christi Catholic Primary Academy
Holy Rosary Catholic Primary Academy
Our Lady and St Chad Catholic Academy
St Mary's Catholic Primary Academy**

CONFLICTS OF INTEREST POLICY

Statement of Intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at Pope John XXIII Catholic Multi Academy Company (MAC) are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the MAC.

Pope John XXIII Catholic MAC is a Catholic institution and operates under its Articles of Association. All Directors, Academy Committee Representatives, (co-opted members if they are appointed), and staff, are expected to maintain the highest ethical standards and work in the common good, especially with the Gospel values of:

- ❖ Faithfulness and Integrity
- ❖ Dignity
- ❖ Truth and justice
- ❖ Service and sacrifice

This means, in practice, that Directors and Academy Committee Representatives and staff of the MAC have an obligation to act in the best interests of the MAC and in accordance with its Articles of Association so as to avoid situations where there may be a potential conflict of interest.

Situations may arise where family interests or loyalties conflict with those of the MAC. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the MAC and risk the impression that the MAC has acted improperly.

Pope John XXIII Catholic MAC therefore intends to:

- Ensure that every Director/Academy Committee Representative understands what constitutes a conflict of interest and that they have a personal responsibility to identify and declare any conflicts that might arise.
- Record the conflict and the actions taken to ensure that the conflict does not affect the decision-making of Pope John XXIII Catholic MAC or any of its constituent Academies.

The Pope John XXIII Catholic MAC will abide by the contents of the current Academies Financial Handbook and have due regard for the Seven Principles of Public Life as defined by the Committee for Principles in Public Life.

The MAC will ensure the auditors; both internal and external are committed to work with these documents in relation to their work with the MAC.

A copy of this document will be signed every year at the first Board and/ or Committee meetings of each academic year.

CONFLICTS OF INTEREST POLICY

1. Legal framework

1.1 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)
- EFA- Academies Finance Handbook, currently in force.

It should be read in conjunction with the MAC's:

- Articles of Association(S.6.6-6.8 and S97 in particular)
- Scheme of Delegation(S2 in particular)
- Gifts and Hospitality Policy
- Anti-fraud and Corruption Policy
- Codes of Conduct for Directors and Academy Representatives

2. Definition of Conflict of interest

2.1 Pope John XXIII Catholic MAC adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a Director's or Academy Committee Representative's personal interests or loyalties could, or could be seen, to prevent the Director/Academy Committee Representative from making a decision in the best interests of the MAC as a whole, or the individual Academy on whose Committee they sit as a Representative.(see Appendix A for other definitions)

3. Identifying conflicts of interest

3.1. Individual Directors, Academy Committee Representatives, the Board of Directors and individual Academy Committees are expected to to be able to identify any conflicts of interest at an early stage.

3.2. Directors and Academy Committee Representatives have a **personal responsibility** to identify a conflict of interest that affects them. Individual Directors or Academy Committee Representatives who fail to identify and declare any conflicts of interest, will also fail to comply with their personal legal responsibility to avoid conflicts of interest, and act only in the best interest of the MAC or Academy Committee and its pupils.

3.3. The Board and the Academy Committees must ensure that any conflicts of interest do not prevent them from making a decision which is only in the best interests of the MAC or Academy and its pupils.

4. Articles of Association and Scheme of Delegation

4.1 The Articles of Association (para 97) and Scheme of Delegation (Appendix BS2) set out requirements concerning **conflicts of interest** which are:

Any Director /Academy Committee Representative 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 their duties as a Director/Academy Committee Representative, shall disclose that fact to the other Directors or Academy Committee Representatives as soon as they become aware of it.

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A Director/Academy Committee Representative, must absent themselves from any discussions of the Board/Board Committee or Academy Committee in which it is possible that a conflict will arise between their 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).

5. Interests which should be declared

5.1. Directors/Academy Committee Representatives will be expected to declare the following interests:

- Holding another public office.
- Being an employee, director, advisor or partner of another business or organisation.
- Pursuing a business opportunity.
- Having a professional or legal obligation to someone else.
- Having a beneficial interest in a trust.
- Having received a gift, hospitality, or other benefit from someone / an organisation. (see Gifts and Hospitality policy)
- Being a spouse, partner, relative or close friend of someone who has one of these interests.

6. Director/Academy Committee Representative benefits

- 6.1. Directors/Academy Committee Representatives can only benefit from the MAC, or their Academy, where there is **an explicit authority** in place in the MAC's governing documents before any decision conferring Director/Academy Committee Representative benefit is made.
- 6.2. Director/Academy Committee Representative benefits include any payments or benefits to Directors or Academy Committee Representatives, or a connected person, apart from their reasonable out of pocket expenses. They also cover situations where a Director/Academy Committee Representative could receive property, loans, goods or services from the MAC or one of its Academies.
- 6.3. Where there is a proposed sale or lease of Academy land to a Director/Academy Committee Representative, or to a person or company closely connected with a Director/Academy Committee Representative, this will need to be authorised by the EFA, even if the disposal is at full market value.
- 6.4. The payment of reasonable expenses to Directors and Academy Committee Representatives is not a benefit, so it does not create a conflict of interest or require authorisation.

7. The Register of Business Interests and Conflicts of interest

- 7.1. The Company Secretary, on behalf of the MAC will maintain the central Register of Business Interests covering the Board of Directors and Academy Committee Representatives. This Register is required to be available to the public on the MAC website. A further register of senior staff, not Directors, who are deemed to have influence on decisions made by the MAC will also be held centrally.
- 7.2. The Company Secretary will keep an updated record of any conflicts of interest in the MAC's central register of business interests,

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7.2. Academy Committees will maintain similar records of any conflicts of interest which will be kept and maintained by the school's Business Manager. Where a member of an Academy Committee is also a Director of the MAC, a copy of the entry in the Company Secretary's register may be used.

7.3 Directors and Academy Committee Representatives will be required to update **at least annually**, the Register of Business interests form currently in use see Appendix C. See requirements as in 7.2 above.

7.4 Directors and Academy Committee Representatives are also required to declare **related/connected party transactions** annually at least, for inclusion in the annual external accounts.

8. Declaring interests

8.1. All Board of Directors and Academy Committee meetings or sub-committees are required to have a standard agenda item at the beginning of each meeting to declare any actual or potential conflicts of interest.

8.2. A Director/Academy Committee Representative must declare any interest which they have in an item to be discussed, **at the earliest possible opportunity, and before any discussion of the item itself.**

8.3. If a Director/Academy Committee Representative is uncertain whether or not they are 'conflicted', they should declare the issue and discuss it with the other Directors or Academy Committee Representatives.

8.4. If a Director/Academy Committee Representative is aware of an undeclared conflict of interest affecting another Director/Academy Committee Representative, then they should notify the other Directors or Academy Committee Representatives or the Chair.

9. Removing conflicts of interest

9.1. Directors and Academy Committee Representatives must consider conflicts of interest so that any potential effect on decision-making is eliminated.

9.2. Directors and Academy Committee Representatives must follow any legal or governing document requirements on how a conflict of interest must be handled, but may, in serious cases, 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:

9.2.1 Are so acute and extensive that the Directors or Academy Committee Representatives are unable to make their decisions in the best interest of the MAC or Academy and its pupils, or could be seen to be unable to do so.

9.2.2 Are present in significant or high risk decisions of the Directors or Academy Committee Representatives.

9.2.3 Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.

9.2.4 Are associated with inappropriate Director/Academy Committee Representative benefit.

10. Withdrawing from decision-making

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- 10.1. Where there is a proposed financial transaction between a Director/Academy Committee Representative and the MAC or one of its Academies, or any transaction or arrangement involving Director/Academy Committee Representative benefit, the following should be adhered to:
 - 10.1.1. The benefit must be authorised in advance by the Board of Director's Core Finance, Resources and Staffing which has delegated power to do so???. If there is no meeting planned within the time frame of authorisation being required, the Chair of the BOD Core Finance, Resources and Staffing Committee, and one other Finance, Resources and Staffing Committee Director can be contacted to authorise the benefit. If the person affected is the Chair of the Finance, Resources and Staffing Committee then the Chair of the Board, plus one other Finance, Resources and Staffing Committee Director, must authorise the benefit. If the person affected is the Chair of the Board, then three Directors must authorise the benefit.
 - 10.1.2. The Board of Directors expects the affected Director/Academy Committee Representative to be absent from any part of the meeting where the issue is discussed or decided.
 - 10.1.3. The affected individual should not vote or be counted in deciding whether a meeting is quorate.
- 10.2. Where there is a **conflict of loyalty**, and the affected Director/Academy Committee Representative 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 Director/Academy Committee Representative should declare the interest.
- 10.3. The remainder of the Directors or Academy Committee Representatives must then decide what level of participation, if any, is acceptable on the part of the 'conflicted' Director/Academy Committee Representative. The options might include, but are not limited to, deciding whether the conflicted Director/Academy Committee Representative:
 - 10.3.1 Having registered and fully declared the interest, can otherwise participate in the decision.
 - 10.3.2 Can stay in the meetings where the decision is discussed and made, but not participate.
 - 10.3.3 Should withdraw from the decision-making process in the way described above.
- 10.4 In deciding which course of action to take regarding a conflict of interest, Directors and Academy Committee Representatives :
 - 10.4.1 Must always make their decisions only in the best interest of the MAC and its pupils.
 - 10.4.2 Should always protect the MAC 's reputation and be aware of the impression that their actions and decisions may have on those outside the MAC.
 - 10.4.3 Should always be able to demonstrate that they have made decisions in the best interests of the MAC and its pupils, and independently of any competing interest.
 - 10.4.4 Should require the withdrawal of the affected Director/Academy Committee Representative from any decisions where the other interest is relevant to a high risk or controversial Director/Academy Committee decision or could, or be seen to, significantly affect the Director/Academy Committee Representative's decision-making at the Mac or its Academies..

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10.4.5 Can allow a Director/Academy Committee Representative to participate where the existence of their other interest poses a low risk to decision-making in the MAC or Academies' interest, or is likely to have only an insignificant bearing on their approach to an issue.

10.4.6 Should be aware that the presence of a conflicted Director/Academy Committee Representative can affect trust between Director/Academy Committee Representatives, could inhibit free Committee discussions, and might influence decision-making in some way or cannot be managed in accordance with the required or best practice approach.

10.5 Directors and Academy Committee Representatives can receive information from a Director/Academy Committee Representative before the person withdraws from the meeting, if it is in the best interest of the MAC or its Academies to help the Committee in making a decision.

11. Trading with Connected Parties

11.1 Great care must be taken when there is a trading relationship with what is deemed to be a 'connected party'. In the Academies Financial Handbook it states that when goods, service etc. are provided to the MAC or its Academies by someone or a company where there is a **link to Directors or Academy Committee Representatives or senior staff** the provision must be **'at cost'**

'The MAC **must** pay no more than 'cost' for goods or services provided to it by the following persons ('services' do not include services provided under a contract of employment)'

11.2 The classes of **connected people** are:

- a **relative** of the Director. A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
- an individual or organisation carrying on **business in partnership** with the Director or a relative of the Director
- Director or the relative of a Director (taken separately or together), **who 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
- an **organisation which is controlled by a Director or the relative** of a Director (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes

11.3 Connected, or related party transactions, **must** be declared as part of the external audit process. If a Director/Academy Committee Representative, or senior staff member is aware of a connected party relationship, **it must be declared on the Register of Business Interests form**. If in doubt, declare it, then it can be checked out with the external auditor.

12. Recording of proceedings

12.1. Directors/ Academy Committee Representatives should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.

13. Confidentiality

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13.1. Directors/Academy Committee Representatives cannot use information obtained at the MAC or Academy Committee for their own benefit, or that of another organisation, if it has been obtained in confidence or has special value such as commercial sensitivity.

14. Monitoring and enforcement

14.1. The Board of Directors of the MAC will carry out continuous monitoring of activities to ensure that any conflicts of interest are identified and mitigated as soon as possible.

14.2. Directors/Academy Committee Representatives who fail to declare an interest, and are found to be in conflict with the best interests of the MAC, or its Academies will be expected to explain to the Board the reasons for their omission.

14.3. Under the power vested in by S186 of the Companies Act 2006, Directors may decide to terminate the office of the relevant Director if they are found to have knowingly and deliberately failed to declare an interest and have brought the MAC into disrepute.

14.4. Where a Foundation Academy Committee Representative is found to have deliberately failed to declare an interest, and has brought the Academy Committee into disrepute, the Board will contact the Archbishop, or his representative, to request removal of said Academy Committee Representative.

15. Policy circulation

15.1. This policy will be circulated to every Director/Academy Committee Representative who shall annually sign a statement which affirms that he / she has:

- Received a copy of the policy.
- Has read and understood the policy.
- Has agreed to comply with the policy.

15.2. This policy will be available on the website of each Academy and will be included on the MAC website.

Version 1.0	Date approved by Finance and Resources Committee	
	Date ratified by Board of Directors:	
	Signature of Chair of Board of Directors	

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Appendix A- Definitions (based on Charity Commission document)

Conflict of interest:

A conflict of interest is any situation in which a Director/Academy Representative's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the MAC or its Academies.

Connected person:

In broad terms this means family*, relatives or business partners of a Director/Academy Representatives, as well as businesses in which a Director/Academy Committee Representative has an interest through ownership or influence. The term includes a Director's or Academy Representative's spouse or unmarried or civil partner, children, siblings, grandchildren and grandparents, as well as businesses where a Director/Academy Committee Representative or family member holds at least one-fifth of the shareholding or voting rights. If in doubt about whether a person or business is a connected person seek advice from a solicitor or other person qualified to advise on the matter.

(Where a charity is either paying a connected person for goods or services, or disposing of land to a connected person, the Charities Act defines what a connected person is at s188 (for goods and services) and s118 (for land disposals)).

*The MAC Articles of Association S6.9b defines family of the Director as 'any child, stepchild, parent, grandchild, grandparent, brother, sister or spouse of the Director or any person living with the Director as his or her partner'

Conflict of loyalty:

This is a particular type of conflict of interest, in which a Director's or Academy Committee Representative's loyalty or duty to another person, or organisation, could prevent them from making a decision only in the best interests of the MAC or its Academies.

Director/Academy Committee representative benefit:

This means any instance where money, or other property, goods or services, which have a monetary value, are received by a Director/Academy Committee representative from the MAC or its Academies. The law says that trustees i.e. Directors and Academy Committee representatives cannot receive a benefit from their charity i.e. the MAC, whether directly or indirectly, unless they have an adequate legal authority to do so. The potential for a Director/Academy Committee representative to benefit from the MAC also creates a conflict of interest which the MAC needs to address effectively. The term 'Director/Academy Committee Representative benefit' does not include any payments to them for their proper out of pocket expenses

Expenses:

This means refunds by the MAC and its Academies of legitimate payments of reasonable costs which a Director/Academy Representative has personally incurred in order to carry out their duties

Governing documents:

This means the legal documents setting out the MAC objects and includes the Articles of Association, Scheme of Delegation, Master funding documents etc.

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Appendix B

Annual Conflicts of Interest Acknowledgement Statement -Directors

In accordance with section 15.1 of the Conflicts of Interest Policy (“the Policy”), I, the undersigned Director, with powers delegated by the Board of Directors of Pope John XXIII Catholic MAC hereby attest and affirm that I have:

1. Received a copy of the Policy.
2. Read and understood the Policy.
3. Agreed to comply with the Policy.

Print name

Signature

____ / ____ / ____
Dated

Annual Conflicts of Interest Acknowledgement Statement –Academy committee Representatives

In accordance with section 15.1 of the Conflicts of Interest Policy (“the Policy”), I, the undersigned Academy Committee Representative, hereby attest and affirms that I have:

1. Received a copy of the Policy.
2. Read and understood the Policy.
3. Agreed to comply with the Policy.

Print name

Signature

____ / ____ / ____
Dated

**POPE JOHN XXIII CATHOLIC MAC REGISTER OF DIRECTOR/
ACADEMY REPRESENTATIVE/
SENIOR STAFF INTERESTS**
YEAR _____



Name of Director/Academy Representative/Member of senior staff: _____

I am a Director I am an Academy Representative I am a senior member of staff (NB tick all that apply)

Name of Academy (or Academies) where you are Academy Representative or member of staff: _____

Note: Please record NIL where a section does not apply

EMPLOYMENT

Employer(s) and Nature of Job

PUBLIC OFFICE

Do you hold public office? if so, give the name of the person or body that appointed you _____

BUSINESS AND PECUNIARY INTERESTS IN COMPANIES AND SECURITIES; AND TRUSTEESHIPS WITH EDUCATIONAL ESTABLISHMENTS OR CHARITIES*

The Academies financial handbook says: The academy (trust's) register of interests **must** capture relevant **business and pecuniary interests** of members, **DIRECTORS AND ACADEMY REPRESENTATIVES** within a multi-academy trust and **senior employees**, and may capture the same for close family. Such interests to include the following, but may include other material interests:

- **directorships, partnerships and employments with businesses that provide goods or services to the MAC**
- **trusteeships and governorships including at other educational institutions and charities irrespective of whether there is a trading relationship with the MAC;**

For each interest for you must declare:

- the name of the business, the nature of the business, the nature of the interest, and the date the interest began. For relatives indicate the relationship e.g. spouse, partner
- **You also need to list any companies or other bodies in which you have a financial interest which, to your knowledge, may have dealings with the MAC or Academy:**

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NAME OF BUSINESS/CHARITY/SCHOOL	NATURE OF BUSINESS/TRUSTEE/GOVERNORSHIP	INTEREST	DATE INTEREST COMMENCED	DATE INTEREST CEASED

MATERIAL INTERESTS OF CLOSE FAMILY * AND RELATIVES (Connected Party Transactions)

*A relative is defined as: a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner

Detail all material interests, that **you or your company or a relative or their company** has with the MAC or its Academies e.g. which are Contracts for the **supply of goods, services or work to** the academy or on the academy’s behalf:

*Please note that goods or services provided by individuals or organisations connected to the trust (Any element above £2,500 cumulatively within one financial year) **must be provided at ‘no more than cost’**, on the basis of an open book agreement and supported by statements of assurance, in accordance with the conditions set out in the Academies Financial Handbook. **By default as a Director/Academy Representative/ Member of staff you are agreeing to provide these services at cost.***

The academy trust must publish on its website the relevant business and pecuniary interests of Directors and Academy Committee representatives and staff, **in signing this form you are confirming you are in agreement with these conditions.**

I certify that I have declared all beneficial interests which I or any person closely connected with me have with businesses or other organisations which may have dealings with the Academy:

Signed: _____ Date: _____