Chiltern Way Academy Trust

Turning Futures Around

Conflicts of Interest Policy

Responsibility for this policy (job title): Business Director

Responsibility for its review: FPGP committee

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Chilten Way Academy Trust
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It is important that trustees and staff not only act impartially, but are also seen to act impartially. Trustees and staff have a responsibility to avoid any conflict between their business and personal interests and those of the Chiltern Way Academy Trust.

Academy Trustees are often responsible for selecting providers and deciding on spending, while potentially being involved in delivering some of those services.

Members of such groups come from different backgrounds, bringing valuable local, specialist or business expertise. However, to avoid allegations surrounding the lack of transparency in decision-making and the risk that the private interests of members could influence public spending decisions we should adhere to the principles of managing conflicts of interest.

What are conflicts of interest?

1 A conflict of interest is a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation (private or government) can exploit a professional or official role for personal or other benefit. This definition is based on generally accepted standards.

2 Conflicts can exist if the circumstances create a risk that decisions *may* be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.

3 Conflicts might occur if individuals have, for example:

- a direct or indirect financial interest;
- non-financial or personal interests; or
- conflicts of loyalty where decision-makers have competing loyalties between an organisation they owe a primary duty to and some other person or entity

4 Conflicts of interest exist on a spectrum of severity. In public services, they can take many forms, for example:

- accepting hospitality or gifts from private sector companies during a procurement exercise;
- providing policy advice to government while also working, or consulting, for industry;
- awarding contracts to suppliers in which the decision-maker has a personal or financial interest; and
- in the delivery of public services, where individuals or organisations assess service needs as well as providing the services.

Consequences of not recognising the risk of conflicts

1. It is important to manage conflicts of interest. Not only can they bring decision-making into disrepute but often the perception of conflict alone is enough to cause concern. This can lead to reputational damage and undermine public confidence in the integrity of institutions.

2. A failure to recognise a conflict of interest can give the impression that the organisation or individual is not acting in the public interest. More seriously, if left unresolved, some conflicts can result in criminal action, for example fraud, bribery or corruption through abuse of position.

3. There is also a potential risk of legal challenge to decisions made by public bodies. If a decision-maker has a conflict of interest then the decision is potentially vulnerable and could be overturned on judicial review.

Managing conflicts of interest

Where conflicts do arise, these should be clearly detailed, for example in the minutes of meetings, including a record of the action taken to manage the conflict. Individuals should abstain and withdraw from decision-making when participating places them in a conflicted position. If the conflict cannot be resolved in any other way, options could include divestment, recusal, transfer or restriction of activity. Some conflicts of interest may be so acute or pervasive that it would be better to avoid them entirely, for example the individual could resign.

Trustees should abide by:

- Their code of conduct and confirm compliance with this regularly.
- The guidance produced by the charities Commission: the essential trustee.
- Company law for company directors.

Transparency

Trustees should adhere to the principles outlined in the gifts and hospitality and anti-fraud policies.

Ensuring decisions are made independently

Trustees, staff and contractors must routinely declare all private, personal and financial interests relevant to:

- decision-making;
- management of contracts; and
- giving policy advice.

Usually this should be completed annually in addition to ad-hoc declarations as conflicts arise, such as during a procurement exercise.

Detection and response

A principles-based system assumes people will act honestly and volunteer information about conflicts and exclude themselves from decision-making where they exist. But there should also be prompts and checks to reinforce this particularly where the risk of conflicts of interest is high. Preventative measures need to be supported by proportionate mechanisms to detect non-compliance and sanction where appropriate.

The following controls exist to detect breaches of policy:

- Independent assurance from responsible person and external auditors
- Whistleblowing arrangements for staff to raise concerns.

In cases of non-compliance, the discipline policy is followed which may result in dismissal or prosecution and management actions may result in retroactive cancellation of a decision or contract.