



KALEIDOSCOPE LEARNING TRUST

Conflict of Interests Policy

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Background

The Trust and its Academies are required to comply with the Academy Trust Handbook with regard to conflicts of interest and related party transactions. This requires that no member, trustee, employee or related individual or organisation uses their connection to the academy trust for personal gain.

A conflict of interest is any situation in which a member's, trustee's or employee's personal interests or loyalties could – or could be seen to - prevent them from making a decision only in the best interests of the academy trust.

1. Identify Conflicts of Interest

Individual Responsibility

Members, trustees and staff each have an individual personal responsibility to declare conflicts of interest which may affect them.

Annual Declaration Process

All members, trustees and senior staff will be required to complete a declaration of interests return on an annual basis. This return should record:

- All business interests of any significance
- Offices or posts held with other organisations
- Interests of close relatives and connected persons where there may be any possibility that the academy has dealings with that person/organisation
- Any material interests arising from close family relationships between the trust's members, trustees or senior employees

Meeting Declarations

In addition, there will be an agenda item at all meetings of the board of trustees, committees, and local governing bodies to allow declarations of interest to be made.

When in Doubt

If a member, trustee or employee is uncertain whether or not they are conflicted, they should err on the side of openness, declaring the issue and/or discussing it with the Chair of the Trust Board or Governance Professional.

Ongoing Declarations

Senior staff and others who make financial decisions or are involved in financial or purchasing decisions on a regular basis must ensure any conflict is identified and declared immediately when it arises.

If any employee perceives there may be a potential conflict of interest in making a decision but is uncertain as to the correct course of action, they should initially speak to the Governance Professional or Chief Finance and Operating Officer.

Reporting Undeclared Conflicts

If a member, trustee or employee is aware of an undeclared conflict of interest affecting another member, trustee or employee, they should notify the Chair of the Trust Board, Governance Professional or Chief Executive Officer.

2. Definition of Connected Persons and Related Parties

For the purposes of this policy, a 'connected person' or 'related party' includes:

For Members and Trustees:

- A member of their family (spouse, civil partner, parent, child, sibling, grandparent, grandchild)
- A person living with them as a partner
- A company or business in which they hold a controlling interest
- A company or business in which a family member holds a controlling interest
- A person or organisation they are in a position to influence

For Employees:

- Close family members (as defined above) who have a business relationship with the trust
- Any business or organisation in which they or a close family member has a significant interest

General:

- Any individual or organisation with which there is a close connection that could create a perceived or actual conflict of interest

3. Prevent the Conflict of Interest from Affecting Decisions

Members, trustees and senior employees must make their decisions only in the best interests of the academy trust. This means that they must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. How they do this will depend on the circumstances.

Standard Approach

In most cases, it will be sufficient for the conflicted individual to:

- Declare the interest at an early stage
- Withdraw from relevant meetings, discussions and decision-making processes
- Not participate in votes on the matter
- Not receive papers relating to the matter (where appropriate)

Serious Conflicts

In cases of more serious conflicts of interest, the board of trustees may decide to remove the conflict by:

- Not pursuing a course of action, or
- Proceeding with the issue in a different way so that a conflict of interest does not arise, or
- Not appointing a particular trustee/employee, or
- Securing a trustee resignation (in exceptional circumstances)

Common Conflict Scenarios

The following are examples of situations where conflicts commonly arise in academy trusts:

Procurement and Contracts:

- When goods or services are being purchased from a business connected to a member, trustee or employee
- When considering tenders or quotes from connected parties

Staff Appointments:

- When a relative of a member, trustee or senior employee applies for a position
- When considering promotions or pay decisions affecting connected persons

Property and Facilities:

- When considering leasing property from or to a connected party
- When commissioning building or maintenance work from a connected business

Professional Services:

- When engaging legal, financial or consultancy services from a connected party
- When considering audit or accountancy appointments

In all such cases, the conflict must be declared and managed appropriately.

4. Related Party Transactions

Definition

A related party transaction is any transaction between the trust and a related party (as defined in section 2 above). This includes contracts for goods, services, works, or the use of assets.

'At Cost' Principle

The trust must ensure that any transaction with a related party is conducted at no more than cost. This means:

- No profit element may be included
- Only direct costs and a proportionate share of overheads may be charged
- The trust must be able to demonstrate that the transaction represents value for money

Prior Approval Requirements

The trust must obtain prior written approval from the Department for Education (DfE) for the following related party transactions:

- Contracts or series of contracts with a related party exceeding the amounts specified in the current Academy Trust Handbook
- Transactions that do not meet the 'at cost' requirement
- Any payments to members or trustees (except where specifically permitted)

Reporting Requirements

All related party transactions must be:

- Reported to the board of trustees
- Disclosed in the trust's annual accounts

- Reported to the DfE as required by the Academy Trust Handbook
- Disclosed to auditors during the annual audit process

Due Diligence

Before entering into any related party transaction, the trust will:

- Ensure the transaction is in the trust's best interests
- Obtain at least two comparable quotes (where practicable)
- Document the decision-making process
- Ensure proper approval has been obtained
- Maintain clear records of the transaction

5. Record Conflicts of Interest

Register of Interests

Declared interests will be recorded in a register of interests and updated annually. The register will include:

- The name of the member, trustee or employee
- The nature of the interest
- The date the interest was declared
- Any actions taken to manage the conflict

If interests change during the year, members, trustees and employees must advise the trust immediately (via the Chief Finance and Operating Officer or Governance Professional).

Meeting Records

Any conflict of interest which arises in the course of business must be declared at the relevant meeting and will be recorded in the minutes. The minutes should record:

- The nature of the conflict
- Who declared it
- Whether the individual withdrew from the discussion/decision
- The outcome of the decision

Record Retention

Records of conflicts of interest and related party transactions will be retained in accordance with the trust's document retention policy and made available for inspection as required.

6. Disclosure and Transparency

Internal Disclosure

Details of any payments and other benefits to any members, trustees or connected persons – including family members and businesses – will be:

- Disclosed to auditors during the annual audit
- Reported to the board of trustees
- Included in relevant committee reports

Public Disclosure

The trust will maintain transparency by:

- Publishing relevant interests declared by members and trustees on the trust website
- Including details of related party transactions in the annual accounts
- Making the register of interests available for inspection on request

The Chair of the Trust Board will use discretion to determine whether a minor or relatively insignificant interest should be included in the public declaration, balancing transparency with personal privacy considerations.

Website Publication

The following information will be published on the trust website:

- The names of members and trustees
- Relevant business and pecuniary interests of members and trustees
- Details of governance roles held in other educational institutions or organisations
- The register of interests (with appropriate redactions for personal information)

7. Monitoring and Review

Annual Review

This policy will be reviewed every three years, or sooner if:

- There are changes to the Academy Trust Handbook requirements
- Changes in legislation or regulatory guidance
- A significant conflict of interest issue arises that suggests the policy needs strengthening

Compliance Monitoring

The Chief Finance and Operating Officer will:

- Maintain the register of interests
- Monitor compliance with this policy
- Report any concerns to the board of trustees
- Ensure annual declarations are completed
- Provide training and guidance to members, trustees and staff

Audit

The trust's internal and external auditors will review compliance with this policy as part of their regular audit activities.

8. Breach of Policy

Any breach of this policy will be taken seriously and may result in:

- For trustees: removal from the board
- For employees: disciplinary action up to and including dismissal
- For members: a request to resign from membership
- Referral to relevant regulatory bodies where appropriate
- Legal action if fraud or financial irregularity is suspected

Questions and Guidance

If you have any questions about this policy or need guidance on whether a conflict of interest exists, please contact:

- Governance Professional - for general queries about declarations and conflicts
- Chief Finance and Operating Officer - for queries about related party transactions and financial matters
- Chair of the Trust Board - for complex or sensitive matters