



Related Party and Conflicts of Interest Policy

2022-2024

This Policy must be adhered across the University of Chichester (Multi) Academy Trust ('the Trust') and supersedes all previous issues. This Policy will be reviewed in 2024, thereafter on a three yearly cycle unless legislative changes require an earlier revision.

This Policy was approved by the Board on:

1. Introduction

As charities, all Multi Academy Trusts and individual academies should have systems and procedures in place to identify related parties and to deal with any conflicts of interest that may arise as a result of those relationships. Such conflicts may create problems as they:

- Inhibit free discussion
- Lead to the possible misuse of the Trust's resources
- Result in decisions or actions that are not solely in the interests of the Trust
- Risk the impression that the Trust has acted improperly.

The Academy trust handbook published by the Education & Skills Funding Agency sets out the definition of related parties and the principles, processing and reporting of related party transactions.

This Policy aims to address these matters for transparency and clarity.

2. Conflicts of Interest

Academy trusts must be even-handed in their relationships with related parties, with Trustees/governors required to act reasonably and prudently in all matters relating to the MAT/academy, with their prime concern being the interests of the MAT/academy. They cannot let their personal views, prejudices or wider interests affect their conduct as trustees/governors.

Conflicts of interest occur when the interests of trustees/governors/employees (or their family, friends or other organisations with which they are involved) are incompatible or in competition with the interests of the MAT/academy. Such situations present a risk that an individual will make decisions based on these external influences, rather than the best interests of the MAT/academy. Typically, where a related party relationship exists there is a potential for conflicts of interest to arise.

Appendix A provides examples of potential areas of conflict of interest but should not be considered exhaustive.

The Charity Commission recommends that charities have arrangements in place for identifying and managing conflicts of interest and that all trustees/governors are aware of these arrangements. Trustees/governors should also be aware that some transactions affected by a conflict of interest will be at risk of being invalid, unless they are authorised, either by the governing document (Memorandum and Articles of Association) of the MAT/academy or by an order from the Charity Commission, ESFA or the Court. Alternatively there are risks that the motivation behind the transaction may be questioned and the MAT/academy's reputation may be endangered. In extreme situations the Charity Commission/ESFA will use its regulatory powers to investigate cases of concern.

3. Dealing with Conflicts of Interest

The Trust's Board are responsible for managing related party transactions are applied across the Trust and changes of the declaration of interest and any conflicts of interest are a standard agenda item at all Trust Committee meetings, including local governing body meetings.

Where a conflict of interest is identified that Trustee/governor/employee must:

- Not be part of the decision-making process for awarding any contract or entering into a financial relationship.
- Withdraw from any meetings at which the matter is discussed.

All such discussions should be formally recorded in the minute book.

If there is any doubt about whether a matter being discussed presents a conflict of interest then the Clerk/Company Secretary should be asked to advise.

The register of interests is updated on an annual basis but any trustees/governors who are aware that their interests have changed in the interim should notify the Clerk/Company Secretary immediately. In accordance with the Academy trust handbook, relevant business and pecuniary interests of members, trustees, local governors and accounting officers will be published on the Trust's website.

4. Register of Interests

Firstly, it is important for the purpose of identifying related party transactions and conflicts of interest that a full declaration is made by all individuals of all their interests as there is otherwise a risk that they may be unaware of transactions being entered into by the MAT/academy. The declaration can then be used by the Company Secretary and the Chair to monitor when any transactions arise with these parties. The Trust therefore requires all trustees/governors, and all staff who are involved in financial decision-making, to complete a conflict of interest form.

Appendix B details the Trust's model Conflict of Interest declaration form. Completed forms should be submitted to the Clerk to the local governing body and Executive Administrator in respect of governors of a local governing body, or for Members and Trustees to the Company Secretary. Completed forms will be reviewed to draw any potential conflicts to the attention of the Chair, either in respect of holding office or in respect of an agenda item.

5. Reporting

The Trust complies with Charities SORP and Financial Reporting Standard 102 (FRS 102) in respect of Related Party Disclosures in its financial statements and published accounts. FRS 102 states that a related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity). FRS 102 further states that a related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The disclosure of related party transactions is an important element of transparency in financial reporting because:

- related parties may enter into transactions that unrelated parties would not;
- transactions between related parties may not be made at the same amounts or on the same terms as those between unrelated parties; and
- the existence of the relationship may be sufficient to affect the transactions of the charity with other parties

Given the nature of charities, where trustees/governors are commonly trustees/governors of a number of charities and frequently are in business in the local community, charities are likely to have a number of related parties

Related party transactions potentially include:

- purchases
- sales
- donations
- supplies of service
- payments to trustees/governors under the governing document.
- employment

Where the relationship between the Trust and the other party is such that the transaction could possibly have been influenced by interests other than the MAT/academy's (whether or not this is the case) then the Trust should fully disclose the relationship and the details of the transaction.

SORP further outline transactions with related parties that do not require disclosure and are detailed in section 9.18.

If there have been no related party transactions in the reporting period that require disclosure, in accordance with SORP, the Trust will state this fact in its accounts.

6. Further Guidance

Academy trust handbook

[Academy Trust Handbook - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Charities SORP (FRS 102):

[charities-sorp-frs102-2019a.pdf \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

[FRS-102-\(January-2022\)\(2\).pdf \(frc.org.uk\)](http://frc.org.uk)

Appendix A

Potential areas of conflict of interest

Set out below are examples of interests that could result in a conflict arising:

Financial interests

- payment of a salary or a professional fee to a trustee/governor or a member of their family by the MAT/academy or by a trading subsidiary
- consultancies (whether remunerated or not) or other services or goods provided to the MAT/academy not related to the role of trustee
- trusteeship of a trust where the trustee or his/her partner or spouse or a member of his/her family may be a beneficiary
- gifts of hospitality offered by outside bodies and arising from his/her position as a trustee/governor
- award of a contract to a company with which a trustee/governor is involved
- sale of property to a trustee/governor

Indirect financial interest

- award of an employment contract to a trustee/governor's spouse
- making a grant to a trustee/governor's dependant
- professional services provided by a partnership in which the trustee/governor is a partner

Non- financial gain and personal interests

- where a trustee/governor is also a user of services provided by the MAT/academy
- ex-officio trustees/governors or where trustees/governors are nominated by organisations with an interest in the MAT/academy's work such as a local authority
- unremunerated posts, honorary positions and other positions that might give rise to a conflict of interest or of trust.

The University of Chichester (Multi) Academy Trust

Registered Office:

The University of Chichester
College Lane,
Chichester
West Sussex
PO19 6PE

Company Limited by Guarantee
Registration No: 8595545

REGISTER OF INTERESTS

1. Board Members should note that the Companies Act 2006 places an onus on Trustees to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the company. Further guidance on this can be given by the Company Secretary.

2. In accordance with accepted standards of good governance members of the Governing Body and any staff with financial responsibilities are expected to declare interests at the commencement of their term of office or employment and at such time where they take on employment by or interest in any other company during their term of office, or at any time that an item appears on the Agenda.

Please complete this form with respect to your own financial and non-financial interests (and those of your close family, spouse or partners, so far as is known to you) and return it to:

Members and Trustees: Company Secretary, Arran House, Bognor Regis Campus

Employee: Company Secretary, Arran House, Bognor Regis Campus

Governors, LGB: Clerk to the LGB or Executive Administrator, Arran House, Bognor Regis Campus

A 'nil' return is required for all Members, Trustees and Governors.

Name	
Preferred address for correspondence	
Contact No:	
E-mail	
Date of Birth	

Provide details of remunerated employment, office, profession, etc.	
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Provide details of all remunerated directorships, consultancies, trusteeships and paid appointments to public office, etc.	
Provide details of any significant shareholdings amounting to 5 per cent or more of the share issue	
Provide details of any and all interests in land or buildings within one mile of any property owned or leased by the Trust	
Do you hold any non-financial interests such as governorships and membership of public bodies, trusteeships and unremunerated directorships. If, yes, provide details	
Do you have any other financial or non-financial interests of you or your close family members where you consider there to be a possible conflict of interest. If yes, provide details	

I confirm that the information above is correct.

..... Dated:

(Signature)

For Annual Review:

3. A copy of the form will be sent to you for checking and countersigning each year. However, material changes to the information supplied should be notified to the Clerk/Company Secretary as soon as they occur.

I declare that I have reviewed my Register of Interests declaration and can confirm that there are no changes to the information.

Year	Signature	Date