

Title: **Conflict and Declaration of Pecuniary and Personal Interest Policy**

TYPE: Policy

PURPOSE: To clarify expectations in relation to the declaration of conflicts of interests and procedures for managing the real and perceived interests.

SCOPE: Governors, Senior Postholders, budget-holders, managers and other staff members, with financial responsibility or involvement in awarding contracts for services to the College.

RESPONSIBILITY: Director or Governance Risk and Compliance

Legal Context: Charities Act 2011 - As an exempt charity Solihull College and University Centre governors and staff have a legal obligation to act in the best interests of the College. This Policy is in accordance with the College's public benefit statement and governing documents: Instrument and Articles of Government, Standing Orders and Financial Regulations.

This Policy should also be read in conjunction with the College's Code of Ethics and Conduct for Governors and Staff

The Bribery Act 2010 – this Policy should also be read in conjunction with the Anti-Fraud Bribery and Corruption Policy, Procedure and Strategy.

This Policy also underpins the College's response to ISA - International Standard on Auditing (ISO250 AND ISA240) and the Companies Act 2006 in relation to FRS 102.

1. Aim

This Policy aims to clarify expectations in relation to the declaration of conflicts of interests and procedures for managing real and perceived interests for both staff and governors. It describes procedures relating to the declaration and management of professional, personal and family interests that could have a potential impact on decision-making within the College or be perceived as having influenced decision-making.

It is important for governors and staff to declare interests to respond to the Nolan Principles, particularly in relation to integrity, objectivity and transparency (Committee on Standards in Public Life, 1996) and to underpin the College's statutory duties to ensure compliance with required legislation.

In declaring interests, governors and staff provide a public record of any professional, personal and family responsibilities, relationships and connections that could be perceived to impact on decisions made on behalf of the College. It is therefore important to relate this also to the potential for bribery, fraud and related party transactions and is necessary to link interests to receipt of gifts or hospitality that could also be seen to impact and influence decisions and relationships.

2. Purpose

The purposes of this Policy are:

- To ensure that individuals comply with their legal duties, including in particular those relating to the College's strategic objectives and governing document, and their duty in law to act only in the best interests of Solihull College and University Centre;
- To protect the integrity and reputation of the College, Governing Body and staff; and
- To enable all stakeholders to have confidence in the integrity of members of the College, policies and procedures.

Appendix A contains guidance relating to procedures for the declaration and management of interest with regard to academic matters

3. Definition of Interests

Definition: An 'interest' is a *situation in which a governor or an employee (or contracted employee), supplier or other provider of services to the College has either possible, actual or potential for, competing interests or loyalties, which may compromise, or could be perceived to compromise, their decisions if not properly managed and clearly declared.*

Interests that could impact or be perceived to impact on decision-making could relate to professional, personal or family circumstances. Any interest, financial or otherwise, which could be perceived or is likely to influence or interfere with the judgement of a governor or member of staff, should be disclosed in writing to the Director of Governance Risk and Compliance and could include, although this is not an exhaustive list, the items below:

Category of interest	Information to be disclosed
Paid employment	Name of employer
Self-employment	Names of significant customers/clients accounting for more than say, 10% of income of individual or firm
Directorships of commercial companies	Name of companies
Significant shareholdings	Name of companies in which the member/staff member owns 5% or more of the issued share capital
Partnerships in business, or professional partnerships	Details of partnerships
Consultancies, whether paid or not	Details of Consultancy
Elected office	Name of authority
Trusteeships or participation in the management of charities and other voluntary bodies	Name of body

Public appointment (paid or unpaid)	Name of body
Governor of another educational institution	Name of institution
Membership of professional bodies and trade or other associations	Name of body
Provision of goods and services to the College	Details of provision
Any other relevant interest	As necessary

You should provide the same information if known, in respect of ‘connected persons’ see appendix B. This may include your spouse or partner, children or other close relative (e.g. living in the same household of a dependant). You should ask yourself whether members of the public, knowing such information, would reasonably conclude that the relevant interest might influence your judgement.

For each organisation where you have an interest, also disclose whether to your knowledge the organisation has any dealings with the College.

If a governor or member of staff is related to a contractor engaged by the College or has any pecuniary interest, direct or indirect, in connection with any supplier, contract, proposed contract, partner or other matter, he/she **must** notify the Director of Governance Risk and Compliance in writing of the potential conflict of interest and take no part in the matter. Information gained in the course of work must not be used for personal gain or to the advantage of relatives or friends.

Where there is a personal relationship between a member of staff and a student the member of staff should inform his/her manager and arrangements will be made to ensure that there is no conflict of interest, bias nor unfairness. Alternative arrangements should be considered for assessment, tutorials and meeting the student’s learning needs.

Where there is a personal relationship between a member of staff and an applicant for an appointment at the College, the relationship should be disclosed to the Human Resources Manager. The member of staff should not take part in making the appointment. Where an appointment is made and the member of staff is related to a governor of the College this should be communicated to the Director of Governance Risk and Compliance, so that any potential conflict of interest can be considered.

4. Procedures for Declaring Interests

4.1 Governors:

This section should be read in conjunction with Instrument 11.

Governors will be required to provide a written declaration of their interests upon appointment. The Director of Governance Risk and Compliance will maintain a Register of Interests that will be presented to the Corporation termly for review and updated annually, when governors will be required to sign to confirm their interests are accurate. The Register will be publicly available on the College’s website.

At the beginning of every meeting of the Corporation and its Committees/Groups there will be an agenda item for members to declare any interests that they may have in relation to the specific agenda being discussed and the member should raise this so that a minute can be taken and appropriate action identified.

Any question about whether an interest should be declared should be referred to the Director of Governance Risk and Compliance, in the first instance.

4.2 Staff:

This section should be read in conjunction with Financial Regulation 18.

All staff are required to consider whether they have any interests that should be declared. However, senior postholders, budget-holders, managers and other staff members, with financial responsibility or involvement in awarding contracts for services to the College will be required to complete an annual declaration, called the Management Representations, that also includes declarations regarding knowledge of bribery, fraud and related party transactions (see appendix B for details relating to requirements). The register of staff interests will be open for public inspection on the College website.

Declaration of interests relating to academic assessment, moderation, course management and the supervision/teaching of students can be found at Appendix A.

4.3 College Contractors/Consultants

All contractors/consultants with financial responsibility or involvement in purchasing or awarding contracts for services to the College should complete a declaration of any interests, upon appointment, and renew annually, that may be perceived to impact on the work they are undertaking with the College. The register of contractor/consultant interests will be open for public inspection.

5. Procedures for Managing Conflicts of Interests

Where a conflict of interest is declared or identified it is imperative that the conflict is managed to ensure transparency and integrity. In line with the Instrument and Articles of Government a Governor or member of staff will normally be required to withdraw from the decision-making process and/or information relating to the decision may be redacted or withheld, as appropriate.

6. Failure to Disclose a Relevant Interest

If there is a failure to declare an interest that is known to the Chair of the Governing Body or another member of the Governing Body or a member of staff the interest should be declared to the Director of Governance Risk and Compliance.

The decision of the Chair as to whether a governor has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a governor being in breach of Solihull College and University Centre's Code of Ethics and Conduct, as well as the Instrument and Articles of Government. Such a breach could lead to the Corporation considering the possibility of terminating the governor's membership of the Corporation, in line with Instrument 10.

Such breaches by a senior postholder may lead to disciplinary action being considered and, if appropriate, taken under the College' staff disciplinary procedures.

7. Benefits, Gifts and Hospitality

This section should be read in conjunction with Financial Regulation 17.

Governors are not allowed to receive remuneration for undertaking their duties as a governor, without the consent of the Secretary of State. It is not anticipated that governors will benefit from the receipt of gifts or hospitality by virtue of being a governor of the College. Gratuities or inducements should not be accepted or solicited under any circumstances. Gratuities are monetary payments other than fees.

Where a gift is received, or hospitality received a governor or a member of staff should ensure that this does not influence their role and could not be perceived as an inducement. Generally, gifts should be refused, however, where a small gift or hospitality are received details of the event and value of this should be communicated to the Director of Governance Risk and Compliance for inclusion on the Gifts and Hospitality Register, which is reviewed by the Corporation termly.

Appendix A: Academic Declarations of Interest

Appendix B: Management Representation for Staff – Annual declaration regarding International Standard on Auditing requirements.

Author	Created	Approved by	Last Reviewed	Next Review Date
Sam Bromwich Director of Governance Risk and Compliance Appendix A: Vice Principal Quality and Curriculum	Sept 2020	Corporation	November 2024	November 2027

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Academic Declarations of Interest

This Appendix relates to academic assessment, moderation, course management and the supervision/teaching of students and clarifies what is considered a conflict of interest and the procedure to follow in declaring and managing the actual or perceived interest.

There is a statutory requirement by partner validating and awarding bodies and institutions and is intended to protect employees, suppliers of services, consultants, students and the College itself from reputational damage or other liabilities.

1. Scope

This Appendix:

- 1.1 relates to all full, part-time, permanent and temporary staff employed by the College in any capacity which may impact, or possibly be considered as having the potential to impact, on any and all academic, course management and quality assurance matters; including agency staff, consultants, guest lecturers and other academics even if not in receipt of payments any kind;
- 1.2 applies whenever an individual recognises, or should reasonably be expected to recognise, that a conflict of interest (includes perceived and potential as well as actual) may arise either from their activities, or from the activities of any other individual involved in any and all academic, course management and quality assurance matters;
 - a perceived conflict of interest is one which a reasonable person would consider likely to compromise objectivity;
 - a potential conflict of interest is a situation which could develop into an actual or perceived conflict of interest.
- 1.3 covers any actual, possible or potential benefit or advantage which may be gained by any person, or any family member, partner or friend of any person covered by 1 above;
- 1.4 unless stated otherwise, financial matters are considered to be under the scope of the Conflict of Interest Policy and Financial Regulations.

2. Policy Statement

If a member of staff (either an employee or other person employed in an academic-related capacity – see 1 above by the College) has a conflict of interest (actual, perceived or potential) they have a duty to disclose it and to take such actions as may be appropriate, as set out under the procedure below. This duty of disclosure applies to the perception of the situation as well as the actual existence of a conflict of interest – suspicion may arise even when a College member acts with complete neutrality and professional integrity.

3. Procedure for Disclosing a Conflict of Interest

Where the conflict of interest relates to a member of staff's role on a College committee, group, board or other academic-related assembly, and a particular item on the agenda, it is the responsibility of that member of staff to disclose the conflict of interest to any deliberation or discussion of the item in question.

It is the responsibility of the committee, group, board etc chair to decide whether the member of staff should withdraw, be allowed to observe or to participate in discussion but with the caveat that a possible, potential or actual conflict of interest has been declared.

Where the chair has a conflict of interest, or an interest in any matter disclosed, they should appoint a deputy chair to review the conflict of interest and agree any necessary steps with the member of staff in the chair's place.

The minutes of the committee, group, board etc should explicitly state all details pertaining to the conflict of interest such as the nature of the conflict, who is affected or likely to be affected, and the Chair's decision.

For all other conflicts of interest, the member of staff should make disclosures in writing (email is acceptable) to their line manager as soon as a conflict of interest arises, and if it concerns or affects a Higher Education student taught at the College, the Head of HE & Research.

The Head of School (and if it concerns in anyway a HE programme, the Head of HE & Research) should review the disclosure to determine if it needs to be properly managed or avoided, and in discussion with the member of staff decide which of the following courses of action are appropriate (please note that this is not an exhaustive list, and is provided as guidance only):

The member of staff:

- takes no part in discussions of certain matters;
- takes no part in decisions relating to certain matters;
- refers certain matters for decision to other College employees or their line manager;
- does not act in any managerial or supervisory capacity to a particular person (eg, act as course leader);
- does not teach, supervise, mark or otherwise get involved in the academic activities of a particular person, student, employer, employer group or partner;
- does not record, authorise or agree any details, grades or other data items with regards to a particular person, student, employer, employer group or partner.

The Head of School should record in writing the course of action agreed with the member of staff to ensure the conflict of interest is properly managed or avoided, and if it concerns a higher education programme, the Head of HE & Research.

It is the responsibility of the affected member of staff to comply with the agreed course of action.

Failure to seek approval for and/or disclose complete and accurate information on a conflict of interest, or to follow any agreed course of action, may constitute misconduct and result in disciplinary action being taken by the College.

4. Explicatory Examples of a Conflict of Interest

It is not possible to define all circumstances which may give rise to a potential, perceived, possible or actual conflict of interest, but the following examples may provide some guidance. This list is not intended to be considered as comprehensive, and does not cover situations where there is no specifically measurable impact:

- Offering paid private tuition to students in relation to a course taught at the College;
- Taking personal gain from a College activity an exhibition of students' work or completion of a student project;
- A member of staff, their partner, spouse, near relative or friend, has a financial interest in an external enterprise engaged in activities related to their work at the College;
- A member of staff has a personal, familial or other relationship with a student they may teach or otherwise supervise;
- A member of staff has a personal, familial or other relationship with a student whose work they may be involved with assessing, marking or otherwise verifying;
- A member of staff has a personal, familial or other relationship with a student who they are involved in considering for a placement, place on a course, award or prize;
- A college governor, advisor or person connected to someone operating in an advisory, supervisory or strategically influential role is a position to gain financially or in other ways (such as enhancement of their personal or professional reputation);

- A member of staff, or person connected to a member of staff, fulfils a role or performs duties which may be perceived as impacting on their impartiality, or allow the access to information which would otherwise not be possible, such as union representation or working with another organisation (e.g. as an External Examiner or guest lecturer);
- Failure to disclose acceptance of a gift from a student prior to an assessment.

Management Representation for Staff – Annual declaration regarding International Standard on Auditing requirements.

Law and Regulations (ISA 250) – The Bribery Act

The Bribery Act 2010 (“the Act”) came into force on 1st July 2011 and all staff (including consultants or equivalent contracted to the College to provide professional services) involved in financial or contracting decisions should be aware of its implications. The Act prohibits offering, giving, soliciting or accepting any financial or other advantage (personal or business) which could encourage any person to perform their functions or activities improperly or reward that person for already having done so. An example of this might be seeking to influence a decision-maker by giving some kind of extra benefit to that decision-maker rather than by what can legitimately be offered as part of a tender process.

Fraud (ISA 240)

Guidance in respect of fraud is contained within ISA 240. Key definitions are reproduced below:

- ISA 240 defines fraud as: *‘An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.’*
- ISA 240 also states that: *‘The primary responsibility for prevention and detection of fraud rests with those charged with governance and with management.’*
- ISA 240 considers two types of fraud: Financial reporting fraud – deliberate misstatement of the financial statements of the College; and misappropriation fraud – eg theft of assets etc.

Taking into account the definitions of fraud above, you are required to consider whether you are aware of any actual or suspected fraud. Please also read in conjunction with the Anti-Fraud Bribery and Corruption Policy, Procedure and Strategy.

* All irregularities or potential breaches of law/regulations of any amount should be reported promptly to your line manager, the Vice Principal Finance, or the Director of Governance Risk and Compliance, as appropriate.

Related Party Transactions

The Companies Act 2006 imposes a requirement to disclose in the financial statements of companies, details of transactions between a company and a director or persons connected with a director. In addition, **FRS 102** requires disclosure of transactions with directors of the reporting entity, ultimate and intermediate parent undertakings or persons related to those directors. This should be seen as giving an indication of best practice within the College, with members of the Board and senior management being effectively treated as directors.

The comments set out below are intended for general guidance only. If there is any doubt as to whether a transaction or arrangement requires disclosure, advice should be sought from the Vice Principal, Finance in the first instance.

The types of transactions that require disclosure are contracts and transactions in which a Corporation Member or senior manager of the College, or persons connected* with that person have a material interest. This would include partnership arrangements. Under **FRS 102** the transaction’s significance to the individual would need to be considered and there are no exemptions for transactions in the normal course of business on arm’s length terms.

<p>*<i>Connected persons</i> - The term “connected person” as applied by the Companies Act 2006 includes a governor’s / director’s spouse; children under 18 years old; another company associated with the governor</p>

/ director; a trustee of a trust under which the governor / director, his family (his spouse and children under 18 years old) or an associated company may benefit; and a partner of the governor / director or persons connected as above.

In addition, under **FRS 102** related persons include:

- members of the close family of the governor / director (family members and members of the same household who may be expected to influence that person); and
- partnerships, companies, trusts or other entities in which any governor / director, or member of the close family of any governor / director have a controlling interest.

Again, within the context of the College, Corporation members and the senior management are deemed to be equivalent to company directors for this purpose.