



## Conflicts of Interest Policy

### Statement of Intent

This policy sets out the framework for ensuring that the decisions and decision-making processes at RDUTC are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the UTC.

Members and Governors have an obligation to act in the best interests of RDUTC and in accordance with its Articles of Association in order to avoid situations where there may be a potential conflict of interest.

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

RDUTC, therefore, intends to:

- ensure that every Member and Governor understands what constitutes a conflict of interest and that they have a 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 RDUTC.

### Legal framework

This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006
- Conflicts of Interest: A Guide for Charity Trustees

This policy must be read in conjunction with the Member/Governor Code of Conduct

### Definition

RDUTC adopts the definition of the Charity Commission, which states that a conflict of interest is any situation where a Member/Governor's personal interests or loyalties could, or could be seen, to prevent the Member/Governor from making a decision in the best interests of RDUTC.

### Identifying conflicts of interest

RDUTC expects individual Members/Governors to be able to identify any conflicts of interest at an early stage.

Individual Members/Governors 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 RDUTC and its students.

Members/Governors must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of RDUTC and its students.

Any Member/Governor 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 his duties as a Member/Governor shall disclose that fact to the Members/Governors as soon as s/he becomes aware of it.

A Member/Governor must absent him/herself from any discussions of the Member/Governor in which it is possible that a conflict will arise between his duty to act solely in the interests of RDUTC and any duty or personal interest (including but not limited to any Personal Financial Interest).

#### Interests which should be declared

Members/Governors 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
- Being a spouse, partner, relative or close friend of someone who has one of these interests

#### Register of interests

RDUTC will operate a Register of Interests. This will be maintained by the Clerk to the Governors and kept in the Finance Director's Office.

#### Declaring interests

Members/Governors will have a standard agenda item at the beginning of each meeting to declare any actual or potential conflicts of interest.

Members/Governors should declare any interest which s/he has in an item to be discussed, at the earliest possible opportunity and before any discussion of the item itself.

If a Member/Governor is uncertain whether or not s/he is conflicted, s/he should declare the issue and discuss it with the other Members/Governors.

If a Member/Governor is aware of an undeclared conflict of interest affecting another Member/Governor, then s/he should notify the other Members/Governors or the Chair.

#### Removing conflicts of interest

Members/Governors must consider the conflict of interest so that any potential effect on decision-making is eliminated.

Members/Governors 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:

- are so acute and extensive that the Members/Governors are unable to make their decisions in the best interest of RDUTC and its students, or could be seen to be unable to do so
- are present in significant or high risk decisions of the Members/Governors
- mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach
- are associated with inappropriate Member/Governor benefit

#### Withdrawing from decision-making

Where there is a proposed financial transaction between a Member/Governor and RDUTC, or any transaction of arrangement involving Member/Governor benefit:

- the benefit must be authorised in advance by the Finance and Audit Committee. If there is no Finance and Audit Committee meeting planned within the time frame of authorisation being required, then the Chair of the Finance and Audit Committee and one other Finance Governor can be contacted to authorise the benefit. (If the person affected is the Chair of the Finance and Audit Committee, then the two Finance Governors must authorise the benefit)
- the affected Member/Governor must be absent from any part of any meeting where the issue is discussed or decided
- the affected Member/Governor should not vote or be counted in deciding whether a meeting is quorate

Where there is a conflict of loyalty and the affected Member/Governor 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 Member/Governor should declare the interest. The remainder of the Members/Governing Body must then decide what level of participation, if any, is acceptable on the part of the conflicted Member/Governor. The options might include, but are not limited to, deciding whether the conflicted Member/Governor, having registered and fully declared the interest:

- can otherwise participate in the decision
- can stay in the meetings where the decision is discussed and made, but not participate
- should withdraw from the decision-making process in the way described above

In deciding which course of action to take regarding a conflict of interest, Members/Governors:

- must always make their decisions only in the best interest of RDUTC and its students
- should always protect RDUTC's reputation and be aware of the impression that their actions and decisions may have on those outside RDUTC
- should always be able to demonstrate that they have made decisions in the best interests of RDUTC and its students and independently of any competing interest
- should require the withdrawal of the affected Member/Governor from any decisions where the Member/Governor's other interest is relevant to a high risk or controversial Member/Governor decision or could, or be seen to, significantly affect the Member's/Governor's decision-making at RDUTC
- can allow a Member/Governor to participate where the existence of his/her other interest poses a low risk to decision-making in RDUTC's interest, or is likely to have only an insignificant bearing on his/her approach to an issue

- should be aware that the presence of a conflicted Member/Governor can affect trust between Members/Governors, could inhibit free discussion, and might influence decision-making in some way

Members/Governors can, before their discussion, ask a Member/Governor who is withdrawing, to provide any information necessary to help make the decision in the best interests of RDUTC and its students.

#### Records of proceedings

Members/Governors should record in the minutes, details of any and all discussions on potential conflicts of interests and the decisions made.

#### Confidentiality

Members/Governors cannot use information obtained at RDUTC for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

#### Monitoring and enforcement

RDUTC's Finance and Audit Committee will carry out continuous monitoring of its activities and members to ensure that any conflicts of interest are identified and mitigated as soon as possible.

A Member/Governor who fails to declare an interest and is found to be in conflict with the best interests of RDUTC will be expected to explain to the Governing Body his/her reasons for their omission.

Members may decide to terminate the membership of the relevant Member/Governor, if s/he is found to have knowingly and deliberately failed to declare an interest and has brought RDUTC into disrepute.

#### Policy circulation

This policy will be circulated to every Member/Governor and member of a committee/sub-committee, who shall annually sign a statement which affirms that s/he has:

- received a copy of the policy
- read and understood the policy
- agreed to comply with the policy

This policy will be included in the publication scheme on RDUTC's website and will be made available to the public.

Effective Date: September 2019

Review Date: July 2020

## Appendix A

### **Annual Conflicts of Interest Acknowledgement Statement**

In accordance with the RDUTC Conflicts of Interest Policy I, the undersigned Member/Governor, hereby attest and affirm that I have:

1. received a copy of the Conflicts of Interest Policy
2. read and understood the Conflicts of Interest Policy
3. agreed to comply with the Conflicts of Interest Policy

\_\_\_\_\_ Print name

\_\_\_\_\_ Signature

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_