

# CONFLICTS OF INTEREST POLICY

## Policy / Document Purpose Statement

This document sets out the policy supporting compliance with legal duties relating to instrument and articles of government for Cornwall College Group.

## Application

The objective of this document is to provide a framework to protect the integrity of decision making processes undertaken by Governors, senior staff and Corporation Committee members.

## Interpretation

Further guidance on the use or interpretation of this policy may be obtained from the responsible post holder.

## Legislator / Regulatory Compliance

Compliance with relevant current Health and Safety legislation, Data Protection Act and other legislation / regulations named within the body of the document.

## Publication Restrictions

A version of this document is available to view on the Cornwall College Website.

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# CONFLICTS OF INTEREST POLICY

## 1. Purposes of the Policy

1.1. It is the policy of Cornwall College Corporation (“the Corporation”) that all Governors, senior staff and corporation committee members who are not Governors must keep to the absolute minimum all unavoidable conflicts of interest between the interests of the Corporation on the one hand and the personal, professional and business interests of the Governor or committee member or individual senior staff member concerned, and of persons connected with them<sup>1</sup>, on the other. This includes avoiding as far as possible perceptions of conflicts of interest, as well as potential and actual conflicts of interest. A conflict of interest is a situation in which an individual has competing interests or loyalties. This may be actual, when the individual is required to make a decision on behalf of one organisation affecting another organisation or individual they are involved with, or potential when this situation could arise. For example, a Governor will have a loyalty to their employer and the Corporation so when the two organisations are contracting the governor has an actual conflict of interests. Similarly if the Corporation is tendering for audit services and the Governor’s partner works for an audit company likely to tender, they will have a potential conflict of interests.

1.2. The purposes of this policy are:

- 1.2.1. to ensure that Governors comply with their legal duties, including in particular those under the Corporation’s instrument and articles of government, and their duty to act only in the best interests of the Corporation;
- 1.2.2. to protect the integrity of the Corporation's decision-making process;
- 1.2.3. to enable all outside parties dealing with the Corporation to have confidence in the Corporation's integrity; and
- 1.2.4. to protect the integrity and reputations of the Governors, committee members and senior staff.

1.3. This Conflicts of Interest Policy is closely linked with the Bribery Act 2010 which defines bribery as giving or receiving a financial or other advantage in connection with the improper performance of a position of trust or a function that is expected to be performed impartially or in good faith. The College also has an Anti-Bribery Policy and Counter Fraud Policy which are intended to prevent bribery by those acting on behalf of the organisation.

## 2. Disclosure of interests

2.1. From the adoption of this policy, or upon being appointed, whichever is later, all Governors, committee members and senior staff will be required to make a full written disclosure of any business or personal relationships held, financial or property interests held, or gifts or hospitality received, that could potentially result in a conflict of interests. A Declaration of Interests Form is provided by the Director of Governance and must be used for this purpose. Any question about whether a Governor has an interest which should be disclosed should be referred in the first instance to the Director of Governance for a determination.

2.2. Written disclosures of Governors and Committee members will be kept on a register maintained by the Director of Governance and disclosures of senior staff will be held by the PA to the

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<sup>1</sup> For the definition of “connected person” see Charities Act 2011, s.188.

Principalship team and Governors, Committee members and senior staff will be required to update their disclosure as and when their circumstances change. All disclosures will be reviewed on an annual basis at the beginning of each academic year. The register will be accessible by any person wishing to inspect it, in accordance with clause 10 of the Corporation's Instrument of Government. Any person wishing to inspect the Registers should contact the Director of Governance.

### **3. Organisation of meetings where a member has disclosed an interest**

3.1. Where a member has previously disclosed an interest and the Chair or Director of Governance is satisfied that the interest is relevant to an item on the agenda for a meeting of the Corporation or of a corporation committee the individual concerned may not be sent the papers in respect of that item.

### **4. Management of conflicts of interests in meetings etc.**

4.1. This section of the policy should be read in conjunction with clause 10 of the Corporation's Instrument of Government.

4.2. In the course of meetings of the Corporation or of a corporation committee and all other activities (for example, management meetings) Governors, committee members and senior staff will be required to disclose any interests they have in a transaction or decision where they, their family, their employer or their close business or other associates will or may receive a benefit or gain or they have any other interest of a type identified by the Corporation. If there is a failure to declare an interest that is known to the Chair of Corporation or the Chair of the committee, the Chair of Corporation or Chair of the committee or the Director of Governance will declare that interest. After disclosure of any such interest, in the case of a meeting the Governor, committee member or senior staff member concerned may be required by a majority vote of members not subject to such a conflicting interest to leave the room whilst the matter is discussed. The Governor or committee member will not be counted in the quorum for that part of the meeting and will not be permitted to vote on the question. In the case of all other activities, the Governor, committee member or staff member concerned will not be permitted to participate in the consideration or discussion of the matter other than to disclose his or her conflict of interest.

4.3. All decisions of the Corporation or committee made following the declaration of a conflict of interest will be reported in the minutes of the meeting. The report will record:

- 4.3.1. the nature and extent of the conflict;
- 4.3.2. an outline of the discussion;
- 4.3.3. the actions taken to manage the conflict.

4.4. Where a Governor, committee member or senior staff member benefits from any such decision, this will (if the Corporation's auditors advise this to be necessary) be reported in the annual report and accounts in accordance with relevant accounting requirements.

### **5. Failure to disclose a relevant interest**

5.1. The decision of the Chair as to whether a member has failed to disclose a relevant interest shall be final. Failure to disclose a conflicting interest may lead to a Governor or committee member being in breach of the Corporation's Code of Conduct as well as of this policy. It may also result in the Governor or committee member being subject to legal action and personal liability for breach of trust. Such breaches may lead to the Corporation considering the possibility of suspending or terminating the Governor's or committee member's membership of the Corporation or committee

respectively. Such breaches by a senior member of staff may lead to disciplinary action being taken under the College's staff disciplinary procedures.

5.2. Failure by a Governor to disclose a conflicting interest may also be reported to the Secretary of State as principal charity law regulator. In the case of a serious breach of charitable duties by a trustee the Secretary of State may refer the matter to the Charity Commission, which has the power under the Charities Act 2011 to remove a charity trustee and/or disqualify a person from acting as a charity trustee.

5.3. Any concerns should be raised with the Director of Governance in the first instance.

## **6. Benefits for Corporation members and committee members**

6.1. It is a basic principle of charity law that charity trustees, such as Governors, should not profit from their position, although trustees are entitled to be reimbursed for expenses actually and reasonably incurred in undertaking the business of the charity. The Corporation has approved a policy on reimbursing Governors' and committee members' expenses and Governors and committee members must comply with this. In addition, clause 10 of the Corporation's Instrument of Government allows the Corporation to insure them against liabilities arising from their office.

6.2. The Charities Act 2011 provides a detailed process whereby, exceptionally, charity trustees or persons connected to them may be allowed to receive payment from the funds of the charity for goods or services provided by them to the charity under a contract for services. This procedure must be followed if a Governor or committee member wishes to receive such a payment.

6.3. Charity trustees are not allowed to receive remuneration simply for undertaking their duties as a trustee without the consent of the Charity Commission. This is only granted in exceptional circumstances. Similarly, charity trustees are not allowed to be employed by the charity under a contract of service save where allowed by the charity's governing document (as is the case with the Principal and staff governors), or by law, or with the consent of the Charity Commission, which is only granted in exceptional circumstances.

## **7. Data Protection**

7.1. The information provided in disclosures will be processed in accordance with the data protection principles set out in the Data Protection Act 2018. Data will be processed only to ensure that Governors and committee members act in the best interests of the Corporation. The information provided will not be used for any other purpose.

## **8. Review of this policy**

8.1. This Conflicts of Interest Policy will be reviewed regularly.

8.2. Approved by the Corporation on 3<sup>rd</sup> May 2023.