

# Hartismere School

POLICY DOCUMENT No FP8

## PECUNIARY AND OTHER INTEREST POLICY



It is the school's policy that all relevant persons (as defined below) should be reminded from time to time (and no less than annually) of their obligation to make a declaration of any pecuniary or other interest in any proposed transaction to be carried out by the school.

Whenever a relevant person is called upon to make or participate in making or is in a position to influence the making of a decision on expenditure on behalf of the school or any of its pupils, that person should consider whether to make a declaration and subsequently withdraw from further discussion regarding the issue.

The declaration should be made if the person concerned is aware that the recipient of the expenditure is or might be:

1. him/herself
2. his/her employer or employee
3. a business in which he/she has an interest (however remote)
4. a member of his/her extended family
5. a friend or
6. someone to whom an obligation (either legal or moral) is owed.

The declaration should preferably be made in writing or recorded in the Minutes of a meeting. It should identify the decision on expenditure to be made and the nature of the connection.

If the person making the declaration is only one of a number participating in the decision, the declaration should be made to the other participants. They should consider, taking into account the amount of the expenditure, the nature of the connection and other relevant circumstances, whether to invite the person to exclude him/herself from the decision-making process.

If the person making the declaration is the only person making the decision on expenditure, the declaration should be made to the Headteacher. The Headteacher should consider, taking into account the amount of expenditure, the nature of the connection and other relevant circumstances, whether it is appropriate for the person concerned to make the decision or whether the decision should be made by someone else.

If the person making the declaration is the Headteacher, the declaration should be made to the Finance Subcommittee of the Governors, who should thereupon make the decision, excluding the Headteacher from the discussions.

"Relevant persons" means Governors, the Headteacher, teaching and non-teaching staff and employees and any other person having power to spend or participate in decisions to spend monies on behalf of the school or any of its pupils.



## **REGISTER OF PECUNIARY INTERESTS**

### **INTRODUCTION**

The school requires governors, or persons employed at the school, to disclose any pecuniary interest, direct or indirect, in any contract entered into or proposed. Clearly, the purpose is to ensure that decisions made in terms of spending the school's money, are in no way influenced by personal interests, and also to help disprove any unfounded claims that this might have happened. By registering an interest, individuals are ensuring that other people involved in decision making know from the outset that there could be a conflict of interests, and for example, could request that the individual concerned takes no part in the process.

The guidance published jointly by OFSTED and the Audit Commission (Keeping Your Balance) states "The governing body should establish a register of pecuniary interests for the governors and staff which should be open to inspection. For example governors and staff should declare any links they have with local firms from which the school may wish to buy goods or services. It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from decisions that they make". Without such a framework of accountability the actions of staff and governors could be open to question.

### **SCHOOL POLICY**

The key elements are set out below:

- a wide definition of who should be considered as an interested party (our recommendation is that it goes beyond just staff and governors);
- the maintenance of a standing register of interests, e.g. directorship of a company;
- the maintenance of a specific register of decisions where either an entry in the standing file was relevant, or where an ad-hoc interest was declared in the context of that specific decision; (e.g. Mrs A, recorded in the standing register as a director of Stowbytes IT Ltd, withdrew from the meeting when the contractor purchasing computers was discussed);
- the registers should be used to apply to decisions not just of the governing body, but also to those situations where staff have delegated powers to make decisions; (e.g. a bursar, whose wife runs a stationery business should not make a decision on the purchase of stationery without making an entry in the register);
- the governing body should make a point of examining both registers from time to time;
- any member of staff or governor with a pecuniary interest in a particular decision, should not normally take part in the process leading to that decision. If participation is unavoidable (e.g. some Headteacher decisions) discussion with the chairman or governors is advisable, together with making an entry, in the event register;
- anyone with a pecuniary. Interest in a potential contract should not take part in drawing up the specification and/or tender document.

Definition of Persons who should be recorded:

- \* Any governor or employee of the school
- \* The spouse of the above
- \* The immediate family of both the above (parents, children, brothers, sisters and their spouses)

This is a potentially very extensive list of persons. However, entries in the register are only necessary where there is the possibility of an interest arising (e.g. a directorship of the McLaren Formula 1 Motor Racing Team is unlikely to ever have any relevance to a school decision).

What represents a pecuniary interest:

- \* A directorship of a company or business
- \* Direct ownership or partnership of a company
- \* A significant share holding in a company
- \* A position of authority in a charity or voluntary organisation

Direct employment by the school also counts. Thus whenever a school recruits an employee, applicants should declare on their applications any relationship with staff or governors of the school. If a person is appointed who is related as defined above, that appointment decision should be recorded in the "event" register.

### **THE GENERAL INTERESTS REGISTER**

This should contain individual entries sequentially numbered:

- i) the name of the governor or member of staff, followed by (if applicable) the name of the relative;
- ii) the name, address and type of business of the company;
- iii) the relationship with the company (director etc);
- iv) the date of entry on the register.

### **THE SPECIFIC EVENT REGISTER**

This should contain entries as follows:

- i) the date of the event (e.g. date of governor meeting or submission of an order);.
- ii) a description of what was disclosed and in what circumstances e.g. at Governing Body meeting on.....
- iii) a cross reference to an entry in the general register if applicable;
- iv) each entry should be signed and dated.

**Policy approved: 11 October 2010**

**Policy to be reviewed: Autumn Term 2013**