**Schools’ Accountancy Team**

Finance Regulations

This document should be used in conjunction with the [Suffolk Scheme for the Financing of Schools](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/finance-regulations).

SECTION 2.9: REGISTER OF BUSINESS INTERESTS

REGISTERING PECUNIARY AND BUSINESS INTERESTS

*This document contains regulations relating to:*

[*The Nolan Seven Principles of Public Life*](#NOLAN)

* [*Declaring pecuniary or business interests*](#NOLANdeclare)

[*Responsibilities*](#RESONSIBILITIES)

* [*The Governing Body*](#RESONSIBILITIESgb)
* [*The Individual (governor / member of staff)*](#RESONSIBILITIESindiv)
* [*The Headteacher*](#RESONSIBILITIEShead)
* [*The Chair of Governors*](#RESONSIBILITIESchair)

[*Individual Declarations*](#INDIVDEC)

[*General Interests Register*](#GIREGISTER)

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[*Withdrawing from Meetings*](#WITHDRAW)

* [*Disclosing an Interest and Withdrawing*](#DISCLOSE)

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**The Nolan Seven Principles of Public Life**

 Schools manage a significant proportion of public funds and must demonstrate that no governor, employee or related party benefits personally from the use of funds.

Financial decisions must be seen to be made in accordance with the [Seven Principles of Public Life](https://www.gov.uk/government/publications/the-7-principles-of-public-life):

 **Selflessness:** No financial gain or other material benefits for self/family

 **Integrity:** Independent of outside influence

 **Objectivity:** Decisions made on merit

 **Accountability:** Accountable for decisions/actions to the public

 **Openness**: Open about decisions and actions taken wherever possible

 **Honesty:** Declare private interests, resolve conflicts to protect public interest

 **Leadership:** Promote and support principles by leadership and example.

These principles apply to decisions with regard to procurement and staffing (including recruitment, contractual changes, casual/additional hours, reimbursements and expenses). Declarations should be made where individuals could have a significant influence on any decisions made both at school and with the related party.

Declaring pecuniary or business interests

Section 2.9 of Suffolk’s Scheme for the Financing of Schools requires every governing body to establish and maintain a register of pecuniary and business interests for each member of the governing body, the Headteacher and school staff.

The principle behind this arrangement is that neither governors, staff or their immediate family (or relatives/others that could exert influence), should benefit financially or otherwise from the involvement of governors or staff in decisions taken directly by the governing body or under delegated arrangements.

Registering and publishing interests enables the governors to demonstrate to the wider public that decisions are always taken in the best interests of the school or the public funds that finance it.

**RESPONSIBILITIES**

The Governing Body

The governing body of each school is required to establish a register which lists for each member of the governing body, the Headteacher and school staff:

* Any business interests they or any member of their ‘immediate family’\* have
* Details of any other educational establishments that they govern
* Any relationships between school staff and members of the governing body
* The register must be kept up to date with notification of changes, through annual review of entries and reviewed annually by the Governing Body
* The register must be available for inspection by governors, staff, parents and the LA
* The register must be published, for example on a publicly accessible school website

*\*’immediate family’ to include other relatives and individuals who may exert influence*

Business interests/nil returns of school staff may be omitted from the published copy unless they are also governors or the Headteacher, in which case they must be included in the published copy.

Staff and governors must be given an opportunity to declare an interest in any item on the agenda of a meeting and must withdraw from the meeting for relevant agenda items.

The Individual (governor / member of staff)

Each governor and member of staff is responsible for:

* making complete declarations at least annually, and for ensuring that their declaration is up-to-date
* disclosing an interest and withdrawing from meetings/activities where appropriate

The Headteacher

The headteacher is responsible for ensuring that:

* declarations are received from all members of staff
* information from individual declarations are transferred promptly onto the General Events Register
* statutory information is prepared ready for publication on a publically accessible website
* the General Interest and Specific Events Registers are made available for governor and committee meetings
* the General Interest and Specific Events Registers are made available for inspection by staff, parents and members of the public at the school upon request
* the Specific Events Register is updated promptly after each event and is subsequently signed by the Chair of Governors

Where the headteacher has delegated any of these tasks it must be clearly set out in the school’s local Financial Procedures manual so that responsibilities are clear to all involved.

The Chair of Governors

The Chair of Governors is responsible for:

* ensuring that declarations are received from all governors and passed to the Headteacher
* the General Events Register is reviewed at least annually by the whole governing body

**INDIVIDUAL DECLARATIONS**

Each member of the governing body and school staff must complete and sign the local authority *‘Declaration of Pecuniary and Business Interest’* form annually. The form must be completed in ink.

‘Nil’ should be used to indicate where no interest exists.

All interests and connections which could influence the school’s reputation with the public should be registered, including:

* details of any other educational establishment where the individual is a governor, associate member or trustee
* personal relationships with other members of staff or governors of the school, including spouses, partners and relatives
* details of charities where the individual is a trustee
* details of membership of professional bodies, membership organisations, public bodies or special interest groups where the individual is a member and has a position of general control or management

Relevant business interests where the individual, or an immediate family member (to include other relatives and individuals who may exert influence) have a financial, or other, interest in a business or organisation which could feasibly be in a position to supply goods/services to the school should be registered, including:

* building, catering and other premises/grounds contractors
* suppliers of stationery and equipment
* transport contractors
* service providers (including audits for school funds)

Relevant business interests where the individual is a director, partner or shareholder should be registered. Only relevant interests need to be included but not for example being a small shareholder in a large national company.

Declarations should be clearly recorded so that there can be no potential for misunderstandings. The local authority provides the *‘Declaration of Pecuniary and Business Interest’* which schools should require all governors and school staff to complete annually. It is the school’s responsibility to ensure that completed declarations have been received from every governor and member of staff at least annually.

It may be appropriate that the requirement to complete the Declaration goes beyond just staff and governors. The school will need to decide who should be considered as an interested party and may extend the requirement to additional individuals who have significant contact and/or influence with the school.

The local authority recommends that interests are declared if the individual is unsure. Specific issues can be discussed with the Schools’ Accountancy Team (01473 265626, sat@suffolk.gov.uk)

**GENERAL INTERESTS REGISTER**

Each school must maintain an up-to-date General Interests Register.

The Register should contain individual entries from each governor and member of staff, each entry should be sequentially numbered.

As a minimum the Register must include:

* the name of the governor or member of staff
* their position(s) (governor, job title etc)
* names of potential interests/businesses

*e.g. name of a close relative who works at the school*

* nature of interest(s) and business

*e.g. ‘spouse employed as Bursar’ or ‘company director’*

* trading address of business
* date interest(s) start and end
* details of who updated the Register and the date

The school may wish to organise the Register in such a way that declared interests & nil returns can be filtered to assist at meetings.

**PUBLISHING THE REGISTER**

The governing body is responsible for publishing the Register:

* The Register must be available for inspection at the school by members of the public, parents and staff.
* The Register must also be made available on a publically available website (such as the school’s website) in a readily accessible form (i.e. not in a document that has to be downloaded). It may be expanded to include other governor details that must be published.
* Business interests/nil returns of school staff may be omitted from the published copy unless they are also governors or the headteacher, in which case they must be included

**WITHDRAWING FROM MEETINGS**

The general principle is that no-one should be involved in a decision where his or her personal interests may conflict with those of the governing body or school:

* The regulations apply to all members of the governing body and the headteacher and any others in attendance at meetings.
* If a matter is to be voted upon, then no-one with a pecuniary or business interest should be present when the vote is taken.
* Governors nominated for Chair of Governors must withdraw when the election of Chair is being considered and voted upon. The same principles apply for the election of the Vice-Chair.
* Governors must withdraw where their own appointment, reappointment or removal as a member of the governing body is under consideration.
* The Headteacher must withdraw from any meeting where his/her own pay or performance appraisal is under discussion.
* Any governor who is employed to work at the school (other than the headteacher), must withdraw from a meeting where the pay or performance appraisal of any particular person employed to work at the school is under discussion.
* Any governor who has a child at the school must withdraw from any meeting where the outcome of discussions/decisions could potentially directly affect their child.

*An example would be for a parent governor to withdraw from a Pupil Discipline Committee meeting where discussions will concern a child in the same class as the governor’s child.*

Disclosing an Interest and withdrawing

If a person has any pecuniary or business interest, direct or indirect, in any contract, proposed contract or any other matter under discussion at a meeting or an activity that the school is undertaking, or planning to undertake then they must disclose the fact and:

* Withdraw from a meeting during the consideration or discussion of the matter

*An example would be for a governor to withdraw from a selection panel where the governor has disclosed links to a potential candidate*

* Not take part in the vote on any question related to the matter
* Not take part in any financial activity connected to the matter

*An example would be a school employee with disclosed links to a local coach company not becoming involved in any part of the process of hiring and paying for coaches for school trips.*

*An example would be a governor with a pecuniary interest in a potential contract not taking part in drawing up the specification and/or tender document*

The declaration should be made in writing unless made at a meeting where official minutes are being taken.

An entry must be recorded in the Specific Events Register each time a withdrawal has occurred.

There may be occasions where participation is unavoidable. In these situations the risks should be considered by the chair of governors (or the whole governing body if the situation relates to the chair or the headteacher). Advice on the individual situation can be provided by the Schools’ Accountancy Team.

An entry must be made in the Special Events Register to record the outcomes of the consideration. The outcome should also be recorded at the next governors’ meeting.

**SPECIFIC EVENTS REGISTER**

The governing body must maintain a Specific Events Register. An entry must be made each time an event occurs, each entry should be sequentially numbered and the minimum information that should be recorded includes:

* The date of the event

*e.g. date of governor meeting, date an order was raised*

* A description of what was disclosed and in what circumstances

*e.g. at the governing body meeting on ……*

* A cross-reference to an entry in the General Interests Register (if applicable)
* Evidence that the head or chair of governors has confirmed the entry made in the Specific Events Register

**WHOLE GOVERNING BODY REVIEWS**

The governing body should review the General Interests Register on at least an annual basis. A record should be maintained to show when the reviews took place.

The local authority recommends that the General Interest Register is available for every meeting of the whole governing body; and for committee meetings where appropriate.

**PECUNIARY AND BUSINESS INTERESTS POLICY**

The governing body needs to agree a Pecuniary and Business Interests Policy. Approval of the Policy cannot be delegated to a Committee.

The Policy needs to conform to the requirements set out in the local authority’s Finance Regulations and must indicate the frequency of review.

The Policy needs to confirm how an individual should make a declaration where an interest requires their withdrawal from a meeting or activity.

The Policy must be freely accessible to all staff and governors of the school.

**Non-Compliance**

Any school failing to maintain accurate, up-to-date General Interests and Specific Events Registers is potentially at risk of significant damage to its reputation should anything go wrong and fall into the public domain.

The school’s Whistleblowing Policy should be followed where there are concerns that a pecuniary or business interest has not been declared and an individual or their ‘immediate family’ may have subsequently benefitted.

Any governor failing to reveal information to enable the governing body to fulfil their responsibilities may be in breach of the Code of Conduct and as a result be bringing the governing body into disrepute. In such cases the governing body should consider suspending the governor.

Any member of staff found to be withholding information may be subject to disciplinary action.

HELP AND ADVICE

Schools’ Accountancy Team

Statutory and compliance queries should be raised with the Schools’ Accountancy Team:

* sat@suffolk.gov.uk
* Tel: 01473 265626
* Schools’ Accountancy Team, Floor 3, Constantine House, 5 Constantine Road, Ipswich, Suffolk, IP1 2DH
* Website: [www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy)

GOVERNOR SERVICES

Governance queries should be raised with Governor Services:

* governor.support@schoolschoice.org
* Tel: 01473 263993

INTERNAL AUDIT

Any suspected fraudulent activity should be reported to Internal Audit:

* audit.enquiries@suffolk.gov.uk
* Tel: 01473 264261

Schools’ Choice

Help and support on implementing the Finance Regulations is available from Schools’ Choice:

Finance Helpline:

* finance@schoolschoice.org
* Tel: 0345 603 7684
* Schools’ Choice, Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX

Enhanced Finance Service:

* efs@schoolschoice.org
* Tel: 01473 264054

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Version: November 2015

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