

## NORTHLIGHT SCHOOL

### POLICY ON CONFLICT OF INTEREST OF BOARD OF GOVERNORS / KEY STAFF

#### **Definition of Conflict of Interest**

1 Conflict of interest arises whenever the personal or professional interests of a board member, staff or volunteer are potentially interfering with the performance of their official duties to the organizations they serve in.

2 When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the school could be affected. For example, the school is planning to renovate its premise. The board decided to give the renovation contract to a company belonging to one of the board members as they may benefit from discounts and extra service by awarding the contract job to him. Outsiders may perceive this transaction as relationship-based and question whether the funds consisting public money, had been put to best use for the school or for gain of the board member. Integrity of board's decision is thus cast in doubt.

#### **Disclosure**

3 The conflict of interest policy and declaration form will be read by the board member or key staff upon hiring, appointment or election to the board as an acknowledgement of having understood the policy and that he/she will fully disclose, to the best of their knowledge, to the Board when a conflict of interest situation arises. Such conflict of interests situations include but is not limited to the following:

#### **Conflict of Interest Situations**

##### **a) Contract with vendors**

Where board members or key staff have personal interest in business transactions or contracts that the school may enter into, he/she is required to declare such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation by the board or relevant approving authority in arriving at the final decision on the transaction/contract should always be well documented.

##### **b) Vested interest in other organizations that have dealings/relationship with the school**

Where board members and key staff who have vested interest in other organizations which have dealings/relationship with the school, and when matters involving the interest of both the school and the other organization are discussed, he/she is required to declare such interest and if necessary, abstain from discussion and decision-making on such matters.

##### **c) Joint Ventures**

The board's approval should be sought before the school enters into any joint venture with external parties. Where board members or key staff have interest in such ventures, he/she is required to declare such interest and if necessary, abstain from discussion and decision-making on the matter.

**d) Recruitment of staff with close relationship**

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current board members, should go through the established human resource procedures for recruitment. The board member should make a declaration of such relationships and should refrain from influencing decision on the recruitment.

**e) Remuneration**

The Principal is the only board member that receives remuneration from MOE through the school. Other board members should serve without remuneration for their voluntary service to the school so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, the school may reimburse board members for out-of-pocket expenses directly related to the service.

**f) Major donors/ representatives from major donor companies being on the school's board.**

Potentially conflicting situations may arise where a major donor sits on the school's board, such as the following:

- Conflict of loyalty: Board member may not have the overall best interests of the school due to their vested interests/ priorities. This may influence decisions relating to allocation of resources and setting the organization's directions. (There may be particular programme areas board member is vested in and is biased towards.)
- Use of information to influence donor decisions: Information accessible to board members may be used to influence donors decision on allocations or the corporation they represent. This may result in staff not highlighting certain issues for fear that the donation may be affected. Issues of transparency and disclosure can arise.
- Pressure to release additional information to donor: Board member may expect additional information from staff on how donations were used and the details of users
- Personal benefit/ gain/ recognition: The board member may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this board member in case the donor relationship is threatened.

**g) Others**

- A board member's organization receives grant funding from the school.
- Prohibition on gifts, entertainment and other favours from any persons or entities which do or seek business with the school.

**Disclosure Policy and Procedure**

4 The school will review any transactions with parties with whom a conflict of interest may arise with any member of the board of Governors or key staff and in such situations, the following will be observed:

- a. The conflicting interest is fully disclosed
- b. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- c. A competitive bid or comparable valuation exists; and
- d. The board or a duly constituted committee thereof has determined that the transaction is in the best interest of the school.

5 Disclosure involving board members or key staff should be made to the board chair (or if he/she is the one with the conflict, then to the board vice-chair) who shall bring these matters to the board or a duly constituted committee.

6 The board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair and reasonable to Northlight School. The decision of the board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of Northlight School and the advancement of its purpose.

7 All decisions made by the board or a duly constituted committee thereof on such matters shall be minuted and filed.

8 This policy document must be read and understood by all board members and key staff upon the start of office.

9 Any disclosure of interest made by board members or key staff where they may be involved in a potentially conflicting situation(s), must be recorded, filed and updated appropriately by all specified parties.

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I hereby confirm that I have read and understood the conflict of interest policy of NorthLight School and that I will make full disclosure of interests, directorships and appointments that could potentially result in a conflict of interest.

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**Signature**

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**Name & Designation**

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**Date**