



CONFLICTS OF INTEREST WITH EMPLOYEES

PURPOSE

This policy provides guidance to all employees regarding the identification and management of conflicts of interest to ensure the integrity and transparency of our company's operations and decisions.

SCOPE

This procedure applies to all employees of ELATT.

DEFINITION

A conflict of interest arises when an individual's personal, social, financial, or political interests could directly or indirectly compromise their judgement or impede the fulfilment of their professional duties.

IDENTIFICATION AND REPORTING

Employees are required to proactively identify and report any potential conflicts of interest to their immediate supervisor or the HR department.

If the employee has a hiring duty at ELATT, the individual must not take any part in the hiring of an applicant with whom they have a relationship. The alternative hiring manager must keep records of the hiring procedure making clear there was no involvement from any employee with a conflict of interest.

In the case of a Key Management Personnel (KMP), typically defined as the Chief Executive, Head of Vocational Learning and Head of Life Skills, any potential conflict must be declared to the Chair of the Board immediately.

PAY SETTING

To ensure transparency and fairness:

- No employee shall be involved in deciding the pay of another individual with whom they are in a relationship.
- No employee shall be involved in determining the remuneration of a family member or close relative.

KMP & AUTHORISATION PROCEDURES

Where the conflict of interest involves a member of the company's Key Management Personnel (KMP), the following procedure must be followed:

1. The KMP must immediately declare the conflict in the ELATT & HNLC Key Management Personnel Register of Interests.
2. This must immediately be communicated to the Chair of the Board and the Treasurer, and the Chair and/or Treasurer must have the right to veto the appointment should they deem this necessary.
3. The KMP must declare the conflict in the Annual Related Parties Declaration to ELATT's external auditors.
4. Where the KMP holds authorisation levels related to pay or monthly payroll:
 - a. the initial pay level, and any subsequent changes, must be authorised by the Treasurer following the recommendation of the Line Manager and supported by benchmarking evidence where applicable, independently of the senior manager with the conflict of interest, and;



- b. for the duration of the related party's employment, the Finance Director must send a copy of the final payroll report to the Treasurer, including a copy of the timesheets of the related party where applicable.

KEY MANAGEMENT PERSONNEL & SORP REQUIREMENTS

As per the SORP, if the conflict of interest is held by a member of the Charity's Key Management Personnel, the following needs to be disclosed in the annual audited accounts:

- the description of the relationship between the parties;
- a description of the transaction(s);
- the amounts involved;
- outstanding balances with related parties at the reporting date and any provisions for doubtful debts;
- this SORP will also require the disclosure of the name(s) of the transacting related party or parties.

PROCEDURE FOR HANDLING CONFLICTS OF INTERESTS

Once identified, the conflict should be documented and reported immediately. The reported conflict will be assessed by HR and the relevant department head.

Necessary actions will be taken, which may include reassigning duties, removing the individual from the decision-making process, or other appropriate steps. Managers must ensure a formal dated agreement is kept setting out these actions and duties.

If the conflict pertains to pay setting, an alternate neutral party will handle the remuneration process.

NON-COMPLIANCE

Failure to disclose conflicts of interest or non-adherence to this policy may result in disciplinary actions up to and including termination.

REGULAR REVIEW

Employees should review their situations regularly and report any new potential conflicts. Additionally, the HR department will review this policy annually to ensure its effectiveness and relevance.

If you have any questions or concerns related to conflicts of interest, employees should reach out to the HR department.