

Definition of Business Interests and Pecuniary Interests

When visiting schools Norfolk Audit Services are often asked the difference between business interests and pecuniary interests and exactly who should be making what declarations.

Business Interests

A business interest is the involvement of an individual or their family members in any trade or profession, along with any direct interest they may have in any company providing goods or services to the school. For example, if a Governor runs their own building company or provides training courses for teaching staff. When making a decision about what or what not to declare, the individual should consider how they may be challenged about their decision not to disclose information.

All members of the Governing Board, the Headteacher and any staff who influence financial decisions, are expected to declare any business interests that they or any family member may have. There is a template Business Interests form available as Appendix 2 in the Finance and Business Services Team, Finance Procedure Manual. A register of the business interests should be made available in the school and there should be an annual review of this register. In addition, where a Governor or member of staff has no business interests, they should complete a form saying 'No interests to declare'. New Governors or members of staff, influencing financial decisions, should be asked to complete a form on joining the Governing Board or school.

Pecuniary Interests

It is a common misconception that pecuniary interests are the same as business interests; however, pecuniary interest is a wider term. Pecuniary interests include personal financial interests, such as involvement in a trust fund or investment, as well as potential interests, for example, where a member of staff's husband is applying for a vacancy in the school or where a Staff Governor is involved in the decision over the promotion of a colleague, and where they may be a potential candidate for the post made available.

Because of the nature of these interests, they cannot only be declared annually. All members of the Governing Board and all members of staff should be made aware at Governor and staff meetings of the need to declare these interests, as they arise. Declarations should be made in writing to the Headteacher or the Chair of Governors and these should be filed in a register of pecuniary interests.