

MANAGEMENT OF CONNECTED PARTY TRANSACTIONS

Academy Trusts must declare when they agree to a related party transaction and seek approval from the ESFA before they agree any related party transactions over £20,000.

Additionally, new online reposting arrangements aim to give the ESFA, Parliament, the tax payer and other interested parties, assurance about the use of public funds.

All Governance meetings must always include an agenda item to provide those in attendance with the opportunity to update their entry on the register on a timely basis. Those in the senior leadership team should be encouraged to make changes as and when they arise by notification to the Finance Officer – Financial Administration and Compliance as designated by the Accounting Officer.

A related party transaction is any transaction between an academy trust (or 'transacting entity') and a member, Director, member of the senior leadership team, any close family members or any organisation connected to the above individuals where the individual can exert control or significant influence over the transacting entity.

Any related party engaged by the academy or trust should provide their goods and services 'at cost'. The 'at cost' requirements limit related party suppliers to be reimbursed for any resources used in the supply of the goods or services to the academy or trust but not to make a profit on the supply.

Church schools

Academy Trusts associated to a Diocese which provides essential functions to the trust are deemed to meet 'at-cost' requirements. The ESFA does not require any prior approval of these functions. However, it will still need to be declared as a related party and evidence of the agreement will be needed for the services provided.

Directors or key management personnel remuneration

The above reporting requirements do not apply to contracts of employment for those who work within the academy trust, however, salaries should be appropriate to the individual's skills and experience.

In compliance with the Academies Financial Handbook the Board of Directors must ensure that the requirements for managing connected party transactions are applied across the trust. The chair of the board of directors and the accounting officer (Chief Executive Officer) **must** ensure that their capacity to control and influence does not conflict with these requirements. They **must** manage personal relationships with connected parties to avoid real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life. (Appendix 1)

The trust will maintain sufficient records and make sufficient disclosures in our annual accounts to evidence that the trusts transactions with connected parties have been conducted in accordance with the high standards of accountability and transparency required in the public sector.

Register of Interest

The Finance Officer - Compliance and Administration will hold and maintain the trusts Register of Interests and will be informed by the clerk to Board of Directors or Clerk to LGB of any updates after each meeting.

Annual declaration forms (Appendix 2) will be completed in the Autumn term each year by the bellow groups as follows and collected and sent by the designated Officer to the Finance Officer - Compliance and Administration:

All stakeholders are asked on their declaration form to inform the accounting officer of any changes throughout the year via the Finance officer – Compliance and Administration.

Declaration of Interest is a standing item on all governance agendas.

GROUP	ADMINISTERED BY
MEMBERS CEO Heads of Teaching and Learning Head of Operations Premises Managers ICT Team	Finance Officer - Compliance and Administration
Head of Finance Business Patterning Finance Officer Central Finance Team	Finance Officer - Compliance and Administration
Directors & Affiliated Members of the Finance & Audit Committee	Clerk to the Board
Local Governing Body Governors	Clerk to the LGB
Head Teachers and Deputy Head Teachers and Assistant Head teachers School Administration Office Staff	Office Managers

The register will be regularly reviewed as it will be taken to the Finance & Audit committee in the spring term and will be checked by internal and external auditors.

Declarations of any pecuniary or connected party transactions are a standing item on all governance agendas and any recordings will be passed by the Clerk to the Head of Finance.

WEBSITE

The trust will publish relevant business & pecuniary interests of members, trustees, local governors and accounting officers. This will be updated each year and on an ad hoc basis if the register changes. This will be co-ordinated by the Finance Officer - Compliance and Administration.

The trust recognises that it **must** be transparent with its governance arrangements.

The trust will publish on its website up to date details of its governance arrangements in a readily accessible format which in order to be compliant with the Academies Financial Handbook must include:

- **The structure and remit of the:**
 - Members
 - Board of Directors
 - Its committees & local governing bodies
 - The trust's scheme of delegation for governance functions
 - Full names of the chair of each of the above

- **For each member who has served at any point over the past 12 months**
 - Their full name
 - Date of appointment
 - Date they stepped down if applicable
 - Relevant business and pecuniary interests including Governance roles in other educational institutions

- **For each Director and Local Governor who has served at any point over the past twelve months:**
 - Their full name
 - Date of appointment
 - Term of office
 - Date they stepped down if applicable
 - Who appointed them in accordance with our Articles
 - Relevant business and pecuniary interests including Governance roles in other educational institutions

- **Attendance**
 - For each Director their attendance records at Board & Committee meetings over the academic year. This record will form part of the statutory audit and the Governors report.

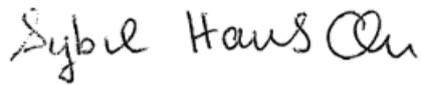
 - For each Local Governor their attendance records at Board & Committee meetings over the academic year.

Date Agreed: TBC Autumn Term 2020

Accounting Officer (Lois Whitehouse)



Chair of Finance & Audit Committee Signature: (Sybil Hanson)



APPENDIX 1

Seven Principles of Public Life:

SELFLESSNESS

Holders of public office should act solely in terms of the public interest

INTEGRITY

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other benefit for themselves, their family, or their friends. They must declare and resolve any interests & relationships.

OBJECTIVITY

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

ACCOUNTABILITY

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

OPENNESS

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

HONESTY

Holders of public office should be truthful.

LEADERSHIP

Heads of public life should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour where ever it occurs.

DECLARATION OF INTERESTS 2020-21



Appendix 2

Academy trusts **must** ensure that spending has been for the purpose intended and that there is probity in the use of public funds.

Academy trusts must be even-handed in their relationships with connected parties by ensuring that they comply with their statutory duties as company directors to avoid conflicts of interests, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements.

NAME:

POSITION:.....

I, and members of my immediate family have no financial or personal interests, such as a relationship with a local supplier, which could be perceived as an unfair influence on the decision making process relating to official school purchases.

I declare the following interests on behalf of myself and my immediate family, and to undertake to exclude myself from the decision making process relating to official school purchases.

(Please list all current declarations regardless of being previously declared)

Please give specific details e.g. if Governor list actual school Name

Name & relationship to me	Organisation	Nature of Business	Nature of Interest

- **Directorships**

- ***Partnerships and employments with businesses***
 - ***Trusteeships and governorships at other educational institutions & charities***
- I undertake to inform the Accounting Officer of any changes that will affect the above declaration.

SIGNATURE: DATE:.....

In compliance with the Academies Financial Handbook this declaration must capture all relevant business and pecuniary interest of Members, trustees, local governors, senior employees and office staff with a financial responsibility