



Conflicts of Interest & Transactions with Related Parties Policy

The Kemnal Academies Trust

Version: [1]

Last reviewed: [September 2018]

Next review: [September 2019]

TKAT Conflicts of Interest & Transactions with Related Parties Policy

1.0 Purpose

- 1.1 This policy sets out expectations of The Kemnal Academies Trust (TKAT) and the due regard to managing its conflicts of interest and transactions with related parties.

2.0 Scope

- 2.1 The following TKAT personnel and volunteers are included within the scope of this policy:
1. TKAT Members
 2. TKAT Trustees
 3. TKAT Senior Leadership
 4. TKAT Finance
 5. Academy local Governing Bodies
 6. Academy Senior Leadership
 7. Academy Finance
- 2.2 This policy has been created in line with the Education and Skills Funding Agency's (ESFA) Academies Financial Handbook (AFH) which outlines the full requirements and expectations in this area.

3.0 Procedure

- 3.1 Each September, Clerks to Governors will be sent a copy of the TKAT 'Declarations of Interest' form for completion by academy Governors, Senior Leadership Team and Finance staff.
- 3.2 The declarations of interest should be completed fully and promptly returned to the TKAT Lead Clerk for Governance for inclusion in the consolidated TKAT Register of Interests.
- 3.3 Academy Business Managers are required to complete an individual Register of Interests for their own academy which should capture relevant business and pecuniary interests. The register should include the following:
1. directorships, partnerships and employments with businesses
 2. trusteeships and governorships at other educational institutions and charities
 3. for each interest: the name of the business; the nature of the business; the nature of the interest; and the date the interest began
 4. The register must identify any relevant material interests from close family relationships between the academy trust's members, trustees or local governors. It must also identify relevant material interests arising from close family relationships between those individuals and employees
- 3.4 Despite not being in a position of influence or one of the persons mentioned in section 2.1, **all** members of staff are obliged to notify the academy Business Manager and complete a 'Declarations of Interest Form' if a relevant business interest between them and a third party previously exists or arises.
- 3.5 Academies should exercise care, skill and diligence to avoid conflicts of interest, both actual and perceived can have adverse effects on both the academy and the whole trust.

4.0 Transactions with a Related Party

- 4.1 As per the 2018 ESFA Academies Financial Handbook, trusts are required to **report** all transactions with related parties to the ESFA in advance of the transaction taking place.

- 4.2 In response to this, TKAT have created a flowchart highlighting what steps academies need to follow to ensure they fully meet the expected levels of control.
- 4.3 Ahead of any related party transaction occurring, academies are required to complete the TKAT 'Related Party Transaction proposal form' for submission to the TKAT Group Accountant to formally report to the ESFA. Copies of the proposal form can be found on TKAT Insight [here](#).
- 4.4 In addition to reporting requirements, trusts are also required to seek ESFA **approval** for the following types of transactions (ahead of the transaction taking place):
1. transactions with related parties that are novel, contentious and/or repercussive
 2. for contracts for the supply of goods or services to the trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:
 - 4.4.2.1 a contract exceeding £20,000
 - 4.4.2.2 a contract of any value that would take the total value of contracts with the related party beyond £20,000 in the same financial year ending 31 August
 - 4.4.2.3 a contract of any value if there have been contracts exceeding £20,000 individually or cumulatively with the related party in the same financial year ending 31 August
- 4.5 Academies must keep sufficient records to show that transactions with all related parties have been conducted in accordance with the high standards of accountability and transparency required within the public sector and to ensure that all internal TKAT expected controls have been fully met.

5.0 **Website Requirements**

- 5.1 Academies must publish on their websites relevant business and pecuniary interests of all governors on an annual basis.

ESFA Academies Financial Handbook 2018:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714474/Academies_Financial_Handbook_2018.pdf