

RELATED PARTY TRANSACTIONS POLICY



Saint Paul's Catholic High School
All Saints Catholic College
St Elizabeth's Catholic Primary School
St Anthony's Catholic Primary School
Ss John Fisher & Thomas More Catholic Primary School



Document Record	
Policy title	Related Party Transactions Policy
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Purpose of policy	To ensure that all schools within the Academy Trust comply with the Related Party Transactions requirement of the DfE as set out in the Academies Handbook
Author	CFOO
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This policy will be published on The Academy Trust's website

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1 Introduction and Purpose

- 1.1 This policy sets out the framework for ensuring that the decisions and decision-making processes at Corpus Christi Catholic Academy Trust are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected with the school.
- 1.2 Members, Directors, Governors and Senior Leaders have an obligation to act in the best interests of the school community and in accordance with the Academy Trust's Articles of Association, to avoid situations where there may be a potential conflict of interest.
- 1.3 This policy has due regard to statutory legislation, including but not limited to, the following:
 - Companies Act 2006
 - Charity Commission 'Conflicts of Interest: a guide for charity Directors' 2014
 - Department for Education 'Governance handbook' 2020

2 Definition of a Related Party

- 2.1 Related parties arise where one party has control or influence over the other, or the parties are subject to common control.
- 2.2 The Academy Trust is permitted to make transactions with related parties, as long as:
 - open and transparent procurement procedures are followed, and The Academy Trust's Procurement Policy is followed
 - potential conflicts of interest are managed
 - DfE rules, including mandated reporting and advance approval are followed
- 2.3 Related parties include:
 - parties with control over, or controlled by, The Academy Trust, eg. parent and subsidiary companies
 - parties having significant influence over The Academy Trust (eg Shrewsbury Diocese)
 - close family members of any of the above
 - others subject to control or significant influence by any individual referred to above.

Parties are not deemed to be related simply because they have a director or key manager in common (IAS24).

- 2.4 For the Academy Trust, related parties include the Members, Directors, Governors and Key management personnel, their close family members and business partners.

3 Supporting Directors to manage conflicts of interest

- 3.1 To support Directors in managing conflicts of interest and to demonstrate complete transparency:-
 - The Chief Finance and Operations Manager (CFOO) (who is also the Company Secretary) maintains a "Register of Declarations of Business Interest" which is shared with key personnel within The Academy Trust. This Register covers Members, Directors, Senior Leaders, Finance staff, Business Managers and local

Governors. The register is always kept up to date and published on The Academy Trust's website.

- The Finance Manager reviews the Register and 'Register updates' to ensure potential related parties are identified and flagged within The Academy Trust's accounting system such that any transactions are appropriately identified and routed.
- All related party transactions are considered and agreed by the Finance & Resources Committee prior to any orders being placed.
- Each Academy in The Academy Trust must identify at the start of the Academic year (September) the extent of likely transactions with its related parties.
- The Finance & Resources Committee considerations shall be supported by evidenced quotations and tendering (as appropriate to the circumstances) and an informed assessment of value for money.
- Individuals are required to remove themselves from meetings when a potential transaction related to them, or other potential conflict of interest is identified.
- The requirements around related party transactions are regularly discussed within leadership and finance meetings.

4 Management and reporting of related party transactions

- 4.1 From October 2024, new requirements came into force regarding the reporting and approval of Related Party Transactions. These sit alongside those contained within the Academies Accounts Direction covering disclosure. Specifically:
- the Academy Trust must ensure that all related party transactions taking place on or after October 2024 are reported to the DfE in advance
 - The DfE's prior approval must be obtained for contracts with related parties for the supply of goods or services agreed on or after 24 October 2024 where any of the following limits arise:-
 - o a contract exceeding £40,000
 - o a contract of any value that would take the total value of contracts with the related party beyond £40,000 in the same financial year ending 31 August
 - o a contract of any value if there have been contracts exceeding £40,000 individually or cumulatively with the related party in the same financial year ending 31 August
 - o the Academy Trust must seek prior approval of the DfE for all novel, contentious or repercussive transactions
- 4.2 Specific rules apply to payments to related parties where these exceed £2,500 in the financial year. In these circumstances, The Academy Trust must pay no more than 'cost' for goods or services provided to it (Note. 'services' do not include contracts of employment).
- 4.3 The CFOO (or in their absence, the Deputy Chief Finance Officer (DCFO) is responsible for ensuring procedural compliance including:

- ensuring timely notification of potential transactions to the DfE through ongoing school-liaison, pro-active contact and advice to schools, Directors and Key management personnel
- seeking statements of assurance where transactions do occur, utilising the DfE pro forma
- making sure that goods and services by individuals or organisations related to the Academy Trust are provided at no more than cost beyond the limits specified, currently £2,500
- ensuring only permitted payments are made, in accordance with the Articles of Association
- preparing an annual summary (at the start of each Academic year) of likely related party transactions
- the procurement process to be followed and rationale for the procurement seeking Finance & Resources Committee approval to the transaction
- ensuring those in positions of control, understand and manage real and perceived conflicts of interest, in accordance with public life principles
- ensuring there are measures in place to manage conflicts of interest; that Directors and Key Personnel understand and comply with their statutory duties; and that the register of interests is maintained
- making disclosures within the annual accounts, to show that transactions have been conducted in accordance with the high standards of accountability and transparency required within the public sector
- maintaining a file of evidence attached to each related party transaction including the decision-making process and procurement evidence demonstrating fair and transparent process

5 Guidance on Making a Declaration of Interest

5.1 Members, Directors and Senior Leaders must declare the following business interests if there is a reasonable likelihood the business may have financial dealings with The Academy Trust:

- holding another public office
- being an employee, director, advisor or partner of another business or organisation
- pursuing a business opportunity
- being a member of a club, society or association
- having a professional or legal obligation to someone else
- having a beneficial interest in a trust
- owning or occupying a connecting piece of land
- owning shares or some other investment or asset
- having received a gift, hospitality, or other benefit from someone or an organisation
- owing a debt to someone or an organisation
- holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue
- being a spouse, partner, relative or close friend of someone who has one of these interests

6 Policy monitoring and review

- 6.1 The Academy Trust Board will review this policy on an annual basis considering any conflicts that have arisen and how they have been responded to and will communicate all changes to the rest of The Academy Trust Board.
- 6.2 All members of The Academy Trust Board are required to read and make themselves familiar with this policy upon their appointment.