

Staffordshire University Academies Trust

Connected Party Transactions

The key questions for SUAT in relation to connected party transactions are:

- Would it be deemed contentious by the EFA
- Is it within the market norms
- If details of the transaction were in the public domain would they be newsworthy

The Academies Financial Handbook states, a trust must pay no more than 'cost' for goods or services provided to it, including from individuals or organisations connected to the academy trust. In respect of individuals working for the Trust it is more difficult to determine whether there is an element of profit for those individuals providing services to actual products. The Trust has decided that a good way to review whether the charge is acceptable is to assess the cost in respect of what the Trust would pay for that person if the Trust were employing them.

In order to manage conflicts of interest and maintain confidence in the Trust's use of public money the Audit Committee examines a list of the top suppliers annually, on behalf of the Directors. This also ensures that potential conflicts of interest are adequately managed and that the risk of not observing 'at cost' requirements is identified and mitigated.

SUAT defines 'connected parties' as:

- Any member or director of the academy trust
- Any individual or organisation connected to a member or director
- Any individual or organisation that is given the right under SUAT's Articles of Association to appoint a member or director of the academy trust
- Any individual or organisation that is recognised as a sponsor

Statement of Assurance

The Trust uses this form to provide assurance that 'connected parties' are supplying goods or services at no more than cost.

Section 1: Supplier Details

Name and address of supplier	
Company number (if applicable)	
Start Date	
End date	
Estimate of commercial price including profit	<i>A reasonable and fair estimate</i>
Connection with Trust, for example, trustee is also a director of the supplier of goods and services	<i>Explain the nature of the connection</i>
Value of goods and services to Trust	<i>£ At cost without profit</i>
Does this value include direct costs and indirect costs only	<i>Yes / No</i>
Nature of Contract	<i>Such as building supplies or professional services</i>

Section 2: Details of Contract

Explanation of how the supplier is charging the academy trust
<i>This should include a sufficiently detailed explanation setting out that the supplier understands its direct and indirect costs in such a way as to demonstrate to SUAT that it is supplying goods and services at cost , without any element of profit</i>

	Direct Costs	Indirect Costs	Total
Year 1	£	£	£
Year 2	£	£	£
Year 3	£	£	£
Total	£	£	£

Section 3: Supplier Certification

Certification of Supplier
<p>I certify, on behalf of (name of supplier) that:</p> <ul style="list-style-type: none">• The goods and services detailed in this form will be supplied to Staffordshire University Academies Trust on the basis of direct cost plus indirect costs, with no element of profit• We are supplying the goods and services on an open book basis and we will provide more information on request• We will make an adjustment in the following year if we identify a miscalculation on our direct or indirect costs, and supplied goods or services which included an element of profit

Name and Position	<i>Should be sufficiently senior to sign this declaration</i>
Date	
Supplier	

Section 4: Staffordshire University Academies Trust sign-off

Certification of Staffordshire University Academies Trust
<p>In signing this document I am satisfied that :</p> <ul style="list-style-type: none">• The goods and services being supplied comply with the requirements on trade with connected parties as set out in the handbook , and represent value for money• There is full compliance with the Trust's Scheme of Delegation• Open and fair procurement and compliance with the Trust's procurement procedures have taken place• Potential conflicts of interest within SUAT have been robustly managed• The Trust's Register of Interest captures relevant business and pecuniary interests as set out in the handbook, and will be updated to reflect this contract (if not already)• The supplier understands that open book arrangements are in place and they will provide more information on request, if needed• Both the Chair of the Trust Board and the Accounting officer have agreed to trade with this connected supplier, and that measures and safeguards listed above are in place

Name and position in SUAT	<i>Person signing must be sufficiently senior within SUAT</i>
Date	
Signature	