



Council Policy

Policy Title:	Related Party Disclosure
Policy Number:	1.10
Focus Area:	Governance and Process
Responsibility:	Finance and Procurement
Meeting Adopted:	27 June 2017 - 270617/14

POLICY

The accounting standard AASB 124 requires Councils to report on the material transactions between, on one side, Council's Key Management Personnel (KMP) and their close family members, and the organisations (entities) that these people control, and on the other side, Council and Council subsidiaries.

The KMP are defined as those people who have authority and responsibility for planning, directing and controlling the activities of the Council. There are two groups at Council that fall into this definition they are:

- The Councillors,
- The Executive Management Team (General Manager, Director of Infrastructure and Environment and the Chief Operating Officer).

Close family members of the KMP are:

- Spouse/Partner,
- Children of dependents,
- Children or dependents spouse,
- Any other family member who influences or are influenced by the KMP.

A related party transaction is the transfer of resources, services or obligations between Council and a related party regardless whether a price is charged. AASB 124 requires Council to report on 'material' transactions between Council and the related party. This includes all employee benefits and remuneration.

The decision on what is material rests with the Chief Financial Officer (CFO). In deciding whether a transaction is material the CFO will consider what requirements are set out in AASB 124 and the following:

- Whether the value of the transaction is over \$50,000,
- Whether the transaction was conducted on non-market terms,
- Whether the transaction is outside normal day to day operations,
- Whether the transaction provides a financial benefit which is not available to the general public, and
- Whether it is in the public interest to know about the transaction.

Information in relation to related party disclosures will be subject to audit by Council's external auditors.

REVIEW

This policy will be reviewed by Council at the time of any relevant legislative changes, compliance requirements or at least every four years.