

HEAD OF POWER

- *Local Government Regulation 2012*, section 177
- *Australian Accounting Standards Board AASB 124 Related Party Disclosures*

INTENT

The purpose of this policy is to ensure Council complies with its obligations under the *Local Government Act 2009* (the Act), the *Local Government Regulation 2012* (the Regulation) and the Australian Accounting Standard AASB 124 *Related Party Disclosures* (the Standard).

SCOPE

This policy applies to key management personnel employees, Councillors and Councillor Advisor (Mayor's Chief of Staff), as defined by the Standard and this policy.

DEFINITIONS

Close family members means those family members who may be expected to influence or be influenced by that person in their dealings with the entity and includes the family members listed in the Standard.

Employee means a local government employee as defined pursuant to the *Local Government Act 2009*.

Key management personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly and includes Councillors, Councillor Advisor, the Chief Executive Officer and senior executive employees.

Ordinary citizen transactions means transactions that occur during the course of delivering Council's public service objectives and which occur on no different terms to that of the general public. Examples include:

- Rates and utility charges.
- Use of Council facilities.
- Fines and other penalties on normal terms and conditions.
- Attendance at a Council function or activity open to the public.

Permitted purpose means to assess and verify a related party or related party transactions and to comply with and verify disclosure requirements.

Related party means a person or entity that is related to the entity that is preparing its financial statements and includes:

- Key management personnel;
- Close family members of key management personnel;
- Entities related to Council such as subsidiaries, joint ventures and associates; and
- Entities controlled or jointly controlled by key management personnel or close family members.

Related party transaction means a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Senior executive employees means an employee of Council that reports directly to the Chief Executive Officer and whose position would ordinarily be considered to be a senior position in Council's corporate structure.

POLICY STATEMENT

1. Council must disclose certain related parties and related party transactions in its financial statements.
2. Disclosure in Council's annual financial statements will be made in accordance with the Standard. Disclosure will only be made where a transaction has occurred with a related party and the transaction is material in nature or size, when considered individually or collectively.
3. Ordinary citizen transactions are, in accordance with the Standard, not required to be disclosed.
4. All key management personnel must periodically provide a Related Party Declaration which identifies any related parties.
5. The following people are permitted to access, use and disclose the information provided in a Related Party Declaration:
 - Chief Executive Officer;
 - Chief Financial Officer;
 - Deputy Chief Financial Officer;
 - Chief Legal Officer;
 - Statutory Accounting employees;
 - Members of Council's Audit and Risk Committee;
 - an Auditor of Council; and
 - a Councillor or Councillor Advisor (for their own Related Party Declaration) provided the information is accessed, used and disclosed for a permitted purpose.
6. Personal information contained in Related Party Declarations by key management personnel and any related party registers are classified as confidential and are not available by disclosure to the public, including through a Right to Information application.

ASSOCIATED DOCUMENTS

- Related Party Declaration

DOCUMENTS CONTROLS

Council will review this policy biennially or in response to changes in law or best practice.

POLICY OWNER

Chief Financial Officer, Financial Services.

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