

## Related Party Disclosures

### Head of Power

*Local Government Act 2009*

### Related Legislation

Australian Accounting Standard AASB 124

### Objective

To ensure that Moreton Bay Regional Council's general purpose financial statements comply with Australian Accounting Standard AASB 124 - Related Party Disclosures.

### Definitions

**AASB 124** means *Australian Accounting Standard AASB 124 - Related Party Disclosures*.

**Close Members of the Family** (of KMP) means family members who may be expected to influence, or be influenced by, KMP in their dealings with Council and includes any:

- spouse, domestic partner or children of KMP;
- children of a KMP's spouse or domestic partner; and
- dependants of a KMP or of a KMP's spouse or domestic partner.

**Control** (of an Entity) means having each of the following:

- power over the Entity to direct its activities;
- exposure, or rights, to variable returns from involvement with the Entity; and
- the ability to use power over the Entity to affect the amount of those returns.

**Declaration** means Council's related party disclosures declaration.

**Entity** includes a company, trust, incorporated and unincorporated association such as a club or charity, joint venture or partnership.

**Key Management Personnel (KMP)** means those persons having authority and responsibility for planning, directing and controlling the activities of an Entity, directly or indirectly. For the purposes of AASB 124, the Key Management Personnel (KMP) of Council are the Mayor, Councillors, CEO, Council's Executive Management Team, including those persons who on a temporary basis have assumed the responsibilities of these positions, as recorded in Council's Human Resources System.

**Related Party** has the meaning given to it in AASB 124 (and in Council's case, will include those parties listed at paragraph 4.a-4.e of this policy).

**Related Party Transaction** means a transfer of resources, services or obligations between Council and a Related Party, regardless of whether a price is charged.

**Significant Influence** (over an Entity) means being able to participate in the financial and operating policy decisions of the Entity.

### Application

AASB 124 commenced on 30 June 2016. This policy is effective from 1 July 2016 and impacts Council staff preparing the annual financial statements and applies to all KMP.

## **Policy Statement**

1. Under the *Local Government Act 2009*, Moreton Bay Regional Council (Council) must produce annual financial statements that comply with Australian Accounting Standards.
2. The purpose of AASB 124 is to ensure that Council's general purpose financial statements contain the disclosures necessary to draw attention to the possibility that Council's financial position and performance may have been affected by the existence of Related Parties and Related Party Transactions.
3. Council's Finance and Corporate Services Division is responsible for maintaining systems to collect and review Related Party transactional information across Council.
4. Each KMP will be required to complete a Declaration upon commencement of employment with Council and then annually at the end of each financial year to enable Council's Finance and Corporate Services Division to satisfy those requirements of AASB 124 which require the disclosure of Related Party Transactions between Council and:
  - a. KMP;
  - b. an Entity under the Control or joint Control of KMP;
  - c. Close Members of the Family of KMP;
  - d. an Entity under the Control or joint Control of Close Members of the Family of KMP; and
  - e. (for Councillors) Entities that the Councillor has Significant Influence over, or entities for which the Councillor is a KMP.
5. Subject to paragraph 4 of this policy, the Council's Finance and Corporate Services Division is responsible for identifying any Entities that meet the definition of a "Related Party" and for ensuring that the relevant disclosure of Related Party Transactions is made in accordance with AASB 124.
6. In accordance with the requirements of AASB 124, compensation (remuneration) information pertaining to KMP will be disclosed in the Council's general purpose financial statements.
7. Personal information collected and stored under this policy is classified as confidential. Collection and storage of this information must adhere to Council's Information & Communication Technology Security Policy 2150-072.
8. Any material relevant to a KMP's Declaration proposed to be disclosed in Council's general purpose financial statements will be provided to the individual KMP for their review and comment (but this will not prevent any disclosure which is required under AASB 124).

## **Related Documents**

This policy complements and is to be implemented in conjunction with other Council policies, directives and relevant documents published by other agencies including, but not limited to:

Policy Directive 2160-022 - Related Party Disclosures  
Privacy Collection Notice: Related Party Transactions Disclosure by Key Management Personnel  
Related Party Disclosures Declaration  
Information & Communication Technology Security Policy 2150-072  
Local Government Bulletin 02/16

## Review and Evaluation

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every four years.

## Responsibility

This Policy is to be:

- (1) implemented by the Accounting Services Manager.
- (2) reviewed and amended in accordance with the "Review Triggers" by Director Finance & Corporate Services.

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