



## RELATED PARTY DISCLOSURE POLICY

FILE NO: GOV/1000  
ADOPTED BY COUNCIL: 17 August 2017

MINUTE NO: 193.08.2017

## 1. Introduction

From 1<sup>st</sup> July 2016, local governments (councils) must disclose related party relationships, transactions and outstanding balances, including commitments, in their annual financial statements as per the Australian Accounting Standard AASB 124 *Related Party Disclosures* (AASB 124).

It is the policy of the Flinders Council to:

- 1.1. Establish, review and maintain a list of Key Management Personnel (KMP);
- 1.2. Establish, review and maintain a Related Party Transactions Register for Council; and to
- 1.3. Disclose related party relationships, transactions and outstanding balances, including commitments, in Council's annual financial statements.

Where there is an inconsistency between this policy and the related party disclosure procedures the provisions of this policy shall take precedence over the provisions of the related party procedure.

## 2. Objectives

The objective of the policy is to ensure that Flinders Council's financial statements disclose dealings with related parties and transactions and outstanding balances, including commitments, with such parties that may have affected its financial position and profit or loss.

## 3. Key Terms

Term	Meaning
Key Management Personnel (KMP)	Persons having authority and responsibility for planning, directing and controlling the activities of Flinders Council, directly or indirectly. In the council context this includes the Mayor, other Councillors, the General Manager and senior council officers as outlined in the procedure.
Related Party of Council	People and entities, such as companies, trusts and associations, can be related parties of Council. Most commonly these will be entities related to Council, KMP of Council (including elected members), close family members of KMP and entities that are controlled or jointly controlled by KMP or their close family members.
Related Party Transaction	A transfer of resources, services or obligations between Flinders Council and a related party, regardless of whether a price is charged.

## 4. Procedure

The Related Party Disclosure Procedure provides the guidelines by which the General Manager (or Corporate Services Manager when it relates to the General Manager) will implement the Related Party Disclosure Policy.

## 5. Related Legislation, Regulations and Policies

*Local Government Act 1993*

Australian Accounting Standards

## **6. Responsibilities**

The responsibility of this policy rests with the General Manager.