KING ISLAND COUNCIL

Policy

RELATED PARTIES DISCLOSURE

Responsible Officer: GENERAL MANAGER

Date: 15 October 2024

Review Date: 15 October 2027

1. Purpose

The policy is designed to ensure compliance with **Australian Accounting Standard AASB 124 Related Party Disclosures** (AASB 124). This standard requires the disclosure of related party relationships, transactions, and outstanding balances, including commitments, in financial statements.

Key points:

1. **Disclosure Requirements**: The policy mandates that all related party relationships, transactions, and commitments involving KMP must be disclosed. This includes the nature of the relationships and the details of the transactions and commitments.

2. Scope

This policy ensures that anyone with significant influence over the Council's activities, including Councillors, the General Manager, Senior Executives, and even external contractors and consultants, adheres to the disclosure requirements of AASB 124. This helps maintain transparency and accountability in financial reporting.

3. Policy

Covered by this policy

- Related Party: A person or entity that has control, joint control, or significant influence over the Council, or is a member of the KMP of the Council.
- Key Management Personnel (KMP): Individuals with authority and responsibility for planning, directing, and controlling the activities of the Council, including Councillors, the General Manager, and Senior Executives.
- Related Party Transactions: Transfers of resources, services, or obligations between the Council and a related party, regardless of whether a price is charged.

Disclosure Requirements

- All related party relationships, transactions, and commitments involving KMP must be disclosed in the Council's financial statements. Disclosures should include:
- The nature of the related party relationship.
- Information about the transactions and outstanding balances, including commitments
- Terms and conditions of the transactions, including whether they are conducted on an arm's length basis

Responsibilities of key staff pursuant to this policy

- **Councillors and KMP:** Must disclose any related party relationships and

transactions to the General Manager.

- **General Manager:** Responsible for maintaining records of related party transactions and ensuring compliance with disclosure requirements.
- **Finance Manager:** Responsible for preparing and reviewing financial statements to ensure accurate disclosure of related party transactions.

Confidentiality

All information collected under this policy will be treated as confidential and used solely for the purpose of compliance with AASB 124.

AMENDMENT

Council retains the sole discretion to vary, terminate or replace this Policy from time to time. Council will consult before amendments are made and will notify and train those the amendments apply to.

4. Legislation, Terminology and References

Applicable legislation:

All laws in connection with Related Parties Disclosure including but not limited to:

- *Local Government Act 1993* (LGA)
- *Archives Act 1983* (AA)
- *Audit Act 2008* (Tas)
- *Personal Information Protection Act 2004* (PIPA)
- *Right to Information Act 2009* (RIA)

Definitions	
Term	**Meaning**
Council	King Island Council
Councillor	An elected member of Council known as a Councillor or Alderman or otherwise meeting the definition of a 'councillor' as defined under section 3 of the *Local Government Act 1993*
Employee	A person who carries out work for Council as an employee of Council.
General Manager	The general manager of Council as appointed under section 61 of the *Local Government Act 1993* (TAS).
Manager/Supervisor	A person at the Workplace who is appointed to a position that has management/supervisory responsibilities for others or their appropriately nominated or authorised delegate.

Other Persons at the Workplace	A person, other than a Councillor, who carries out work in any capacity for Council, including work as: (a) a contractor or subcontractor. (b) an employee of a contractor or subcontractor. (c) an employee of a labour hire company who has been assigned to work at Council. (d) an apprentice or trainee. (e) a student gaining work experience; or (f) a volunteer.
Policy	Related Parties Disclosure Policy
Workplace	A place where work is carried out for Council.

History:

Any previous policies used by Council: 19/11/19 Policy Adopted – Res No: 268/19

POLICY VERSION AND REVISION INFORMATION

Title: Related Parties Disclosure Policy

Policy Maintained by: Deputy General Manager

Policy Commencement: 15 October 2024

Policy Review: 15 October 2027

Version No	Date	Resolution No	Responsible Officer
1.0	17.09.2024	239/24	Deputy General Manager