



COUNCIL POLICY

Related Party Disclosures

Policy Number:	PO166		
Strategic Plan Objective:	5. Responsible Governance and Leadership		
Policy Owner:	Director of Corporate & Community Services	Record Number:	18/69276[v2]
Responsible Officer:	Manager Financial Services	Minute Reference:	207/2023
Date Adopted:	13/09/2023	Next Review Date:	September 2027

1. POLICY OBJECTIVES

The Yorke Peninsula Council (Council) is committed to ensuring that “related party transactions” are properly identified and appropriately disclosed within Council’s annual General Purpose Financial Statements in accordance with the ‘Australian Accounting Standard AASB124 – Related Party Disclosures (AASB 124)’ (referred to as AASB 123).

2. SCOPE

This policy applies to:

- All Councillors
- The Chief Executive Officer
- The Director of Asset and Infrastructure Services
- The Director of Corporate & Community Services
- The Director of Development Services, and
- Any other persons identified by Council as meeting the definition of Key Management Personnel.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

Through the identification and disclosure of Related Party Transactions, this Policy and the Related Party Disclosure Procedure (PR166) will assist Council to prepare Annual General Purpose Financial Statements in compliance with the Local Government Act 1999 (Section 127) and associated Local Government (Financial Management) Regulations 2011, which align with the Australian Accounting Standards and the Model Financial Statements.

To comply with the requirements of the AASB 124 Council will:

- Identify Key Management Personnel;
- Identify related party relationships and related party transactions excluding ordinary citizen transactions;
- Establish and maintain systems to identify and capture related party transactions, including the required information about those transactions;
- Identify the circumstances in which disclosures of identified transactions is required;
- Assess the materiality of identified transactions, and
- Determine the category of disclosure to be made about transactions in Council's General Purpose Financial Statements for the purpose of complying with AASB 124.

5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Corporate Community Services. All complaints will be managed in accordance with Council's Complaints Policy PO147.

6. REVIEW

This policy will be reviewed every four (4) years and as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines and stakeholder feedback.

7. TRAINING

Council is committed to supporting Council/Committee Members and Employees in complying with this Policy. Training needs will be reviewed, as necessary, in consideration of any changes to legislation, relevant standards, codes and guidelines and audit findings.

8. RECORDS

Records shall be maintained as required by Council's Records Management Policy (PO063) and relevant legislation.

9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

Code of Conduct for Council Employees Policy (PO014)

Code of Practice for Access to Council Meetings and Council Documents (PO015)

Internal Financial Control Policy (PO156)

Related Party Declaration by Key Management Personnel Standard Form (SF527)

Related Party Disclosures Procedure (PR166)

Related Party Transactions Declaration by Key Management Personnel Standard Form (SF528)

Risk Management Policy (PO091)

10. REFERENCES AND LEGISLATION

AASB 10 Consolidated Financial Statements

AASB 11 Joint Arrangements

AASB 124 Related Party Disclosures

AASB 128 Investments in Associates and Joint Ventures

Behavioural Standards for Council Members (section 75E of the Local Government Act 1999)

Local Government (Financial Management) Regulations 2011

Local Government Act 1999

Local Government Association South Australia Model Financial Statements

11. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/>

12. VERSION HISTORY

Version No	Issue Date	Description of Change
1	13/03/2019	New Policy
2	13/09/2023	Full Revision with majority of document moved to new Procedure (PR166) and Standard Forms (SF527 and SF528).

ATTACHMENT 1: DEFINITIONS

Term/Reference	Definition
Close Family Member of a person	Are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: a) that person's children and spouse or domestic partner; b) children of that person's spouse or domestic partner; and c) dependants of that person or that person's spouse or domestic partner.
Control	An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Joint Control	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Key Management Personnel	Are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity
Material	Information is material to financial statements if omitting it or misstating it could influence decisions that users make on the basis of financial information.
Ordinary Citizen Transaction	Transactions which occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives.
Related Party	Is a person or entity that is related to the entity that is preparing its financial statements (also known as the 'reporting entity') is: <ul style="list-style-type: none">• A person or a close family member of that person's family is related to a reporting entity if that person:<ul style="list-style-type: none">○ has control or joint control of the reporting entity;○ has significant influence over the reporting entity; or○ is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
Related Party Transaction	Is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
Significant Influence	is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.