
Related Party Disclosure policy review

Responsible Officer: Group Manager Corporate and Commercial (Guy Bezrouchko)

Recommendation

That Council:

1. Revoke the Related Party Disclosure policy dated 17 May 2017, and
2. Approve the revised Related Party Disclosure policy (Attachment 2).

Background

From 1 July 2016, the Australian accounting standards board determined that AASB 124 related party disclosures would apply to government entities, inclusive of local governments.

AASB 124 requires local governments to disclose in the general purpose financial statements particular related party relationships and transactions, including information about the transactions.

Council initially developed, adopted and implemented the Related Parties Disclosures Policy in May 2017. A review of the policy has been undertaken and is presented to Council for adoption.

Proposed changes

The policy is fundamentally effective for managing related party disclosures, in accordance with AASB 124, however two minor changes are proposed.

1. The requirement to review the policy annually has been removed and will now align with the term of Council. Council's business operations are eminently stable and consistent from year to year.
2. The need to submit a second disclosure form in November of each year has been removed. It is considered sufficient to submit one form annually unless there are changes to an individual's circumstances. Note, under the policy, Councillors are responsible for providing updated disclosures should their circumstances change.

Finance

The related party disclosure policy aims to assist council in complying with the disclosure requirements concerning key management personnel which are impressed upon council by the Australian Accounting Standard 124.

Legal

Contained in the body of the report.

Consultation

Not applicable

Conclusion

The adoption of the revised Related Party Disclosure Policy satisfies the regulatory and audit requirements.

Attachment

1. Related Party Disclosure policy dated 17 May 2017 (**for revocation**)
2. Revised Related Party Disclosure policy (**for adoption**)