

RELATED PARTIES DISCLOSURE

Intent: To outline Cairns Regional Council's policy regarding the identification and monitoring of related party transactions.

Scope: This policy applies to all Councillors and Key Management Personnel.

DEFINITIONS

A **related party** is a person or entity controlled or jointly controlled by Council, Key Management Personnel (KMP) of Council or their close family members.

A **related person** includes Councillors, KMP and close family members of KMP.

A **related party transaction** is a transfer of resources, services or obligations between Council and a related party, regardless of whether a price is charged. For the purposes of this policy, transactions with related parties of Council which are of a nature that any ordinary citizen would undertake will not be captured or reported (for example, payment of water rates), provided the transaction occurs under the same terms as those offered to the general public.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with Council.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Council, both directly and indirectly. For the purpose of this policy, KMP will be limited to the Mayor, Councillors and those employees directly reporting to the CEO (including Council officers acting in these positions for extended periods of time).

Significant influence is the power to participate in the financial and operating policy decisions of another entity but is not control or joint control of those policies.

PROVISIONS

Council must disclose related party relationships in its annual financial statements. Any transactions with these parties will need to be identified and may need to be disclosed (including outstanding balances, commitments and non-monetary transactions).

In order to meet this requirement, all Councillors and KMP are required to maintain the information provided in their register of interests. They must also provide a declaration identifying any close family members not listed on their register of interests and any entities that those close family members control or jointly control.

This information will be collated by Council officers in the Executive Department on an annual basis or when there is a change in the organisation structure. Council officers in the Finance Department will review the related parties identified within KMP declarations and registers of interests to determine which transactions are required to be disclosed

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PRIVACY

KMP declarations and personal information contained in registers of related party transactions are confidential and are not available for inspection by or disclosure to the public, including through a Right to Information (RTI) application on the grounds the document or information comprises information the disclosure of which would, on balance, be contrary to the public interest under sections 48 and 49 of the *Right to Information Act*, item 8 of schedule 3 and items 2, 3 and 16 of part 3, schedule 4.

Except as specified in this policy, Council and other permitted recipients will not use or disclose personal information provided in a KMP declaration or register of related party transactions, for any other purpose or to any other person except with the prior written consent of the subject KMP.

The following persons are permitted to access, use and disclose the information (including personal information) provided in a KMP declaration or contained in a register of related party transactions for the purposes specified below:

- a Councillor;
- Chief Executive Officer;
- Chief Financial Officer;
- Financial officers responsible for the preparation of financial statements as authorised by the Chief Financial Officer;
- Members of Council's Audit Committee;
- An auditor of Council (including an auditor from Queensland Audit Office).

A person specified above may access, use and disclose information (including personal information) in a KMP declaration or contained in a register of related party transactions for the following purposes:

- To assess and verify a notified related party transaction;
- To reconcile identified related party transactions against those notified in a KMP declaration or contained in a register of related party transactions;
- To comply with the disclosure requirements of the AASB 124;
- To verify compliance with the disclosure requirements of the AASB 124;

A RTI application seeking access to and release of transactional information and documentation the subject of a related party transaction with Council will be considered, assessed and decided in accordance with Council's usual procedures regarding applications made under the *Right to Information Act*.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review

Chief Financial Officer

ADOPTED: 17/08/2016

DUE FOR REVISION: 17/08/2020

REVOKED/SUPERSEDED:



**John Andrejic
Acting Chief Executive Officer**