

1. Heads of Power

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Australian Accounting Standards Board (AASB) 124 – Related Party Disclosures

AASB 10 – Consolidated Financial Statements

AASB 11 – Joint Arrangements

2. Intent

To ensure that Aurukun Shire Council complies with its financial reporting obligations under the Australian Accounting Standards by disclosing related party relationships, transactions, and outstanding balances in the Council's annual financial statements.

3. Scope

This policy applies to all Key Management Personnel (KMP) of Council, their close family members, and any entities they control or are associated with, in accordance with AASB 124.

4. Definitions

Key Management Personnel (KMP): Persons having authority and responsibility for planning, directing, and controlling the activities of Council, directly or indirectly, including the Mayor, Councillors, Chief Executive Officer, and senior executive staff.

Close Family Members: Family members who may influence or be influenced by KMP in their dealings with Council.

Related Party Transaction: A transfer of resources, services, or obligations between Council and a related party, regardless of whether a price is charged.

Ordinary Citizen Transaction: Transactions that are made on arm's length terms and conditions no different to those provided to the general public.

5. Policy Statement

5.1. Disclosure Requirements

Council will disclose related party relationships, transactions, and balances in its general purpose financial statements as required by AASB 124. These disclosures will include:

- The nature of the related party relationship
- The type and value of transactions
- Outstanding balances, including commitments and guarantees
- Terms and conditions, including whether the transactions are made on normal commercial terms

5.2. Identification of Related Parties

Council will establish and maintain a register of related parties by identifying KMPs annually and when changes occur. KMPs must complete a Related Party Declaration form:

- Upon commencement in a KMP role
- Annually as part of financial year-end procedures

- As soon as practicable after becoming aware of a change in related party status

5.3. Transactions to be Disclosed

Transactions to be disclosed may include (but are not limited to):

- Purchase or sale of goods and services
- Lease agreements
- Provision of grants or loans
- Contracts for services
- Use of Council facilities not available to the general public on the same terms

5.4. Exclusions

Transactions that are considered *ordinary citizen transactions* and undertaken under normal terms and conditions (e.g., paying rates, accessing library services) are not required to be disclosed unless they are significant in nature or value.

5.5. Confidentiality

All related party disclosures will be treated as confidential and used only for compliance with AASB 124 and financial reporting obligations. Information will be handled in accordance with the Right to Information Act 2009 (Qld) and Information Privacy Act 2009 (Qld).

5.6. Non-Compliance

Failure to comply with this policy may result in non-compliance with financial reporting obligations under legislation and accounting standards. Disciplinary action may be taken for intentional non-disclosure.

6. Responsibilities

- **CEO:** Overall responsibility for policy implementation and oversight
- **Finance Team:** Maintains the related party register and prepares disclosures
- **KMPs:** Provide complete and accurate declarations as required

7. Associated Documents

- AASB 124 Related Party Disclosures
- Annual Financial Statements
- Related Party Declaration Form
- Financial Delegations Register

8. Document Controls

Council will review this policy every two years or as required by changes in law or best practice.

9. Policy Owner

Director Corporate Services.