

**Related Party Disclosures Financial Reporting Policy****Report Purpose**

To seek approval of a policy to support compliance with the new Public Sector Accounting Standard PS 2200 Related Party Disclosures.

**Recommendation**

THAT the FIN-001-030 Related Party Disclosures Financial Reporting policy, as set out in enclosure 1 of the November 6, 2018 Corporate Finance report, be approved.

**Our Prioritized Strategic Goals**

Governance Requirement

**Report**

Public Sector Accounting Standard PS 2200 Related Party Disclosures is coming in to effect for the 2018 calendar year. In order to comply with the new standard, a process is required to gather information to determine if any related party transactions have occurred. To make this determination the policy requires that Key Management Personnel, including the Mayor and Council, provide annual disclosures of related party transactions.

All individuals identified as Key Management Personnel will be required to:

- Identify any related party transactions between the County (including the Library and Pioneer Housing Foundation), and themselves and their close family members (directly or with any entities they or their close family members' control).
- Sign a declaration stating they understand the disclosure requirements, have disclosed any applicable transactions, and that they understand the County's annual financial statements may disclose information in respect of these transactions.

Disclosure of a related party transaction is based on consideration of:

- Whether the transaction has occurred at a different value than would have been arrived at had the parties not been related;
- The significance of the transaction; and
- Its effect on the financial statements.

Key Management Personnel who have entered into disclosable transactions with related parties will have information reported in the County's financial statements.

The declaration information will be collected pursuant to the Freedom of Information and Protection of Privacy Act.

**Council and Committee History**

April 24, 2018      Council was presented the 2017 Audit Findings Report which highlighted information on the new accounting standards.

**Other Impacts**

**Policy:** FIN-001-030 Related Party Disclosures Financial Reporting

**Legislative/Legal:** The Municipal Government Act, RSA 2000, c M-26, s. 276(1) requires the County to prepare financial statements in compliance with Public Sector Accounting Standards. The Public Sector Accounting Standard PS 2200.03 notes that it is expected that reasonable efforts be made to identify related party transactions which may involve adopting policies and procedures.

**Interdepartmental:** n/a

**Master Plan/Framework:** n/a

**Enclosures**

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|---|---|
| 1 | Proposed Related Party Disclosures Financial Reporting Policy |
| 2 | Related Party Disclosures Presentation                        |