

Related Party Disclosures Financial Reporting

References: Municipal Government Act, RSA 2000, c M-26 (MGA), s. 276(1)
Public Sector Accounting Standards (PSAS), Section PS 2200,
Related Party Disclosures
Strathcona County Bylaw 27-2018: Council Code of Conduct

Cross-reference: HUM-001-001 Code of Ethics and Responsibilities

Policy Statement

In compliance with the Public Sector Accounting Standard PS 2200 Related Party Disclosures, Strathcona County (the County) will obtain, on an annual basis, required information from Key Management Personnel (KMP) to determine if there are any Related Party Transactions that require disclosure in the annual financial statements.

Purpose

The purpose of this policy is to provide direction on the information that will be collected from Key Management Personnel to identify Related Party Transactions and determine if any transactions must be disclosed in the County's annual financial statements. 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.

Definitions

Related Party

A Related Party can be either an entity or an individual and exists when one party has the ability to exercise influence, Control or shared Control over the other. Two or more parties are related when they are subject to common Control or shared Control. Related parties also include KMP and their Close Family Members.

Control

Control is the power to govern the financial and operating policies of another entity with expected benefits or the risk of loss to one party from the other's activities.

Related Party Transaction

A Related Party Transaction is the transfer of economic resources or obligations between Related Parties, or the provision of services by one party to a Related Party. These transfers are Related Party Transactions whether or not there is an

exchange of consideration or if the transactions have been given accounting recognition and the parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between Related Parties.

Key Management Personnel

Key Management Personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the County, including the Mayor, members of Council, the Chief Commissioner and key senior staff that make significant financial and budgetary decisions.

Close Family Members

Close Family Members of KMP can include an individual's spouse or partner and those dependent on either the individual or the individual's spouse or partner.

For more information, please refer to the Public Sector Accounting Standard PS 2200 Related Party Disclosures.

Guidelines

Key Management Personnel must provide annual disclosure of any Related Party Transactions that they or any Close Family Member has been involved in, as well as any other disclosures required by the Public Sector Accounting Standards.

Policy Record

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