Related Party Transactions Policy

Policy Statement

The Related Party Transaction Policy ensures that all transactions involving related parties are identified, disclosed, reviewed and approved in a manner that promotes transparency, accountability and compliance with applicable legal regulatory and government requirements. This policy aims to prevent actual, potential or perceived conflicts of interest and to ensure that related party transactions are conducted on terms that are fair, reasonable, and in the best interests of Loreto College Ballarat.

Context

Loreto College Ballarat recognised the importance of maintaining the highest standards of integrity, accountability, and transparency in all financial and business dealings.

The purpose of this policy is to:

- Ensure actual, potential, and perceived conflicts of interest are appropriately managed.
- Provide a framework for identifying, assessing, approving, documenting, and disclosing related party transactions.
- Protect the College's reputation and resources.
- Ensure transactions are undertaken in the best interests of the College and its students.
- Support compliance with applicable accounting standards, governance requirements, and regulatory obligations.

Scope

This policy applies to College Board members, Members of Board Committees, The Principal, College Leadership, Employees who influence purchasing, procurement, contracting, recruitment, or financial decisions, Immediate family members of the above persons, Entities controlled, jointly controlled, or significantly influenced by any of the above persons.

Policy Statement

The College recognises that related party transactions are not inherently inappropriate; however, they must be carefully managed to ensure transparency, fairness, proper stewardship of College resources, absence of improper influence and compliance with governance obligations.

No person may use their position within the College for personal gain or for the benefit of a related party.

Guiding Principles

The College recognises that related party transactions may occur from time to time due to the nature of Catholic education communities and the professional expertise contributed by Board members, families, alumni, and employees. Such transactions are not prohibited; however, they must be demonstrably in the best interests of Loreto College Ballarat, appropriately disclosed, independently assessed, and approved in accordance with this policy.

Loreto College Ballarat will ensure that:

- Decisions are made in the best interests of the College.
- Related party transactions are treated fairly and transparently.
- Individuals disclose relevant interests promptly.
- Transactions are conducted on an arm's length basis wherever possible.
- Procurement processes demonstrate value for money.
- Individuals with a conflict play no role in decision-making regarding the transaction.
- Appropriate records are maintained and available for audit purposes.

Definitions

A related party includes:

Key Management Personnel including Members of the College Board, The Principal, Leadership Team or any person with authority and responsibility for planning, directing, or controlling the activities of the College.

Close Family Members including: Spouse or partner, parents, children, siblings, dependants or any person who may influence, or be influenced by, the individual.

Related Entities

An organisation, trust, company, partnership, or association that is controlled by a related individual, jointly controlled by a related individual, significantly influenced by a related individual, owned by a close family member of a related individual.

Related Party Transaction

A transfer of resources, services, obligations, commitments, or benefits between the College and a related party, whether or not consideration is exchanged.

Examples include:

- Procurement of goods or services.
- Employment of relatives.
- Consultancy engagements.
- Leasing arrangements.

- Purchase or sale of assets.
- Sponsorship agreements.
- Provision of grants or financial assistance.
- Use of College facilities.
- Construction and maintenance contracts.

Arm's Length Transaction

A transaction conducted under terms and conditions that would reasonably apply between unrelated parties acting independently.

Responsibilities

College Board

The Board is responsible for:

- Oversight of this policy.
- Approving significant related party transactions.
- Monitoring compliance.
- Ensuring appropriate disclosures in audited financial statements.

Principal

The Principal is responsible for:

- Implementing this policy.
- Ensuring disclosures are made.
- Managing identified conflicts of interest.
- Reporting significant matters to the Board.

Business Manager

The Business Manager is responsible for:

- Maintaining the Related Party Register.
- Collecting annual declarations.
- Monitoring procurement and financial records.
- Supporting annual financial statement disclosures.
- Reporting concerns to the Principal and Board.

Employees and Board Members

Employees and Board members must:

- Disclose interests promptly.
- Complete annual declarations.

- Update declarations when circumstances change.
- Remove themselves from decisions where a conflict exists.

Annual Declaration Process

All Board members and members of the Leadership Team must complete an Annual Related Party Declaration for the Register.

The declaration should include:

- Directorships outside of Loreto College
- Ownership interests in businesses where the College might procedure goods and services
- Employment relationships.
- Significant investments related to College operations.
- Close family relationships relevant to College operations.
- Other interests that may create a conflict.

Declarations will be reviewed annually and as required.

Identification of Related Party Transactions

Prior to engaging a supplier, contractor, service provider, employee, consultant, or other party, College staff must assess whether:

- The individual or entity has a connection to a Board member, employee, or leader.
- A conflict of interest exists.
- The transaction may be perceived as providing a private benefit.

Where uncertainty exists, the matter must be referred to the Business Manager or Principal before proceeding.

Assessment Requirements

Before approval, the following factors must be considered:

Business Need

Whether the purchase or service is necessary for the operation of the College.

Value for Money

Whether the transaction represents a reasonable use of College resources.

Market Comparison

Whether alternative suppliers have been considered and compared.

Governance Risk

Whether the arrangement may create reputational, legal, governance, or audit concerns.

Arm's Length Assessment

Whether the terms are comparable to those available from independent providers.

Transaction actions

- Declare the relationship or interest
- Take no part in assessment or approval.
- Ensure the matter is considered by the Board
- Not influence the decision

Recording Requirements

The Business Manager shall maintain a Related Party Register containing:

- Name of related party
- Nature of relationship
- Description of transaction
- Transaction value
- Date of transaction
- Approval authority
- Conflict management actions
- Supporting documentation location

Financial Reporting and Disclosure

The College will disclose related party transactions where required by:

- Australian Accounting Standards.
- Regulatory reporting requirements.
- Audit requirements.
- Governance obligations.

Records must be maintained to support all disclosures made in annual financial statements.

14. Monitoring and Review

The Business Manager will:

- Review the Related Party Register at least annually.
- Conduct periodic checks against supplier, payroll, and contractor records.
- Report significant related party transactions to the Principal and Board.

The Board may request additional reviews where risks are identified.

15. Breaches of Policy

Depending on the circumstances, the College may implement:

- Corrective action.
- Disciplinary action.
- Removal from decision-making responsibilities.
- Referral to external authorities where required.

Serious breaches will be reported to the Board Chair.

Legislative and Regulatory Framework

This policy is informed by and should be read in conjunction with the following legislation, standards, and governance requirements as applicable:

Commonwealth and State Legislation

- Australian Charities and Not-for-profits Commission Act 2012 (Cth)
- Corporations Act 2001 (Cth)
- Australian Accounting Standard AASB 124 – Related Party Disclosures
- ACNC Governance Standard 5
- Education and Training Reform Act 2006 (Vic)
- Privacy and Data Protection Act 2014 (Vic)

Internal Governance Documents

This policy should also be read alongside:

- Board Charter
- Conflict of Interest Policy
- Procurement and Purchasing Policy
- Delegations of Authority Policy
- Code of Conduct
- Risk Management Framework

Attachment 1

Annual Related Party Disclosure Form (Board Members and Leadership Team)

Name: _____

Position: _____

Directorships and External Positions

Organisation	Position Held

Businesses or Entities Owned or Controlled

Business / Entity Name	Nature of interest

Close Family Relationships Relevant to College Operations

Name and relationship	Relevance to college Operations

Declaration

I declare that the information provided above is complete and accurate to the best of my knowledge. I undertake to advise Loreto College Ballarat of any changes that may create an actual, potential, or perceived conflict of interest.

Signature: _____

Date: _____

Attachment 2

Related Party Transaction Assessment Form

Related Party: _____

Relationship to College: _____

Description of Transaction: _____

Supplier/Entity Name: _____

Estimated Value: $_____

Alternative Quotes Obtained: □ Yes □ No

Conflict Declared: □ Yes □ No

Assessment of Value for Money:

Recommended By: _____

Approved By: _____

Approval Date: _____

Board Approval Required: □ Yes □ No

Board Minute Reference: _____

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