

Related Party Transactions Policy

1. Purpose

The purpose of this policy is to outline the obligations of people or entities related to the Royal Australasian College of Medical Administrators (**'College'**) to identify, disclose and manage related party transactions.

2. Scope

This policy applies to Related Parties, as defined in section 4.

3. Policy Statement

3.1 Intent

- 3.1.1 The College expects related party transactions to be handled appropriately, transparently and in the best interests of the College.
- 3.1.2 There is a risk that the interests and obligations of a Related Party may influence or be perceived to influence their decisions and actions and therefore present a conflict of interest. Related party transactions must therefore be managed in accordance with this Policy and the Conflict of Interest Policy.

3.2 Process

- 3.2.1 Related Parties must inform the Chief Executive of any anticipated transaction that they become aware of that may be qualified as a related party transaction (see definition in section 4) and provide details including:
 - a) Objectives of the transaction
 - b) Financial details
 - c) Roles and responsibilities within the transaction
 - d) Performance and reporting expectations
 - e) How the relationship will be regularly monitored, reviewed and evaluated to ensure it remains in the College's best interest.
- 3.2.2 The Chief Executive, or the President if the Chief Executive is conflicted, will consider whether the proposed related party transaction is material.
- 3.2.3 The materiality of a related party transaction depends on the size, nature and circumstances of the transaction. A related party transaction is not considered material if it does not substantially influence the College's decisions or activities and does not affect someone's understanding of the College or its finances.

- 3.2.4 Prior to the College entering in a related party transaction, approval of the transaction is required:
- a) by the Chief Executive (or the Board if the Chief Executive is conflicted) if the related party transaction is not material; or
 - b) by the Board if it is material.
- 3.2.5 In determining whether to approve the proposed related party transaction, the Chief Executive or Board will consider the proposed transaction, and satisfy themselves that:
- a) it is appropriate and necessary to meet the College’s purposes and strategic goals;
 - b) the selection process for the transaction was open and transparent (including details of alternative options considered); and
 - c) the terms of the proposed transaction are fair and reasonable.
- 3.2.6 The Related Party must not be present for discussions or vote on the proposed transaction.

3.3 Record keeping

- 3.3.1 The College will maintain a related party transactions register, to be administered by the Executive Manager Business Operations.
- 3.3.2 The College will provide details of related party transactions in financial statements in accordance with the requirements of AASB 124, including in the Annual Report.

3.4 Monitoring

A failure to comply with this Policy may lead to be disciplinary action:

- a) against a Member in accordance with the College’s Constitution; or
- b) against a Staff member in accordance with the terms of their employment or engagement.

4. Definitions

Term	Definition
Related Party	<p>Means a person or entity related to the College. This includes:</p> <ul style="list-style-type: none"> ▪ Directors or their spouse, de facto spouse, parents, children and dependents (‘close member of their families’). ▪ People with authority and responsibility for planning, directing and controlling the activities of the College directly or indirectly (‘Key Management Personnel’). ▪ Entities controlled or jointly controlled by Directors or Key Management Personnel or a close member of their families. ▪ Any person or entity connected to the College that has significant influence over the College.
Related party transaction	<p>Means the transfer of resources, services, or obligations between the College and a Related Party, regardless of whether a price is charged.</p> <p>This encompasses virtually all transactions or arrangements under which the College provides a benefit (financial or otherwise) to a Related Party, including for example:</p>

- A Related Party providing goods or services to the College at a fee, reduced fee or free
- Loans from/to a Related Party (whether or not interest is charged)
- Salary/wages paid to a Related Party’s relative(s)
- Transfer of College property or assets to a Related Party
- College goods or services provided at a discount or free to a Related Party
- Significant use of College property by a Related Party
- Investment in a Related Party.

5. Related documents

- Conflict of Interest Policy
- Code of Conduct
- Privacy of Personal Information Policy
- Good Medical Practice - A Code of Conduct for Doctors in Australia
- Good Medical Practice - A guide for Doctors (New Zealand)
- Australian Charities and Not-for-Profits Commission Regulations 2022 – Governance Standard 5
- Australian Accounting Standards AASB 124 – Related Party Disclosures.

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