



Related Parties Policy

Introduction

Melbourne Archdiocese Catholic Schools Ltd (MACS) is required to maintain a related party register on transactions between MACS, including all MACS schools and Melbourne Archdiocese Catholic Early Years Education (MACSEYE) services, and related parties as a governance compliance requirement under the *Education and Training Reform Regulations 2017* (Vic.) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

Purpose

To establish a transparent and fully documented framework and process for the management and approval all related party transactions by MACS, including MACS schools and MACSEYE services, to ensure compliance with all regulations, and specifically to ensure that no related party transaction is a prohibited agreement or arrangement.

Scope

This policy applies to all MACS responsible persons with delegated authority to enter into transactions and make or authorise payments by MACS, including those in MACS schools and MACSEYE services.

Principles

This policy is underpinned by the following principles:

- MACS schools and MACSEYE services operate as not-for-profit and MACS will ensure that property and assets are not distributed or used for profit or gain.
- MACS will ensure that any payments or other benefits provided by MACS, including MACS schools or MACSEYE services, to a related party will not be prohibited agreements or arrangements.
- There will be transparency in financial statements about the existence of related party transactions and commitments.

Policy

1. Managing related party transactions

- 1.1 Any related party transaction entered into by or on behalf of MACS must be approved by the MACS board, recognising that the MACS board can delegate this approval in respect of a class of transactions in accordance with the MACS Policies and Procedures Framework and relevant MACS financial and operational delegation instruments.

2. Conflicts of interest

- 2.1 If any related party transaction raises any financial or non-financial actual, potential or perceived conflict of interest is identified involving a responsible person, the conflict must be addressed in accordance with the Conflict of Interest Policy.

3. Maintenance of related party transactions register

- 3.1 A register of related party transactions must be prepared and maintained by the:

3.1.1 Company Secretary, for all related party transactions that are entered into by or on behalf of MACS and that do not concern a transaction at a MACS school or MACSEYE service.

3.1.2 principal/director of each MACS school or MACSEYE service, in respect of all relevant transactions concerning that school or service.

3.2 Records for related party transactions must be retained for a period of seven years from the year of the related party transaction.

3.3 The Company Secretary may, on reasonable notice to a principal/director of a MACS school or MACSEYE service, request a copy of the related party transactions register maintained by the principal for responsible persons of that MACS school.

4. Ordinary citizen transactions

4.1 Where an ordinary citizen transaction occurs for MACS, a MACS school, MACSEYE services or a MACS responsible person under standard commercial terms, it is not required to be disclosed either in the register of related party transactions or in the financial statements of MACS, MACS schools or MACSEYES services. Examples of these transactions include banking on standard commercial terms with a related party banking entity (e.g. the Catholic Development Fund), the payment of standard tuition fees and levies by a responsible person for a child enrolled in a MACS school or MACSEYE service, or purchases by a responsible person from a school's uniform shop, canteen or bookshop.

5. Disclosure of related parties and related party transactions

5.1 Related party transactions will be disclosed in the MACS consolidated financial statements, as required by Australian Accounting Standards Board (AASB) Standard 124 and an audit assessment of materiality.

6. Annual review of related party transactions

6.1 The Company Secretary and the principal/director of each MACS school or MACSEYE service are required to annually:

6.1.1 make formal inquiries to responsible persons to request details of any related party transactions that may not already be reflected on the register of related party transactions maintained by the Company Secretary or the principal /director (as applicable to the related party register)

6.1.2 update the register of related party transactions as required, based on the disclosures made in response to the inquiry.

6.1.3 submit the register of related party transactions for external audit on request.

7. Audit of related party transactions register

7.1 MACS must ensure that there are procedures in place for an external audit of the related party transaction registers maintained by MACS and each MACS school or MACSEYES service.

7.2 The external audit report of the related party transactions registers must be retained by the Company Secretary and each principal/director of a MACS school or MACSEYE service for at least seven years before archiving or disposing.

8. Review

8.1 This policy will be reviewed regularly by the MACS board at least once every two years, and may be revised to improve existing procedures or reflect changes in any applicable legislation.

8.2 Any changes to this policy must be communicated to responsible persons in a timely manner.

Roles, responsibilities and reporting

Role	Responsibility	Reporting requirement (if applicable)
Company Secretary	Maintain a register of related party transactions for all related party transactions that are entered into by or on behalf of MACS and that do not concern a transaction at a MACS school or MACSEYE service	Submit for external audit on request
Company Secretary	Annually make formal inquiries to responsible persons to request details of any related party transactions that may not be already reflected on the register of related party transactions	Include in register of related party transactions and update register of interests if required
Principal/director	Maintain a register of all relevant related party transactions that occur at the school or service	Submit for external audit on request
Principal/director	Annually make formal inquiries to responsible persons to request details of any related party transactions that may not already be reflected on the register of related party transactions	

Definitions

Conflict of interest

A conflict of interest arises where an individual's personal interest conflicts with their responsibility to act in the best interests of MACS or its subsidiaries, MACSS and MACSEYE.

Delegate

A role, position or group (i.e. a committee) that has authority to act or make decisions in the manner and to the extent prescribed in a policy, framework or delegation instrument.

Melbourne Catholic Archdiocese Schools Ltd

Melbourne Archdiocese Catholic Schools Ltd (MACS) and/or its subsidiaries, MACSS and/or MACSEYE (as the context requires).

Melbourne Archdiocese Catholic Schools Early Years Education Ltd

Melbourne Archdiocese Catholic Early Years Education Ltd (MACSEYE), a subsidiary of MACS established to conduct early childhood education and care services.

Melbourne Archdiocese Catholic Specialist Schools Ltd

Melbourne Archdiocese Catholic Specialist Schools Ltd (MACSS), a wholly owned subsidiary of MACS established to conduct and operate specialist schools.

MACS board or board

The board of Melbourne Archdiocese Catholic Schools Ltd (MACS), being also the board of Melbourne Archdiocese Catholic Specialist Schools Ltd (MACSS) and the board of Melbourne Archdiocese Catholic Schools Early Years Education Ltd (MACSEYE) in an *ex officio* capacity (as the context requires).

Principal/director

Individual appointed by MACS as principal in a MACS school or as director in a MACSEYE service.

Prohibited agreement or arrangement

As defined in regulation 5 of the *Education and Training Reform Regulations 2017*.

Related party

For the purposes of this policy, a related party is, but is not limited to:

- a responsible person or a close relative of the responsible person
- any organisation or entity that owns, controls or has significant influence over MACS or vice versa (e.g. parent entities, subsidiaries or agencies of the MACS' proprietor/sole member)
- any organisation that has the same proprietor/member as MACS
- any profit or not-for-profit organisation affiliated with MACS, including specifically, but not limited to, Catholic Education Commission Victoria Ltd (CECV), Catholic Capital Grants (Victoria) Ltd (CCG), Catholic Education Long Service Scheme (Victoria) (LSL Scheme).
- a company or other entity owned (wholly or partly) by any of the above
- a company or other entity under the control or significant influence of any of the above; or
- any third party otherwise acting in concert with any of the above.

Related party transaction

For the purposes of this policy, a related party transaction includes any transaction through which a responsible person, acting on behalf of MACS (including a MACS school or MACSEYE service), provides a financial or other tangible benefit to a related party. This may include a transfer of resources, services or obligations between MACS (including a MACS school or MACSEYE service) and a related party regardless of whether a price is charged, and irrespective of whether there is cash or in-kind payment. Related party transactions can include, without limitation:

- purchases, sales, donations
- receipt of goods, services or property
- leases and other occupancy arrangements
- transfers of property including intellectual property
- loans and other financial assistance
- guarantees
- assumption of an obligation of a related party
- provision of employees on a paid or complimentary basis.

Responsible person

Responsible person as defined in MACS Responsible Persons Policy, including:

- the sole member of MACS, being the Archbishop of the Archdiocese of Melbourne
- MACS board directors
- MACS board committee members
- the Executive Director of, and any other person who is concerned in or takes part in, the management of MACS
- principals/directors, deputy principals in each MACS school and MACSEYE service and other persons concerned in, or taking part in the management of, a MACS school and MACSEYE service
- the Chief Financial Officer or a person holding a similar position in MACS or any other person with responsibility for managing finances in MACS schools and MACSEYE services
- business managers in MACS schools and other persons with responsibility for managing the school finances
- any other person who, by the person's conduct, assumes a position of authority over the governance or management of a MACS school or MACSEYE service.

Related policies and resources

Related policies

Conflict of Interest Policy

MACS Office Financial Delegations Instrument

MACS Primary School Financial Delegations Instrument

MACS Secondary School Financial Delegations Instrument (includes Special Schools and Special Assistance Schools)

Resources

[Victorian Registration & Qualifications Authority \(VRQA\) Guidelines to the Minimum Standards](#)

[ACNC Related Party Transactions](#)

Relevant legislation and standards

[AASB 124 Related Party Disclosures](#)

[Education and Training Reform Regulations 2017](#)

[Australian Charities and Not-for-profits Commission \(ACNC\) Governance Standards](#)

[Corporations Act 2001 \(Cth\)](#)

Policy information table

Responsible director	Director, Finance and Infrastructure Services
Policy owner	Director, Finance and Infrastructure Services
Approving authority	Executive Director
Assigned board committee	Finance and Audit
Approval date	9 November 2022
Risk Rating	High
Date of next review	November 2024
Publication details	CEVN, gabriel

POLICY DATABASE INFORMATION	
Assigned Framework	Financial
Related documents	
Superseded documents	
New policy	New