Key Management Personnel (KMP) Reporting Procedure

Section 1 - Purpose

(1) This Procedure details the requirements for identifying and reporting Key Management Personnel (KMP) in the financial statements of the University and each of its Controlled Entities. It applies to all University activities requiring KMP reporting and supports the Controlled Entities Policy, which establishes the University's governance framework for Controlled Entities.

(2) Australian Accounting Standards (AASB 124) require that an entity's financial statements contain disclosures that identify KMP, their Compensation, and the existence of any relationships between the KMPs (and Close Members of the Family of the KMP) and other entities with which the reporting entity has transactions or agreements, where this has led to non-arm's length trading.

Scope

(3) This Procedure applies to all identified KMP within the Macquarie University Group, and all staff responsible for ensuring compliance with the requirements of this Procedure.

Section 2 - Policy

(4) Refer to the Controlled Entities Policy.

Section 3 - Procedures

Responsibilities and Required Actions

Key Management Personnel Register of Interests

(5) The single Group-wide Key Management Personnel Register of Interests will contain a full listing of all individuals identified as being a KMP (as defined in this Procedure) for any entity in the University Group. The KMP Register will include, for each identified KMP:

a. a list of all entities within the University Group for which they have KMP status;
b. details of Directorships, equity interests or other relationships of significant influence held by the KMP (and Close Members of the Family of the KMP) in the preceding twelve (12) months; and
c. any agreements or transactions entered into by the KMP or Close Members of the Family of the KMP with any entity within the University Group.

(6) The latest version of the KMP Register will be available to University Council via the Diligent Council Resource Centre, to aid in the discharge of their governance responsibilities.

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Financial Statement Reporting Requirements

(7) The Board of Directors of each entity will ensure that the following information concerning Key Management Personnel of that entity is included in that entity's audited annual financial statements:

a. a list of Key Management Personnel, including dates of any appointments or resignations during the year;
b. Key Management Personnel Compensation paid directly by the entity to the group of identified KMPs, both as an aggregate total and for each of the following expenditure categories:
    i. short-term employee benefits;
    ii. post-employment benefits;
    iii. other long-term benefits;
    iv. termination benefits; and
    v. share-based payments.

    Note that those Controlled Entities that have elected to prepare financial statements under Reduced Disclosure Requirements need only report the above Compensation in aggregate, not by category.
c. Amounts incurred by the entity for the provision of KMP services that are provided by a separate entity. This includes any amounts paid by the reporting entity to a related party (a parent entity or entity under common control) as reimbursement for direct salary costs that are incurred by the second party to deliver KMP services to the reporting entity.
d. Details of all loans to KMPs during the financial year, including opening and closing balances, interest paid and payable.
e. The results of a review performed of transactions with entities in which KMPs have declared their interest via the KMP Register, including an assessment of whether these transactions have occurred at arm's length and on terms and conditions consistent with those that it is expected that the entity would have adopted for a normal employee, customer or supplier relationship.

Responsibilities

Governance and Compliance Services

(8) Governance and Compliance Services is required to maintain the Key Management Personnel Register of Interests for the University Group, including:

a. identifying KMPs across the University Group, including dates when an individual became and ceased to be a KMP;
b. providing training and advice to KMPs on the requirements of this Procedure;
c. undertaking bi-annual formal reviews and updating the contents of the KMP Register (as defined in this Procedure) for identified KMPs (one update must be dated 31 December each year);
d. updating the KMP Register for changes to KMP interests as they are advised by a KMP during the year; and
e. obtaining a final KMP declaration from any KMP that relinquishes their role as a KMP of the University or of any Controlled Entity.

(9) A form or other written correspondence may be used to gather information from KMPs. An example form is included as Attachment A: Key Management Personnel Declaration Form to this Procedure.

Key Management Personnel

(10) Key Management Personnel are required to:

a. accurately and completely disclose information required for population in the KMP Register;
b. advise Governance and Compliance Services of any changes in the details in the KMP Register on a timely basis; and
c. complete a final KMP declaration for the KMP Register when they relinquish their role as a KMP.

Group Payroll Manager

(11) The Group Payroll Manager will provide all Compensation details of identified KMPs to the Director, Financial Control and Treasury and relevant Controlled Entity Head of Finance, to enable reporting of KMP Compensation in the annual financial statements, as detailed under the 'Financial Statement Reporting Requirements' section.

Director, Financial Control and Treasury and Controlled Entity Heads of Finance

(12) The Director, Financial Control and Treasury and Controlled Entity Heads of Finance will oversee:

a. the inclusion of information received by Governance and Compliance Services and the Group Payroll Manager in the relevant entity's financial statements; and
b. the review of transactions with entities in which KMPs have declared their interest via the KMP Register, as detailed under the 'Financial Statement Reporting Requirements' section.

Section 4 - Guidelines

(13) Nil.

Section 5 - Definitions

(14) Commonly defined terms are located in the University Glossary. The following definitions apply for the purpose of this Procedure:

a. Compensation means all employee benefits, e.g. wages, salaries, paid leave, bonuses and superannuation contributions.
b. Close Members of the Family of the KMP means those family members who may be expected to influence, or be influenced by, the KMP in their dealings with the entity and include:
    i. the KMP's children and spouse (or domestic partner);
    ii. children of the KMP's spouse (or domestic partner), e.g. step-children; and
    iii. the KMP's dependents or dependents of the KMP's spouse (or domestic partner).
c. Controlled Entity Head of Finance means the most senior person in a Controlled Entity with responsibility for Finance. This role may have a local title, e.g. Finance Director or Finance Manager.
d. Executive Group means the senior management leadership team of an entity with responsibility for collectively directing and controlling the activities of the overall entity. This team may have a local title in a Controlled Entity.
e. Key Management Personnel (KMP) means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including:
    i. members of the entity's Executive Group;
    ii. directors (whether executive or otherwise) of a Controlled Entity; and
    iii. members of Committees that report to a Controlled Entity's Board or to the University Council, where those Committees have been granted formal delegated financial or executive powers under the entity's Delegations of Authority Register.

The following specific interpretations of the term KMP apply for the Macquarie University Group:

- a person is considered a KMP if they have met the KMP criteria at any time in the reporting year (1 January to 31 December);
- Management leaders of Faculties, Offices, Divisions or Business Units are only identified as KMPs of an entity if they are also members of the Executive Group of that entity;
- a person may be a KMP of more than one entity in the University Group (e.g. a member of University Executive Group and a Director of a Controlled Entity);
- a person may be a KMP of a Controlled Entity (e.g. they may be a member of a Controlled Entity Executive Group or a Controlled Entity Board) but not a KMP of the University (e.g. they are not a member of University Council or the University Executive Group); and
- the State and the Federal Ministers for Education are not KMPs of the University (per Financial Statement Guidelines for Australian Higher Education Providers).

f. Key Management Personnel Register of Interests ('KMP Register') means a register that identifies all KMPs of all entities in the University Group, and details information as listed under the 'Key Management Personnel Register of Interests' section.

g. Macquarie University Group or University Group means Macquarie University and its Controlled Entities.

Status and Details

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Responsible Executive	James Lonsdale General Counsel
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