

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](#).

(2) Australian Accounting Standards (AASB 124 Related Party Disclosures) require that an entity's financial statements contain disclosures that identify KMP, their Compensation, and the existence of any relationships between the KMP (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 University Group, and all staff responsible for ensuring compliance with the requirements of this Procedure.

Section 2 - Policy

(4) Nil.

Section 3 - Procedures

Responsibilities and Required Actions

Key Management Personnel Register of Interests

(5) The single Group-wide KMP 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) within the twelve (12) months preceding their commencement as a KMP and at any time during the relevant year for financial reporting; 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 KMP Register will be available to the University Council to aid in the discharge of its governance responsibilities.

Financial Statement Reporting Requirements

(7) The University Council and the Board of Directors of each Controlled Entity will ensure that the following information concerning KMP of the respective entity is included in that entity's audited annual financial statements as required by the applicable Accounting Standards under which the entity prepares its financial statements:

- a. a list of KMP, including dates of any appointments or resignations during the year;
- b. details of KMP Compensation paid directly by the entity to the group of identified KMPs;
- 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; and
- f. any other information required by the Accounting Standards.

Responsibilities

Governance and Compliance Services

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

- a. collating and recording information from individuals identified as KMP across the University Group, including dates when an individual becomes and ceases to be a KMP of the University or of any Controlled Entity;
- b. providing advice to KMP on the requirements of this Procedure;
- c. undertaking a formal review of the KMP Register (as defined in this Procedure) for identified KMP and ensuring that the KMP Register is up to date as at 31 December each year; and
- d. updating the KMP Register for changes to KMP interests as they are advised by a KMP during the year.

(9) The Key Management Personnel Declaration Form (as provided in Attachment A to this Procedure) will be used to gather information from KMP.

Key Management Personnel (KMP)

(10) KMP are required to:

- a. complete a KMP Declaration Form promptly and accurately when they commence their role as a KMP to provide the information required for recording in the KMP Register; and
- b. advise Governance and Compliance Services of any changes in the details in the KMP Register on a timely basis.

Manager, Payroll Services

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

Director, Group Financial Control

(12) The Director, Group Financial Control will oversee:

- a. the inclusion of information received from Governance and Compliance Services and the Manager, Payroll Services in the relevant entity's financial statements; and
- b. the review of transactions with entities in which KMP 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) The following definitions apply for the purpose of this Procedure:

- a. Compensation has the same meaning as defined in AASB 124, which refers to all employee benefits, including short-term employment, post-employment, and termination benefits, and share-based payment.
- b. Controlled Entity has the same meaning as defined in the [Macquarie University Act 1989](#), which refers to a controlled entity of the University or the Council;
- c. Close Members of the Family of the KMP, has the same meaning as close members of the family of a person as defined in AASB 124, which refers to those family members who may be expected to influence, or be influenced by, the KMP in their dealings with the University or Controlled Entity and include:
 - i. the KMP's children and spouse or domestic partner;
 - ii. children of the KMP's spouse or domestic partner; and
 - iii. dependents of the KMP or the KMP's spouse or domestic partner.
- d. Key Management Personnel (KMP) has the same meaning as defined in AASB 124, which refers to those persons having authority and responsibility for planning, directing and controlling the activities of the University or its Controlled Entities, directly or indirectly, including:
 - i. members of the University Council and the University's Executive Group;
 - ii. Company Directors (whether executive or otherwise) of a Controlled Entity who are appointed as directors under the [Corporations Act 2001](#);
 - iii. the Chief Executive Officer of a Controlled Entity; and
 - iv. members of Committees of the University Council or Controlled Entity's Board where those Committees have been granted formal delegated financial or executive powers under the University's or Controlled Entity's Delegations of Authority Register. The following specific interpretations of the term KMP apply for the 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);
 - a person may be a KMP of more than one entity in the University Group (e.g. a member of the University's 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 Director or the Chief Executive Officer of 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 KMP of the University (in accordance with the [Financial Statement Guidelines for Australian Higher Education Providers](#)).

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

Status and Details

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