

SHIRE OF BRUCE ROCK

AUDIT COMMITTEE MINUTES MEETING 18 JULY 2024

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SHIRE OF BRUCE ROCK

AUDIT COMMITTEE MINUTES MEETING 18 JULY 2024

1. Declaration of Opening

The Chair, Cr Ram Rajagopalan declared the meeting open at 3.15pm.

2. Record of Attendance / Apologies / Leave of Absence (Previously Approved)

Chair	Cr R Rajagopalan
Deputy Chair	Cr AR Crooks
Councillor	Cr SA Strange
Chief Executive Officer	Mr J Merrick
Manager of Governance and Community Services	Ms N Ugarte
Independent Community Representative	Mrs Catherine Negri
Executive Services Officer	Ms S Wood (Minutes)

3. Response to Previous Public Questions Taken on Notice

4. Public Question Time

5. Petitions / Deputations / Presentations / Submissions

6. Confirmation of Minutes

Audit Committee Meeting held on 21 March 2024.

OFFICER RECOMMENDATION AND COMMITTEE DECISION

Resolution ARCM July 24 – 6.1

Moved: Cr S Strange
Seconded: Cr AR Crooks

That the minutes of the Audit and Risk Committee Meeting held on 21 March 2024 be confirmed as a true and correct record.

For: Cr AR Crooks, Cr R Rajagopalan, Cr S Strange, C Negri
Against: Nil
Carried 4/0

7. Reports of Officers

Agenda Reference and Subject:	7.1	Setting Material Variance for Monthly Financial Reports
Reporting Officer:		Manisha Barthakur, Manager of Corporate services
Author:		Manisha Barthakur, Manager of Corporate services
Disclosure of Interest		Nil
Attachments		Nil

Summary

Each year, the Audit and Risk Committee is to recommend to Council the material variance levels for the Monthly Financial Statements.

Background

The material variance is either a percentage or monetary value that highlights when explanations are to be made as to why there is a variance between the actual amount and the budgeted year-to-date figure.

Comment

Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and Australian Accountings Standard AASB 1031, each financial year, the Local Government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standard AAS 5, which is then to be used in the statements of financial activity for reporting material variances.

Council has been using a variance of 10% or an amount of \$5,000. This is a common variance used in Band 4 Local Governments and has been effective in the financial analysis.

Consultation

Mr John Merrick, Acting Chief Executive Officer

Statutory Implications

Local Government (Financial Management) Regulations 1996, r.34(5), Local Government Act 1995, Local Government (Audit) Regulations 1996

Risk Implications

Risk: That the adopted variance is not appropriate to measure material variances in the financial reports.		
Likelihood	Consequence	Rating
Unlikely	Major	Moderate
Action / Strategy		
Audit and Risk Committee to monitor the appropriateness of the material variances adopted.		

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Shire of Bruce Rock – Strategic Community Plan 2022-2032

Governance

4.3 Our organisation is well positioned and has capacity for the future

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION AND COMMITTEE DECISION

Resolution ARCM July 24 – 7.1.1

Moved: Cr S Strange
Seconded: Cr AR Crooks

Officer Recommendation

That the Audit and Risk Committee recommends to Council that it adopts a variance of 10% or an amount over \$5,000 (whichever is the lowest, for each category of Nature, for both revenue and expenditure) to be considered material for highlighting variances between the actual and the year-to-date budget figures in the Monthly Statement of Financial Activity for 2024-25.

For: Cr AR Crooks, Cr R Rajagopalan, Cr S Strange, C Negri
Against: Nil
Carried 4/0

8. Confidential Items

9. New Business of an urgent nature introduced by discussion of the meeting.

10. Closure of Meeting.

The Chair, Cr R Rajagopalan closed the meeting at 3.17pm.

These minutes were confirmed at a meeting on

Cr Ram Rajogopalan
Chair