

SHIRE OF BRUCE ROCK

AUDIT COMMITTEE MINUTES MEETING 20 AUGUST 2020

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SHIRE OF BRUCE ROCK

AUDIT COMMITTEE AGENDA MEETING 20 AUGUST 2020

1. Declaration of Opening

The Shire President Stephen Strange declared the meeting open at 3.31pm.

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

President	Cr SA Strange
Deputy President	Cr R Rajagopalan
Councillors	Cr AR Crooks
	Cr IS Dolton
	Cr KP Foss
	Cr NK Kilminster
	Cr PG Negri
	Cr BJ Waight
	Cr RA Waye
Chief Executive Officer	Mr DRS Mollenoyux
Deputy Chief Executive Officer	Mr A O’Toole
Manager of Finance	Mrs JL Bow
Executive Assistant	Mrs MJ Schilling

3. Response to Previous Public Questions Taken on Notice

4. Public Question Time

5. Petitions / Deputations / Presentations / Submissions

6. Confirmation of Minutes

6.1. Audit Committee Meeting – 21 May 2020

COMMITTEE DECISION

Resolution ACM Aug 20 – 6.1

Moved: Cr Rajagopalan

Seconded: Cr Waye

That the minutes of the Audit Committee held 21 May 2020 be confirmed as a true and correct record.

Carried 9/0

7. Reports of Officers

7.1. Manager of Finance

Agenda Reference and Subject:	7.1.1 Setting Material Variance for Monthly Financial Reports
File Reference:	8.2.6.2 – Annual Financial Statements
Reporting Officer:	Jennifer Bow, Manager of Finance
Disclosure of Interest	Nil

Summary

Each year, the Audit Committee is asked to re-set 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

Each financial year, the local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in the statements of financial activity for reporting materials variances.

Consideration of Materiality (AAS (Australian Accounting Standard) 5)

Paragraph 4.1

Information is material if its omission, misstatement or non-disclosure has the potential to adversely affect:

- a) decision about the allocation of scarce resources made by users of the financial report; or*
- b) the discharge of accountability by the management or governing body of the entity.*

Council have been using a variance of 10% or an amount of \$5,000.

In consultation with Council's auditor, AMD, they are also happy with 10% or \$5,000.

Consultation CEO, MOF and AMD (Council's external auditors)

Statutory Implications

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

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Strategic Community Plan 2017-2027

Goal 12 Council leads the organisation in a strategic and flexible manner

10 Year Outcome – We are financially viable whilst meeting all levels of compliance

Voting Requirements

Simple Majority

COMMITTEE DECISION

Resolution ACM Aug 20 – 7.1.1

Moved: Cr Dolton

Seconded: Cr Negri

That the audit committee recommends that Council adopt a variance of 10% or an amount over \$5,000 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 2020/21.

Carried 9/0

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

9. Closure of Meeting.

The Shire President Stephen Strange declared the meeting closed at 3.35pm.