

SHIRE OF BRUCE ROCK

AUDIT COMMITTEE AGENDA MEETING 18 AUGUST 2022

TABLE OF CONTENTS

1.	Declaration of Opening	2
2.	Record of Attendance / Apologies / Leave of Absence (Previously Approved)	2
3.	Response to Previous Public Questions Taken on Notice	2
4.	Public Question Time	2
5.	Petitions / Deputations / Presentations / Submissions	2
6.	Confirmation of Minutes	2
6.1.	Audit Committee Meeting – 19 May 2022	2
7.	Reports of Officers	3
7.1.	Manager of Finance	3
7.1.1	Setting Material Variance for Monthly Financial Reports	3
7.1.2	Financial Management Systems Review Report	5
8.	New Business of an urgent nature introduced by discussion of the meeting.	6
9.	Closure of Meeting.....	6

SHIRE OF BRUCE ROCK

AUDIT COMMITTEE AGENDA MEETING 18 AUGUST 2022

Disclaimer

The recommendations in the Agenda are subject to confirmation by Council. The Shire of Bruce Rock warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council Committee meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Bruce Rock for any act, omission or statement or intimation occurring during a Council Committee meeting.

- 1. Declaration of Opening**
- 2. Record of Attendance / Apologies / Leave of Absence (Previously Approved)**
- 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 – 19 May 2022

That the minutes of the Audit Committee Meeting held 19 May 2022 be confirmed as a true and correct record.

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
Author:		Jennifer Bow, Manager of Finance
Disclosure of Interest		
Attachments:		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.

Staff have also contacted OAG's contract auditors, Robert Hall, Director, Dry Kirkness (the audit team from Butler Settineri has joined Dry Kirkness) for comment to confirm if he is also happy with 10% or \$5,000.

Consultation

Darren Mollenoyux, Chief Executive Officer
Jennifer Bow, Manager of Finance
Robert Hall, Director, Dry Kirkness

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

Governance

Goal 12 Council leads the organisation in a strategic flexible manner

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

Voting Requirements

Simple Majority

Officer Recommendation:

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 2022-23.

Agenda Reference and Subject:

7.1.2 Financial Management Systems Review Report

File Reference:

8.2.6.1 Annual Audit

Reporting Officer:

Jennifer Bow, Manager of Finance

Disclosure of Interest

Attachment

Item 7.1.2 Attachment A – CONFIDENTIAL Financial Management System Review

Officer Recommendation

That in accordance with Section 5.23(2) of the Local Government Act 1995, the meeting is closed to the members of the public for this item as the following sub-section applied:

(e) a matter that if disclosed, could be reasonably expected to –

(iii) information about the business, professional, commercial or financial affairs of a person.

Officer Recommendation

That in accordance with Section 5.23(2) of the Local Government Act 1995, Council reopens the meeting to the members of the public.

Officers Recommendation

That the Audit Committee receives Financial Management Systems Review by AMD and recommendations from management.

- 8. New Business of an urgent nature introduced by discussion of the meeting.**
- 9. Closure of Meeting.**