

SHIRE OF BRUCE ROCK

AUDIT COMMITTEE MINUTES MEETING 29 JULY 2019

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SHIRE OF BRUCE ROCK

AUDIT COMMITTEE AGENDA MEETING 29 JULY 2019

1. Declaration of Opening

The Committee Chair, Stephen Strange declared the meeting open at 5.54pm.

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 PG Negri
	Cr MK Thornton
	Cr BJ Waight
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
Senior Finance Officer	Mr M Darby
Apology	Cr NC Kilminster

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 – 20 June 2019

COMMITTEE DECISION

Resolution ACM July 19 – 6.1

Moved: Cr Rajagopalan

Seconded: Cr Thornton

That the minutes of the Audit Committee held Thursday 20 June 2019 be confirmed as a true and correct record.

Carried 8/0

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 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 July 19 – 7.1.1

Moved: Cr Thornton

Seconded: Cr Crooks

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 2019/20.

Carried 8/0

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

9. Closure of Meeting.

The Committee Chairman, Mr Stephen Strange thanked everyone for their attendance and closed the meeting at 5.56pm.

These minutes were confirmed at a meeting on

Cr Stephen Strange
Shire President