



COUNCIL POLICY

Material Variance

Policy Number:	2.4
Policy Subject:	Material Variance
Policy Statement:	Determining a material variance amount to be reported in the Statement of Financial Activity.
Objective:	To ensure compliance with Australian Accounting Standard 5 Materiality.
Guidelines:	<p>In the preparation and presentation of financial reports, Council is required to adopt a percentage and/or value in accordance with Australian Accounting Standard 5 Materiality, to be used in the statement of financial activity for reporting material variances. Materiality is defined as 'information is material if its omission, misstatement or non-disclosure has the potential to adversely affect:</p> <ol style="list-style-type: none">1) Decisions about the allocation of scarce resources made by users of the financial report; or2) The discharge of accountability by the management or governing body of the entity'. <p>Any variance +/- 10% or \$10,000, whichever is the greater, will be disclosed in the monthly statement of financial activity.</p>
Resolution No:	Ordinary Council OC32/06
Resolution Date:	24 August 2005
Amended:	22 October 2014 27 March 2018 OC/106/14 OC29/18
Source:	Manager of Finance
Date of Review:	October annually
Review Responsibility:	Executive Manager Finance & Administration