

2.4 Material Variance

Policy No	2.4	
Policy Name	Material Variance	
Responsible Directorate	Finance & Administration	
Responsible Officer	Manager of Finance	
Council Adoption	Date: 27/03/2018	Resolution No. OC/18
Reviewed/Modified	Date:	Resolution No.
Review Date	March 2020	
Legislation	<i>Local Government Act 1995</i>	
Related Policies		
Related Organisational Directives		

Objective: To ensure compliance with Australian Accounting Standard 5 Materiality.

Policy Statement: Determining a material variance amount to be reported in the Statement of Financial Activity

Guidelines: 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:

- 1) Decisions about the allocation of scarce resources made by users of the financial report; or
- 2) The discharge of accountability by the management or governing body of the entity',

Any variance +/- 10% or \$10,000, whichever is the greater, will be disclosed in the monthly statement of financial activity.