



elrc

EDUCATION LABOUR
RELATIONS COUNCIL

**POLICY ON MATERIALITY AND
SIGNIFICANCE FRAMEWORK**

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1. Definitions

EXCO	The ELRC Executive Committee.
Material	An item or information is material if it could influence the decisions of the Council.

2. Introduction

EXCO has to maintain an agreed framework of acceptable levels of Materiality and Significance.

3. Materiality

In arriving at the materiality of an item or information the following factors have to be taken into account:

- The nature of the business of the ELRC;
- Statutory and legal requirements affecting the ELRC;
- The inherent and control risks associated with ELRC; and
- Quantitative and qualitative issues.

4. Significance

EXCO will report of the following items, which are considered as significant:

- The acquisition and disposal of major (part of) assets;
- The beginning of significant business activities; and
- Major investments (changes) of funds.

5. Materiality and Significance of Framework

The following guidelines will apply:

Revenue and Expenditure are the best indicators that the ELRC is a non-capital intensive business activity.

Materiality

EXCO has assessed the level of materiality to be:

- 0.5% of budgeted expenditure
- Every amount in respect of criminal conduct
- An amount >R10 000 individually or in aggregate for irregular, fruitless and wasteful expenditure involving gross negligence

Significance

EXCO has assessed that any transaction that is ≥R2 million will be reported on as been significant in relation to:

- The acquisition or disposal of major (part of) assets
- The beginning of significant business
- Major investments (changes) of funds

6. Deviations

No deviation from this policy shall be allowed without the prior written approval of the General Secretary of the ELRC.

7. Review

The materiality and significance must be reviewed annually and are included in the Annual Performance Plans of each ensuing financial year.

8. Approvals

Date of approval:

Signature:

Designation: