

BUDGET REPORTING AND AMENDMENT POLICY	
Council Policy	
TRIM Reference	AR19/288[v2]
First Issued	26 November 2012
Last Reviewed	22 August 2023
Next Review	February 2027

1. POLICY STATEMENT

- 1.1 This policy provides clear direction to management and workers in relation to amending, and reporting performance against, Council's adopted budget.

2. PURPOSE

2.1 Purpose

The intention of the Budget Reporting and Amendment Policy is to provide management with a framework to operate within in regards to the following:

- a) The content, timing and process to be followed for reporting to Council on its performance against budget;
- b) The scope and conditions associated with the Chief Executive Officer approving variations in activity (that are within the scope of the approved budget allocations) without obtaining Council approval; and
- c) The process required to be followed as well as general guidelines in relation to the carrying forward of expenditure authority associated with projects included in the budget for the previous year.

2.2 Scope

The scope of this policy relates to reporting and amendment of the budget of the current financial year.

2.3 Strategic Reference

5 Governance and Financial Sustainability

5.1 We are inclusive, engaged and open

5.3 We are in a surplus financial operating position

5.5 We meet or exceed legislative and accreditation requirements for all relevant programs.

3. PRINCIPLES

3.1 Timing and Content of Budget Reporting to Council

- 3.1.1 In accordance with the Local Government (Financial Management) Regulations 2011 and the LGA Information Paper 25 - Monitoring Council Budget Performance, the following reports will be presented to the Audit Committee and Council:

Budget Update: To be prepared twice during the period of October and May, and will include a revised forecast of the operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget.

Mid-Year Review: To be prepared during the period of December to January, and will include a revised forecast of each item shown in the budgeted financial statements for the relevant financial year compared with estimates set out in the budget. It will also include a revised forecast

for the relevant financial year of the operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget.

Budget Results Report: To be prepared by 31 December in each year, showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the financial statements of the council, for the previous financial year compared with the estimated financial results set out in the budget. It must also include the audited financial results for the previous financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio.

These reports must be presented in a manner consistent with the Model Financial Statements.

3.2 Request for Budget Variation

- 3.2.1 All requests for Budget Variations must be documented on the 'Budget Variation Request Form' and forwarded to Management Group for discussion. Requests for variances within functions may be approved by the CEO as per 3.4 below. Budget variations outside of the scope of budget will be referred to Council as per 3.3 below.

3.3 Approval of Variations outside the scope of the Budget

- 3.3.1 Council approval must be sought and obtained before commitments are made that would result in activity outside of the budget limits.

In considering a request for a revision to its budget Council will consider the impact the approval would have on the achievement of the targets for financial indicators established in Council's original budget. It will also consider the capacity to increase other revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to offset the variation and the merit of so doing.

3.4 Approval of variations within the scope of the Budget

- 3.4.1 Where circumstances so warrant the Chief Executive Officer may authorise variations in activity that are within the scope of approved limits for budget items providing that variations made do not:

- a) in aggregate exceed threshold value limits for that function/activity outlined in the Budget;
- b) materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation; and
- c) impact on any explicit proposals Council has included in its Annual Business Plan or as otherwise publicly committed to and accommodated in its budget.

3.5 Guidelines in relation to the carry forward of expenditure authority associated with projects included in the budget for the previous financial year.

Funding approval for budgeted projects not completed at the end of any financial year is forfeited unless approval to carryover the project and associated budget allocation is granted by Council.

Operating activity budgeted for but not expended in a year shall not be carried forward generally to the following year. Identifiable operating projects that will not commence or be substantially completed in the year that they have been budgeted, should be re-evaluated and included (if appropriate) in the budget for the following year at the time of its adoption.

Similarly capital projects that have not been substantially commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year.

4. RESPONSIBILITY & REVIEW

4.1 Responsible Officer

Director Corporate & Community Services

4.2 Availability

This policy will be available on Council's website.

4.3 Review

This policy will be reviewed within 12 months of a General Election for Local Government, or as required to meet other obligations.

5. REFERENCES

5.1 Legislation

Local Government (Financial Management) Regulations 2011 - Regulations 7, 9 & 10

5.2 Other References

LGA Financial Sustainability Information paper 25 - February 2015



BUDGET VARIATION REQUEST

FINANCIAL YEAR _____ / _____

EXPLANATION OF BUDGET VARIANCE

OPTION A – BUDGET VARIATION REQUESTED

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BUDGET TO BE INCREASED	WORK ORDER	AMOUNT
BUDGET TO BE DECREASED	WORK ORDER	AMOUNT
		TOTAL = NIL

OPTION B – FOR NOTING ONLY, NO BUDGET VARIATION REQUIRED

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Requesting Director:	
Department Manager/s Notified:	
MG / Council Approval:	
Authority updated by Finance Officer:	
Budget Reports updated by Finance Manager:	