

Budget Management Policy

Classification	Council Policy
Responsible Officer	Group Manager Finance
Relevant Legislation	<i>Regulations 7, 9 and 10 of the Local Government (Financial Management Regulations 2011 & 2013)</i>
Related Policies	Financial Internal Controls Policy
Related Corporate Documents	Annual Business Plan and Budget Long Term Financial Plan
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1. Introduction

- 1.1. This policy establishes a Budget Management Framework which provides guidance on the planning, preparation, and reporting processes required in relation to annual budgeting and reporting cycle.

2. Scope

- 2.1. This policy applies to all staff involved in the annual budgeting and reporting cycle at the Town of Walkerville. All processes and reporting will be led by Group Manager Finance in collaboration with the Chief Executive Officer.

3. Policy statement

- 3.1. Council will prepare an Annual Business Plan and Budget which will;

- comply with *Local Government Act 1999* (the Act) and *Local Government (Financial Management) Regulation 2011* (related regulations);
- address objectives and activities of Council;
- take into account;
 - Strategic Management Plan;
 - Asset Management Plans;
 - Long Term Financial; and
 - Decisions of Council.

- 3.1.1. The objective of the Policy is to provide Council with a Budget Management Framework, which includes:

- The content, timing and process to be followed for reporting to Council on its performance against budget;
- the scope and approval of variation outside the budget; and
- 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.

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3.2. Timing and Content of Budget Reporting to Council

3.2.1. Annual Budget

The Annual Budget is a fundamental instrument of accountability and an essential pre-requisite to deciding the annual rate impost on the community. To ensure transparency and accountability management will prepare a timeline for adoption of the budget each year, which will include:

- opportunity for Council Members to discuss proposed budget in informal gathering sessions;
- review and feedback of the Audit & Risk Committee;
- community consultation including a public meeting.

Council will aim to adopt the budget after 31 May for the ensuing financial year and, except in a case involving extraordinary circumstances, before 15 August for the financial year. The content and format of the budget must comply with the *Act* and related regulations.

3.2.2. Budget reviews

A budget review report will be prepared three times a year with the timing and content to be consistent with the requirements of the related regulations and presented to the Audit & Risk Committee for review and to Council for adoption. Although the related regulations do not require budgeted financial statements to be presented with budget reviews one and three, for transparency and understandability a full suite of budgeted financial statements will be presented with all budget reviews, which compares the estimates provided in the budget in a manner consistent with the Model Financial Statements.

3.2.3. Reporting on financial results

A final report on audited financial results for the year must be presented to Council no later than 31 December in each year. This report will also be presented to the Audit & Risk Committee at its meeting following signing of the annual financial statements.

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The report will compare the audited financial results and the budgeted statement of comprehensive income, balance sheet and key performance indicators in a manner consistent with the Modal Financial Statements.

3.3. Variations outside of the approved budget

- 3.3.1. Council approval must be sought and obtained before commitments are made that would result in activity outside of the approved budget.
- 3.3.2. In considering a request for a revision to the budget, Council will consider the impact the approval would have on the achievement of financial targets 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. Expenditure outside of approved budget

- 3.4.1. The Chief Executive Officer may authorise expenditure outside of the approved budget for reasons of urgent necessity or emergencies. All such expenditure will be reported to Council as soon as possible providing reasons for expenditure approval outside of the endorsed budget.

3.5. Carry forward budgets

- 3.5.1. Budgeted activity not completed at the end of any budget year is forfeited unless approval to carry forward the activity and associated budget allocation is granted by Council.
- 3.5.2. Identifiable projects that will not commence in the year that they have been budgeted for should be re-evaluated and where warranted included in the budget for the following year.
- 3.5.3. Similarly, capital projects that have not commenced in one year should be re-evaluated and where warranted included in the budget for the following year.

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- 3.5.4. The scope and funding requirements of capital projects and major operating activities that are committed or underway but not completed at the end of one-financial year needs to be reviewed and considered for carrying forward as soon as possible in the following financial year.
- 3.5.5. Any request for carrying forward activity needs to be clearly highlighted as to whether the scope of the activity and its associated budget is proposed to be varied from that previously approved and, if so, the reasons.
- 3.5.6. Projects which are started in a financial year, but are not completed until next financial year, will be budgeted according to their completion timeline across the relevant years.

4. Availability of Policy

- 4.1. This Policy will be available for inspection at Council's principal office during ordinary business hours and on Council's website www.walkerville.sa.gov.au.
- 4.2. Copies will also be provided to interested members of the community upon request and payment of associated fees in accordance with Council's schedule of fees and charges.

5. Review

- 5.1. This Policy shall be reviewed once every council term, or more frequently if required by legislation or Council.