	<b>Function:</b> CORPORATE AND COMMUNITY SERVICE (FINANCIAL MANAGEMENT)	<b>Adopted:</b> 2 <sup>nd</sup> May 2012 <b>Resolution No.:</b> C667:12
	<b>Policy Number:</b> FIN008	<b>Last Review:</b> 6 <sup>th</sup> July 2022 <b>Resolution No.:</b> C189:0722
	<b>Version Number:</b> 9	<b>Next Review:</b> Annually
<b>BUDGET REPORTING AND AMENDMENT POLICY</b>		

## Policy Statement

### 1. Introduction

- 1.1. The Budget Reporting and Amendment Policy (Policy) provides clear direction to management and staff in relation to amending and reporting performance against Copper Coast Council's adopted budget.

### 2. Scope

- 2.1. This Policy provides clear direction to management and staff within Copper Coast Council (Council) and highlights reporting requirements for performance against, and periodic amendments to Council's adopted and amended Budgets.

### 3. Applicable Legislation

- 3.1. The following legalisation applies to this Policy:
- Local Government Act 1999
  - Local Government (Financial Management) Regulations 2011 (Regulations 7, 9 and 10).
- 3.2. This Policy is not a mandatory requirement but essential for good governance.

### 4. Integration with Corporate Objectives

- 4.1. This Policy supports Council's Strategic Plan 2019 - 2029
- 4.1.1. Governance Objective – Leadership
- Goal 5 - To provide leadership and ensure community resources are managed efficiently and effectively.
- 5.2 Finance – To have open, accurate and effective financial Management.

### 5. Related Council Policies and Documents

- 5.1. This Policy is also designed to operate in conjunction with other policies, including:
- Fraud and Corruption, Misconduct and Maladministration Policy;
  - Treasury Management Policy.
- 5.2. Other documents provided by Local Government Association of South Australia:
- Information Paper 25 - Monitoring Council Budget Performance (Dec 2019).

## 6. Definitions

For the purposes of this Policy, the following definitions apply:

- 6.1. **Authorised Officer** is defined as an Authorised person delegated authority under Section 44 of the *Local Government Act 1999*.
- 6.2. **Chief Executive Officer (CEO)** means the appointed Chief Executive Officer under Section 96 of the *Local Government Act 1999* and includes any person acting or delegated by the Chief Executive Officer's under Sections 100 and 101 of the *Local Government Act 1999*.
- 6.3. **Council** means the Copper Coast Council and any delegate of the Council.

## 7. Application

- 7.1. The Policy provides Council with the framework within which to operate in regards to the following:
  - 7.1.1. The content, timing and process to be followed for reporting to Council on its performance against budget;
  - 7.1.2. 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;
  - 7.1.3. 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.
- 7.2. Timing and Content of Budget Reporting to Council
  - 7.2.1. A budget update report is to be prepared and included in the Agenda of the Ordinary Meeting of Council at least twice (2) per year (between 30 September and 31 May (both dates inclusive) in the relevant financial year). The report will highlight at summary level budget activity for the year to date, original and revised budget information, and include the latest revised forecast of expected budget results for the year.
  - 7.2.2. The report will include data presented in a format similar to Figure 1.1 in the *Information Paper 25 Monitoring Council Budget Performance* and an explanation of any proposed budget variations not previously approved.
  - 7.2.3. A further Mid-year budget update must be prepared and included in the Agenda of the Ordinary Meeting of Council between 30 November and 15 March (both dates inclusive) in the relevant financial year. The report will show 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 presented consistent with the *Model Financial Statements*.
  - 7.2.4. The report must also include revised forecasts for the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget.
- 7.3. Approval of Variations outside the scope of the Adopted Budget
  - 7.3.1. Council approval must be sought and obtained before commitments are made that would result in activity outside of the budget limits.

- 7.3.2. 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.
- 7.4. Approval of Variations within the scope of the Adopted Budget
  - 7.4.1. 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:
    - 7.4.2. Materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation; and
    - 7.4.3. Impact on any explicit proposals Council has included in the Annual Business Plan or has otherwise publicly committed to and accommodated in its budget.
    - 7.4.4. Whenever such changes are made, the following Budget Update must include information from the Chief Executive Officer explaining the rationale for the decision.
- 7.5. Guidelines in relation to the carry forward of expenditure authority associated with projects included in the adopted or revised budget for the previous financial year.
  - 7.5.1. Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless approval to carry-over the activity and associated budget allocation is granted by Council.
  - 7.5.2. While there may be one-off exceptions, operating activity budgeted for but not expended in a year generally should not be carried forward to the following year. 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 at the time of its adoption. Similarly capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year rather than treated separately as 'carried forwards'.
  - 7.5.3. The scope and funding requirements of capital projects and major operating-type activities that are committed or underway but not completed at the end of one-financial year needs to be reviewed and the projects/activities considered for carrying forward as soon as possible in the following financial year.
  - 7.5.4. Any request for carrying forward activity needs to be clearly highlighted whether the scope of each activity item and its associated funding quantum is proposed to be varied from that previously approved and if so the reasons for same. Any impact on the achievement of the targets for a financial indicator established in Council's original budget for the current year also should be identified.

**8. Complaints**

- 8.1. Complaints under this Policy must be in writing to the Chief Executive Officer and lodged in accordance with Council’s Complaints Policy.
- 8.2. Any breaches under the Council Employee Code of Conduct will require evidence to support the allegation(s).
- 8.3. In the case of a complaint against the Chief Executive Officer, complaints must be in writing to the Mayor and will require evidence to support the allegation(s).

**9. Council Delegation**

- 9.1. Pursuant to Section 44 of the *Local Government Act 1999*, Council delegates to the Chief Executive Officer authority to administer Council’s policies.
- 9.2. Under Section 44 (3) a Council cannot delegate to its Chief Executive Officer (or to anyone else) the power to ‘approve expenditure of money on works, services or operations of the Council not contained in a Budget adopted by the Council’; nor ‘adopt or revise an Annual Business Plan or Budget of the Council’.

**10. Adoption and Review**



- 10.1. This Policy shall be reviewed annually, by the Director of Corporate and Community Services, with the review being undertaken by the Audit Committee and report provided to Council for consideration and adoption.
- 10.2. This Policy can be reviewed more frequently, if legislation or Council requires by the Audit Committee and a report shall be provided to Council for consideration and adoption.

**11. Records Management**

- 11.1. Official records will be managed in accordance with Councils Records Management Policy pursuant to Section 125 of the *Local Government Act 1999*.

**12. Availability of Policy**

- 12.1. Policies will be available for inspection without charge at Council’s Principal Office and on Council’s website [www.coppercoast.sa.gov.au](http://www.coppercoast.sa.gov.au).
- 12.2. A copy of this Policy may be obtained on payment of a fee in accordance with Councils’ Schedule of Fees and Charges.

Signed		
	Mayor	Chief Executive Officer
Date	6th July 2022	