

Council Policy

Budget Review

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| Policy Reference Number | FI01.12CP | Adoption Date | 16/08/2022 |
| Portfolio | Council Sustainability | Next Review Date | 16/08/2025 |
| Business Unit | Financial Management | Document ID | 11164915 |

Purpose / Objective

The objective of this Policy is to set appropriate guidelines for any amendment to be made to Council's original budget, referred to as a budget review.

Scope

This Policy relates to all budgeted revenue and expenditure of Council and applies to all those involved in the financial management of Council's resources.

Policy Statement

In accordance with Section 170 of the Regulation Council must adopt a budget at the commencement of each financial year. This is known as the original budget. Council's budget provides the authority for the expenditure of funds in each financial year. In accordance with Section 170(3) of the Regulation Council may, by resolution, amend the budget for a financial year at any time before the end of the financial year through a budget review.

Section 173(1) of the Regulation states that Council may spend money in a financial year before adopting its budget if it is provided for in its budget.

Section 173(2) of the Regulation states that Council may spend money not authorised in its budget for genuine emergency or hardship if it makes a resolution about spending the money before, or as soon as practicable after, the money is spent. This expenditure must be taken into account in a subsequent budget review.

A minimum of three budget reviews will be conducted during each financial year; as at 30 September, 31 December and 31 March. The budget may also be reviewed if there are budgets to be carried forward from the previous financial year.

A budget review permits a previously adopted budget to be amended. Changes to a budget may be required where new information is received or circumstances change. Reasons may include:

- A change in service level resulting in an increase or decrease in expenditure;
- A change in grant funding received for services or programs;
- Projects or services delayed or stopped for reasons beyond Council's control; or
- Unanticipated increases or decreases in expenditure or revenue.

Factors to take into consideration during a budget review include:

- Maintaining consistency with the following documents:
 - a. Long-term financial forecast;
 - b. Operational Plan
- Commitment to financial sustainability by ensuring that the adopted financial indicator targets are met;
- Accountability and transparency in the decision-making process;
- Providing value for money for the services provided.

To ensure the principles of this Policy are met, the Budget Review Procedure will apply during the budget review process.

Consideration of Human Rights under Human Rights Act 2019

In acknowledgement of the fundamental human rights recognised in International covenants this Council Policy has been developed and acknowledges a commitment to recognise the importance and protection of human rights in creating policies that serve to develop overarching frameworks, standards, behaviours or actions that affect the way in which Council serves the community of the Scenic Rim region.

An assessment of this Policy against the human rights determined that no human rights are limited or affected by this Policy.

Compliance, Monitoring and Review

The Council considers and adopts the revised budget with associated amendments.

The Executive Team review the revised budget in its entirety, ensuring the amendments adhere to this Policy, and recommend it for adoption by Council.

The General Managers are required to approve any proposed items or variations relevant to their area of responsibility prior to consideration by the Executive Team.

Managers are required to approve any proposed items or variations relevant to their area of responsibility prior to consideration by the relevant General Manager and to ensure that appropriate information necessary to ensure that the Mayor, Council and senior management are fully informed when making decisions relating to the budget has been provided.

Council Officers responsible for the financial management of an area must provide the information necessary to ensure that the Mayor, Council and senior management are fully informed when making decisions relating to the budget.

The Financial Management Coordinator is responsible for ensuring the Policy:

- Aligns with all relevant legislation and government Policy;
- Aligns with requirements/strategies/values; and
- Is reviewed to evaluate its continuing effectiveness.

Definitions

Act means the *Local Government Act 2009*.

Regulation means the *Local Government Regulation 2012*.

Related Legislation and Documents

1. *Local Government Act 2009*;
2. *Local Government Regulation 2012*;
3. Budget Review Procedure.

This Policy supports the Scenic Rim Regional Council Corporate Plan 2026, in particular theme - Open and Responsive Government

Approval and Review Details

| Approval and Review | Details |
|--------------------------------------|--|
| Original Approval Authority and Date | Council 21/06/2011 |
| Amendment Authority and Date | Council 16/08/2022 |
| Notes | Updated to new framework; removed Guidelines from Policy and developed supporting Procedure. |

Approved By:

SCENIC RIM REGIONAL COUNCIL

Adopted: 16/08/2022

Version Information

| Version No | Date | Key Changes |
|------------|------------|---|
| 1 | 21/06/2011 | Corporate and Community Services meeting 14/06/2011 Item No. 2.6; New Policy Ordinary Meeting |
| 2 | 26/11/2013 | Finance Committee meeting 19/11/2013 Item No. 2.3; Updates to LG Reg 2012; Ordinary Meeting |
| 3 | 28/06/2016 | Finance Committee meeting 21/06/2016 Item No. 2.5; no major changes; Ordinary Meeting |
| 4 | 16/08/2022 | Ordinary Meeting Item No. 10.5 |