

# BUDGET REVIEW POLICY

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## 1. OBJECTIVE

The objective of the policy is to provide Council with capacity to respond to contingencies and unexpected events that have budgetary implications for the adopted Annual Budget.

## 2. PRINCIPLES

Two budget reviews are to be conducted in the months of November and March of each financial year.

Only the review carried out between 1 January and 31 March each year is a statutory requirement and is forwarded within 30 days after Council adoption (by Absolute Majority) to the Department of Local Government in accordance with Regulation 33A of the *Local Government (Financial Management) Regulations 1996*.

Each request for change to the budget will be accompanied by a Budget Amendment Action Request Form (to be used outside of the annual budget/budget review process only). This request form will include:

- Why the recommended expenditure is required (i.e. legislative requirement);
- The need to re-budget the expenditure for the same purpose in the coming financial year or to return uncommitted expenditure to general revenue (purpose of expenditure has changed);
- Any variance (either increase or decrease) in the re-budgeted expenditure in comparison to the original amount budgeted;
- Any associated income implications; and
- Any other information of relevance to Councils Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan and Asset Management Plans.

In accordance with section 6.8 *Local Government Act 1995*, the Council or the CEO is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure –

- a) Is incurred in a financial year before the adoption of the annual budget by the local government;
- b) Is authorised in advance by resolution by Absolute Majority; or
- c) Is authorised in advance by the Mayor in an emergency.

Additional purpose means a purpose for which no expenditure estimate is included in the City's annual budget.

Where expenditure has been incurred by the City –

- a) Pursuant to subsection (1) (a), it is to be included in the annual budget for that financial year; and
- b) Pursuant to subsection (1) (c), it is to be reported to the next ordinary meeting of Council.

## 3. CONSEQUENCES

This policy represents the formal policy and expected standards of the City of Karratha. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

## 4. ROLES AND RESPONSIBILITIES

|                                |  |
|--------------------------------|--|
| CUSTODIAN                      | OFFICER RESPONSIBLE FOR IMPLEMENTATION |
| Manager Financial Services/CFO | Management Accountant                  |

## 5. REFERENCES TO RELATED DOCUMENTS

Include any informing Executive Guidelines, Procedural documents and forms.

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- City of Karratha - Corporate Business Plan
- City of Karratha - Annual Budget
- City of Karratha - Policy CE-1- Unbudgeted Financial Requests from Community
- City of Karratha - Corporate Calendar
- City of Karratha - Budget Amendment Action Request Form

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|-------------------------|---|
| Policy Number:          | CF-16   |
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| Resolution Numbers:     | 152396-Feb 2013; 153108-Apr 2015; 153768-Apr 2017 |
| Last Review:            | April 2017  |
| Next Review:            | April 2019  |
| Responsible Officer:    | Manager Financial Services/CFO                    |

*This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.*