



## POLICY – 4.1 – Budget Preparation Timetable

### Relevant Delegation

N/A

---

### Objective

To provide clear direction to elected members, staff and community members on the adoption of the Annual Budget, in compliance with the *Local Government Act 1995*.

### Policy Statement

The decision to adopt the annual budget is an approval given by Council to the Chief Executive Officer (CEO) for all items of expenditure to be committed without further authorisation except:

- Major projects requiring Council design approval.
- Works subject to tenders that require Council approval in accordance with Section 3.57 of the *Local Government Act 1995* and have not been delegated to the CEO under Section 5.43(b) of the *Local Government Act 1995*.
- Any other items specified by the Council at the time of adopting the Annual Budget requiring the approval of the Council.

This policy establishes a structure for the formalisation, administration and management of the Council's budget that satisfies statutory and Council requirements.

#### 1. Budget Formalisation Principles

- a) In setting budget priorities, the Strategic Community Plan, Corporate Business Plan, and Council-adopted initiatives provide guidance.
- b) The annual budget will be based on financial indicators from the Corporate Business Plan and other financial-related initiatives.
- c) Rating revenue is to be set at a level that will produce a balanced or small surplus budget.
- d) All budget submissions must include comprehensive cash flow requirements.
- e) When evaluating new initiatives, sustainability and value for money must both be considered.
- f) During the formalisation of the annual budget, the end-of-year current surplus/deficit will need to be estimated.
- g) General Rates revenue will be budgeted using a Differential Rates model pursuant to the *Local Government Act 1995*.
- h) Modelling of the proposed Differential Rates will be presented to Elected Members at a Budget Forum.

#### 2. Key Components of the Annual Budget

- a) Operational Income.
- b) Operational Expenditure.
- c) Capital Management.
- d) Reserves

3. Budget Considerations for Reserve Funds
  - a) The requirement for each reserve Fund and associated target values will be assessed, and nett transfers to Reserves will be managed in accordance with the Council's Long Term Financial Plan's goal of achieving target values.
  - b) Any budget excess found at the conclusion of each fiscal year is to be transferred to a Reserve account.
  
4. Form and Content of Budget and Working Papers
  - a) The budget will be produced and considered at a series of executive briefings and budget forums involving Elected Members before being submitted to Council.
  - b) The official budget will be presented to Council in accordance with Part 3 of the *Local Government (Financial Management) Regulations 1996*.
  
5. Mid-Year Budget Review and Corporate Business Plan Progress Report
 

Council will conduct a mid-year budget review between January and March each year for the purpose of addressing budget variations during the first half of the year, in line with financial regulations.
  
6. Community Engagement of the draft Municipal Budget
  - a) Posted on the Shires website for public comment for a period of 28 days.
  - b) The proposed differential rates will be advertised in accordance with the *Local Government Act 1995*, seeking additional and formal feedback.
  
7. Budget Management Timetable
 

The timetable below includes all of the major activities associated with the Council's budget processes, including the adoption of the Budget by a Special Meeting of Councillors in June of each financial year. It is only a guide and may be subject to minor changes.

– End of Policy

**COMMENT**

Formerly	Policy part 2.16, 3.5, 7.6	
New Policy		
Last Reviewed	25 February 2021	
Next Review Date	February 2022	
Amended	31 October 2019	
Adopted	21 December 2021 February 2021 31 October 2019 29 August 2019	30 August 2018 25 June 2015 29 November 2012
Version	4	

## POLICY – 4.1 – Annual Budget Preparation Timetable

### Budget Management Timetable

Timing	Stage
December	<ul style="list-style-type: none"><li>• Long Term Financial Plan reviewed and adopted.</li><li>• Progress report on Corporate Business Plan projects and actions drafted.</li><li>• Mid-year budget review commenced.</li></ul>
January	<ul style="list-style-type: none"><li>• Community residents are encouraged to submit budget requests and priorities for the coming financial year's budget via local advertising.</li><li>• CEO and Chief Financial Officer (CFO) to consider the proposed Mid-year budget review in consultation with senior managers.</li><li>• Corporate Business Plan six-month review updated with year-to-date financial data and progress against actions.</li><li>• Completion of budget and Corporate Business Plan progress report for <a href="#">Council</a> adoption or consideration.</li><li>• Budget Review amendments included in the <a href="#">Council</a> monthly reports for February.</li></ul>
February	<ul style="list-style-type: none"><li>• From the Corporate Plan prepare for <a href="#">Council</a> draft:<ul style="list-style-type: none"><li>○ Capital Works program</li><li>○ Road preservation program</li><li>○ Plant replacement program</li><li>○ Dual-use footpath projects</li></ul></li><li>• Commence housing and public buildings maintenance inspections.</li><li>• Proposed new initiatives/capital works considered by the CEO &amp; CFO.</li><li>• Advertising of differential rates.</li><li>• Review of fees and charges register by CFO.</li><li>• Operational budgets completed.</li><li>• <a href="#">Council</a> to adopt the Budget Review included in the monthly reports for February.</li><li>• Community residents' submissions to be received by the Shire end of February.</li></ul>

March	<ul style="list-style-type: none"> <li>• Community and business submissions to be assessed in line with the Long-Term Financial Plan, Corporate Business Plan, adopted Strategies and Asset Management Plans.</li> <li>• Annual review of the Corporate Business Plan.</li> <li>• CEO, CFO, and senior managers consider initial draft Budget and Corporate Business Plan progress review.</li> <li>• First Budget and Corporate Business Plan forum for <a href="#">Elected Members</a>.</li> <li>• Fees and Charges Schedule updated.</li> <li>• <a href="#">Council</a> approval of Capital Projects.</li> </ul>
April	<ul style="list-style-type: none"> <li>• Budget forum for <a href="#">Elected Members</a> covering the operational budget and differential rating model.</li> <li>• Review of completed budget by CEO and CFO.</li> <li>• Finalisation of Statutory Budget and draft annual review of the Corporate Business Plan.</li> <li>• <a href="#">Council</a> approval of proposed: <ul style="list-style-type: none"> <li>○ Annual Differential Rates</li> <li>○ Fees and allowances for Elected Members</li> <li>○ Donations</li> <li>○ Fees and charges</li> <li>○ Housing and building Capital program</li> <li>○ Recreation facilities and developments</li> <li>○ Extra-ordinary budget requests</li> </ul> </li> </ul>
May	<ul style="list-style-type: none"> <li>• Commence community engagement of draft budget via shire website providing 28 days to provide feedback</li> <li>• Advertise proposed differential rates including reasons and seeking feedback.</li> </ul>
June	<ul style="list-style-type: none"> <li>• Briefing to <a href="#">Elected Members</a> on feedback from community engagement</li> <li>• Report back to community via website on the draft budget submissions included in the draft budget for consideration by <a href="#">Council</a></li> <li>• Carried forward projects estimated by management</li> <li>• Adoption of reviewed Corporate Business Plan and Budget at Special <a href="#">Council</a> Meeting</li> <li>• Adopted budget sent to the DLGCC</li> <li>• Adopted budget cascaded to CFO and senior managers</li> </ul>
September	<ul style="list-style-type: none"> <li>• Budget amended to reflect final position with regard to estimated carried forward projects and end of financial year current surplus/deficit</li> </ul>