

	<h1>District Council of Cleve</h1>	Version No:	4
		Issued:	June 2021
		Next Review:	June 2023

Policy Name: 7.8 - BUDGET MANAGEMENT

1. INTRODUCTION

To provide a mechanism for the management of the Annual Budget and to improve the accountability of responsible officers and provide a mechanism for the provision of enhanced reporting to Council on budget matters.

2. RISK MANAGEMENT

Risk Management is an important obligation that the District Council of Cleve takes very seriously and pro-actively manages.

In the delivery of Budget Management, the District Council of Cleve is very aware that there may be risks that its Employees, the Community and Stakeholders may be exposed to in relation to a failure to appropriately manage Councils budgeted funds.

The Council has a Risk Management Policy, Risk Management Framework together with a number of current policies and procedures, all of which are available for viewing.

In the management of budget areas all responsible officers are encouraged to consider applicable perceived risks and, if necessary, communicate these to their supervisor.

3. POLICY STATEMENT

3.1. All capital works recommendations must be submitted to Council, for its budget considerations usually at the March meeting of Council. Any capital projects estimated in the budget shall be accurately costed, including plans, specifications and quantities.

3.2 Any new capital works or new estimates exceeding the original budgeted amount will require Council approval prior to commencement of works and the budget adjusted. All relevant information needs to be presented at the preceding Council meeting.

- 3.3 Project Managers will report periodically to Council on all Council approved major projects, in detail providing a full review of status projects, current expenditure, revenue and current stage of completion.
- 3.4 Projects not likely to be completed (if any), along with reasons for delays and suggestions for future actions, must be reported to Council in March of each year.
- 3.5 No expenditure on any project is to exceed the budget allocation by more than 10% on projects over \$150,000 or by 20% on projects up to \$150,000 without the express approval of the Council first being obtained.

Where in the opinion of the Chief Executive Officer (CEO), it is impractical to first seek Council approval prior to incurring this over-expenditure, (e.g. on grounds of urgency or cost effectiveness) the CEO is authorised to allow the works to proceed and the Council shall be subsequently advised.

Budget variations greater than 10% or over \$3,000, projected per annum costs and revenues and estimated completion dates will be reported to Council on a quarterly basis.

- 3.6 The Project Managers are responsible for maintaining accurate financial reviews on their capital works in accordance with Council's budget. The Manager Corporate Services will assist by providing accurate financial information in a timely manner upon request.
- 3.7 All capital works financial positions will be reviewed three (3) times per year as part of the budget review procedure by the Manager Corporate Services.
- 3.8 Budget savings arising as a result of works and other planned expenditure activities costing less than estimated shall be used in the first instance to offset any over expenditure against budget for other items as approved by Council and thereafter to reduce the amount of loan borrowings proposed in the budget. In any year, an increase in the scope of budgeted activities or the addition on new budget items or activities must be approved by Council and are to be funded by deletion or reduction in scope of budgeted activities to an equivalent value.
- 3.9 The CEO is authorised to extend or reduce as necessary, the annual resale program to ensure the budget allocation for these works is fully expended in each financial year.
- 3.10 The CEO is authorised to approve activities not budgeted for where such expenditure is necessary on the grounds of urgency or cost effectiveness. In approving such expenditure the CEO must nominate an existing item on the budget to be deleted or reduced in scope to an equivalent value to fund this unforeseen expenditure. The CEO will then submit a report to Council at the next

meeting, for Council to ratify or nominate another part of the budget to be reduced.

- 3.11 Requests from the Community for works and other activities not on the current budget may be added to the budget if of sufficient priority in accordance with the above. All other requests for additional works and activities will be considered during the planning process for the following years budget.
- 3.12 Pursuant to Section 101 of the Local Government Act 1999, the CEO hereby authorises the Manager Corporate Services to fulfill their delegated authority described in Clause 3.5 of this policy.
- 3.13 Pursuant to Section 101 of the Local Government Act 1999, the CEO hereby authorises the Manager Infrastructure & Civil Works to fulfill their delegated authority described in Clause 3.9 of this Policy.

4. AVAILABILITY OF THE POLICY

This Policy will be available for inspection at the Council's offices during ordinary business hours and via the Council's website <http://www.cleve.sa.gov.au>. Electronic versions are the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

5. ADOPTION OF POLICY

This Policy was adopted by the Council at its Ordinary Council meeting on 14 December 2021.



Rob Donaldson
Acting Chief Executive Officer

6. DOCUMENT REVIEW

The Council may review this policy from time to time, however it is anticipated that a review of the policy will be under taken each second year. Council has the right to review this policy at any time, if considered desirable.

7. REVIEW HISTORY

Version	Issue Date	Author	Reason for Change
4	14/12/2021	M Quinn	Minor updates following Council election 2018 Formatting Added legislation, availability of policy, adoption

			of policy, document review and review history sections.
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