

Policy No.	7.8
Version No.	5.1
Policy Adopted	September 2026
Next Review	March 2028
Record File No.	18.81.1.1

1. Introduction

This Policy provides clear direction to management and staff in relation to amending and reporting performance against the Council's adopted budget.

2. Policy Objectives

The intention of the Budget Reporting and Amendment Policy is to provide management with a framework for:

- The content, timing, and process for reporting to Council on its performance against the budget.
- The scope and conditions associated with the Chief Executive Officer (CEO) approving variations in activity within the scope of approved budget allocations without requiring Council approval.
- The process for carrying forward expenditure authority associated with projects included in the previous year's budget.

3. Policy Statement

3.1 Timing and content of Budget Reporting to Council

A budget update report will be prepared and included in the Agenda for the ordinary meeting of Council. This report will consist of the Statutory format financial statements updated to reflect the likely year end position, supporting schedules for grant income and capital expenditure as well as analysis of the impact of the budget changes on Councils Key Financial Indicators.

3.2 Approval of Variations Outside the Scope of the Budget

Council approval must be obtained before commitments are made that result in activity outside of budget limits. When considering a revision, the Council will assess its impact on financial indicators and whether increased revenue or reduced expenditure can offset the variation.

3.3 Approval of Variations Within the Scope of the Budget

The Chief Executive Officer (CEO), in consultation with the Mayor, may authorise variations in activity within approved budget limits provided the variations do not:

1. Exceed threshold limits set for the function/activity.
2. Materially impact service levels.
3. Affect explicit Council proposals included in the business plan or budget.

Any such changes must be reported in the following budget update, including an explanation from the CEO.

3.4 Guidelines for Carrying Forward Expenditure

Budget authority for incomplete projects at the end of the financial year is forfeited unless Council approves a carry-forward. Operating activities not completed during the year are generally not carried forward unless deemed exceptional. Capital projects that have not commenced should be reassessed with competing priorities for the following year's budget, rather than automatically carried forward. An exemption would be if the project has already commenced in the current financial year.

4. Legislative Requirements and Corporate Policy context

This Policy complies with the *Local Government (Financial Management) Regulations 2026*, specifically Regulations 7, 9, and 10. Further guidance is available in the LGA's Financial Sustainability Information Paper 25.

5. Further Information

This procedure is available for inspection at the District Council of Cleve principal office, 10 Main Street, Cleve SA 5640 during ordinary business hours.

Hard copies are available upon request and payment of a fee fixed in accordance with Council's Fees & Charges. It is also available to be downloaded, free of charge, from Council's Website www.cleve.sa.gov.au

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Responsible Department/Officer	Chief Executive Officer
Applicable Legislation	<i>Local Government (Financial Management) Regulations 2026</i>
Related Policies	Treasury Management Policy
Related Procedures	

6. Policy/Document Review

Although not mandatory to do so, this Policy will be reviewed within 12 months of a general election. It may also be reviewed more frequently if legislation or Council require.

7. Document History

Version	Adopted	Description of Change
1 - 5	December 2023	Historical versions – minor changes throughout.
5	18 March 2025	Re-write to correspond with LGA's Financial Sustainability Information Paper 25 and Local Government (Financial Management) Regulations 2026, specifically Regulations 7, 9, and 10.
5.1	22 September 2026	Minor Updates