

POL 0028: Budget Control

Purpose

1. To ensure that shire officers work within set annual budget parameters
2. To outline parameters for efficient and effective budget management in relation to interim overdraft conditions which prevail in the early and closing parts of each financial year
3. To outline when a budget amendment is required to be presented to Council

Scope

This policy is for shire officers who have budget responsibility to provide them with direction and guidance regarding budget matters.

Definitions

Responsible officer: a shire employee who has a general ledger or work order assigned to them

Account: a general ledger or work order

Cost centre: a shire department

Practice

Budget Control

All officers are to be instructed that where any account, for which they are responsible to keep expenditure within budget limits, becomes overspent or will evidently become overspent, the officer concerned must halt spending until a report is made to the departmental manager for appropriate action.

Owing to interim overdraft conditions which may prevail in the early and closing parts of the financial year, officers will give regard to cash flow imperatives in the timing of procurement of high cost plant items, and fixed assets.

Budget Review

1. A budget review is to be conducted for the first six months of the financial year, as per the Local Government (Financial Management) Regulation 1996 – 33(a) Review of Budget. To be presented to Council by end of March of each year for their adoption.
2. Responsible officers will review their accounts and recommend adjustments (budget increases/decreases or additions/deletions) as necessary.
3. The Chief Executive Officer and Directors may approve expenditure in excess of that estimated for any expenditure item listed in the adopted budget provided that -
 - a. the expenditure does not exceed the adopted budget by more than \$100,000 or 10% of expenditure, whichever is the lesser amount;

- b. there is an off-setting saving in budget over actual expenditure within the same budget cost centre is also identified; or
- c. such approvals are ratified by Council via the budget review process.

Budget Amendments

For any variations to budget that exceed the adopted budget by more than \$100,000 or 10% of expenditure whichever is the lesser amount will be required to be presented to Council as a budget amendment. This will need to be done via an agenda report to Council.

.....End.....

Document Information

Responsible Position	Manager Financial Services
Risk Rating	Medium

Referencing Documents

- *Local Government Act 1995*

Revision History

Date	Version	CM Reference	Reason for Change	Resolution #	Next Review
Feb 2022	1	D22/5420	New policy	O0222-033	Feb 2024
Dec 2023	2	D22/5420[v2]	Include scope and definitions	O1223-203	Dec 2025
Jan 2026	3	D22/5420[v3]	Biennial review, no change	O0126-016	Jan 2028