



COUNCIL POLICY

Budget Reporting and Amendment

Policy Number:	PO142		
Strategic Plan Objective:	L – Responsible Leadership and Governance L4. Continue to meet all legislative requirements and compliance with Council’s internal controls.		
Policy Owner:	Director Corporate and Community Services	Record Number:	16/14836[v5]
Responsible Officer:	Manager Financial Services	Minute Reference:	350/2025
Date Adopted:	10/12/2025	Next Review Date:	December 2029

1. POLICY OBJECTIVES

This policy provides direction to staff in relation to reporting performance against Council’s adopted budget and amending Council’s adopted budget where required.

The Policy’s intent is to provide Council administration with a framework within which to operate in regard to the following:

- The general guidelines, in relation to confirming the accuracy of budget information and the investigation of any significant variances.
- The content, timing and process to be followed for reporting to Council on its performance against budget.
- The scope and conditions associated with the Chief Executive Officer’s (CEO) ability to respond to changes in circumstances or opportunities that are within the scope of the approved budget without first obtaining Council approval.
- The general guidelines, in relation to the carrying forward (roll over) of expenditure authority associated with projects included in the prior year’s budget.
- Set guidelines for budget “transfers” where reallocation of budget amounts does not change the Council approved budget surplus/deficit or approved capital budget.

2. SCOPE

This policy provides guidance to budget managers within Council and highlights reporting requirements for performance against, and periodic amendments to, Council’s adopted Budget.

3. DEFINITIONS

Refer to Attachment 1.

4. POLICY STATEMENT

4.1. Management Reporting

Budget information and reporting is accessed through Council's budgeting software.

Reporting is configured to show, financial data for the year to date, original and revised budget information, and outstanding committed expenditure at general ledger level for each budgeted project. Budget managers are responsible for analysing financial information relevant to their responsible business units/departments and identifying any variances or discrepancies for adjustment and/or correction. Analysis is to be undertaken quarterly as a minimum.

4.2. Budget Reporting to Council

A financial report will be prepared and included in the agenda of each Ordinary Meeting of Council. The report will include a revised budget of the Council's operating and capital activities compared with estimates set out in the original budget presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*. Accompanying this report will be a Capital Projects update report containing budget to actual information and commentary for all capital projects with a budget value greater than \$25,000.

Reports for the month of June will not be prepared and submitted to Council. June information will be included in the Annual Financial Statements and reported to Council no later than November each year.

4.3. Variations outside the scope of the Adopted Budget

Council approval must be obtained before commitments are made or events occur that would result in activity outside of the endorsed Budget.

In considering requests for a revision to its Budget, Council will consider the impact the approval may have on the achievement of the targets for financial indicators established in Council's original Budget. Council may also consider its capacity to increase revenue or reduce expenditure to offset the variation and the merit of so doing.

4.4. Variations within the scope of the Adopted Budget

Where circumstances so warrant (e.g. for reasons of urgent necessity) the CEO may in consultation with the Mayor (and Elected Members if deemed necessary) respond to changes in circumstances or opportunities that are within the scope of the approved budget, providing that variations made do not:

- a) Exceed, in aggregate, threshold value limits for that function/activity outlined in the Budget.
- b) Materially impact on the quality, quantity, frequency, range or level of service previously provided for, or implicitly intended, in the original allocation; and
- c) Impact on any explicit proposals Council has included in its Annual Business Plan or has otherwise publicly committed to and accommodated for in the Annual Budget.

Whenever such changes are made, the following Budget Revision must include information explaining the rationale for the decision.

4.5. Budget Carry Forwards (Roll Overs)

Funding approval for budgeted activities not yet started or completed at the end of a budget year is to be forfeited unless approval to carry-over the activity and associated budget allocation is granted by Council (including by the CEO under delegated authority as per conditions outlined in 4.3 above).

Whilst there may be one-off exceptions, operating activity budgeted for, but not expended, in any given year generally will not be carried forward to the following year. Identifiable operating projects that will not commence in the funding year which have been budgeted for should be re-evaluated and, where warranted, included in the budget for the following year at the time of its adoption. Similarly, capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year before being carried forward to the following year.

The scope and funding requirements of capital projects and major operating-type activities that are committed or underway but not completed at the end of one financial year need to be reviewed and the projects/activities considered for carrying forward at the August Council meeting in the following financial year.

Any request for carrying forward activity needs to clearly highlight whether the scope of each activity item, and its associated funding quantum, is proposed to be varied from that previously approved and if so the reasons for same. Any impact on the achievement of the targets for financial indicators established in Council's original budget for the current year should also be clearly identified.

4.6. Reallocation and Adjustment of Budgets

During any financial year, it may be necessary to re-allocate/adjust budget allocations to facilitate dynamic changes to Council's operations. Any changes required should first consider the conditions of 4.3 above and should be made only if they do not contravene the requirements of said clause. Such changes then made will be incorporated in the next available Budget Review Report and reflected in the forecast budget for the remainder of the financial year.

All such, reallocations/adjustments should be enacted according to the guidelines listed below. No commitments are to be made, or events occur, in relation to reallocations/adjustments of budget prior to the relevant approvals being obtained.

The following guidelines are to be observed for all reallocations/adjustments meeting the requirements of this clause:

- a) Balanced (zero net cash impact) reallocations/adjustments not exceeding \$20,000 can be approved by the relevant Director without referral to the CEO or Council.
- b) Unbalanced reallocations/adjustments - being those that will have an impact on the budget bottom line but not exceeding \$20,000 - require approval by both the relevant department Director and the CEO.
- c) All reallocations/adjustments of budgets from Capital to Operating, or Operating to Capital, require approval of the relevant Director and the CEO.
- d) Reallocations/adjustments exceeding \$20,000, but not exceeding \$50,000, can be approved by the CEO without referral to Council.
- e) Reallocations/adjustments exceeding \$50,000 must first obtain Council approval before any commitments are made, or events occur, that would result in activity outside of the above budget limits wherever practical.

Any change outside the scope of the Budget (i.e. result in changes to the Council adopted Budget operating surplus/deficit or adopted capital Budget) will be reported to Council via the quarterly Budget reviews.

4.7. Quarterly Budget Review Reporting

Budget Review Reports for quarters ending in September, December and March of each financial year will be prepared for Council as soon as practical after the end of each quarter with the December quarter (or mid-year) budget review to be completed and considered no later than 15 March in any given year. These reports will detail all budget adjustments made due to changes in circumstances and opportunities and budget adjustments requiring Council approval. The report will be a revised forecast of each item shown in its budgeted financial statements for the year compared with estimates set out in the original budget presented in a manner consistent with the Model Financial Statements. In addition, a report will also include the revised forecasts for the financial indicators as provided in note 14 of the Model Financial Statements.

Budget adjustments for the final quarter (April-June) of each financial year will not be formally reported to Council. However, where significant these adjustments will be included in a report accompanying Council's Annual Financial Statements. Further, they will also be included in Council's response to the Auditor's balance date audit Management Representation Letter, if relevant or requested. These adjustments should have no impact to the overall revised budget unless they result from the obtaining of grant funding or reflect the budget impact of a decision of Council made in between April and June.

5. COMPLAINTS

Complaints about this policy can be made in writing to the Director Corporate and Community Services. Complaints will be managed in accordance with Council's Complaints Policy PO147.

6. REVIEW

This policy will be reviewed every four (4) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

7. TRAINING

Council is committed to supporting employees in complying with this policy. Training needs will be reviewed annually, during individual performance reviews and as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines. Staff will be made aware of the existence of this policy and their obligations under this policy.

8. RECORDS

Records shall be maintained as required by Council's Records Management Policy (PO063) and relevant legislation.

9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS

PO147 Complaints Policy

10. REFERENCES AND LEGISLATION

Local Government Act 1999

Local Government (Financial Management) Regulations 2011
LGA Information Paper 25 – Monitoring Council Budget Performance

11. COUNCIL DELEGATION

Any applicable delegations are available on Councils website via the Delegations register via <https://yorke.sa.gov.au/about-us/forms-plans-and-publications/registers/>

12. VERSION HISTORY

Version No	Issue Date	Description of Change
1	12/10/2011	Full Revision.
2	10/07/2013	Minor Revision.
3	08/07/2015	Minor Revision.
4	08/09/2021	Full Revision.
5	16/12/2025	Minor Revision.

ATTACHMENT 1: DEFINITIONS

Term/Reference	Definition
Adopted Budget	The annual Budget position adopted by Council each year in accordance with Council's Annual Business Plan.
Annual Business Plan (ABP)	Annual Business Plan (ABP) The annual business plan (ABP) is a council's statement of its intended programs and outcomes for the year. It links the council's longer-term planning for its area, as set out in its strategic management plans (SMPs) with the allocation of resources in its budget. The ABP also establishes the basis for review of the Council's performance over the year included in its annual report. ²⁰
Model Financial Statements	The Model Financial Statements set out a recommended format for the presentation of the 2025 Annual Financial Statements for South Australian Councils and all other bodies, including regional subsidiaries, established pursuant to the Local Government Act.
Revised Budget	Consists of the Adopted Budget adjusted for all approved amendments under this policy.
Significant Variance	Variances to budget exceeding 10%.
Uniform Presentation of Finances	<p>The Local Government (Financial Management) Regulations require Councils to present financial information on a uniform and consistent basis in their Annual Financial Statements. They further require Long Term Financial Plans (LTFPs) are presented in a manner consistent with Uniform Presentation of Finance Note (Note 15) in the financial statements (Financial Management Regulation 2011, Regulation 5). The primary objective of this arrangement is to ensure that Councils provide a common 'core' of financial information in their LTFP and Annual Financial Statements, enabling more meaningful comparisons of each Council's finances.</p> <p>The uniform presentation adopted is based on a modified version of Whole of Government and General Government Sector Financial Reporting (AASB 1049) and Uniform Presentation Framework - April 2008 For the Presentation of Uniform Financial Information by Commonwealth, State and Territory Governments published by the Commonwealth Treasury.</p>