

4.3: REQUEST TO ADOPT SECOND QUARTER 2011-12 BUDGET REVIEW

Attachments : Second Quarter 2011-12 Budget Review
Responsible Officer : Acting Executive Director Corporate Services (P Wignall)

IN BRIEF

- Adoption of the Second Quarter 2011-12 Budget Review.

**ITEM 4.3: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council ADOPT the Second Quarter 2011-12 Budget Review.

BACKGROUND

1. At the Special Council Meeting held on 29th June 2010, Council resolved at Item 6.1 (xii):

One month before the scheduled quarterly review, council convene a meeting for the purpose of managing the budget and overseeing its progressive implementation.

2. The Second Quarter Review of the 2011-12 Budget was presented and discussed at the 14 February 2012 Audit Committee meeting.

DISCUSSION

3. The net position of the Budget following the second quarterly 2011-12 Budget review is a deficit of \$1,569,013.
4. There were a number of required amendments resulting from changed circumstances since the first quarterly review of the 2011-12 Annual Budget in October 2011.
5. The changes are detailed in the Attachment.

CEO:

RESPONSIBLE OFFICER:

GOVERNMENT CONSULTATION

6. Nil

PUBLIC CONSULTATION / ENGAGEMENT

7. Nil

STATUTORY IMPLICATIONS

8. Under the Local Government Act, Section 6.8, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:
- a. is incurred in a financial year before the adoption of the annual budget by the local government
 - b. is authorised in advance by a resolution (absolute majority required) or
 - c. is authorised in advance by the mayor in an emergency

STRATEGIC IMPLICATIONS

9. This item relates directly to the following elements of the City of Albany Strategic Plan (2011-2021 *Community Vision*):

Key Focus Area

Organisational Performance

Community Priority

Financial Management

Proposed Strategies

Reduce debt through careful financial management, prioritisation of expenditure and investments in secure portfolios.

POLICY IMPLICATIONS

10. Nil

RISK IDENTIFICATION & MITIGATION

Risk	Likelihood	Consequence	Risk Rating	Mitigation
Council does not approve the Second Quarter 2011-12 Budget Review	Unlikely	Moderate	Medium	The existing first quarter review of the 2011-12 Budget would apply and proposed amendments could not be applied.

FINANCIAL IMPLICATIONS

11. A summary of the proposed Second Quarter 2011-12 Budget Review follows:

	Original Budget	Current Budget	Proposed Q2 Budget	Variance from Current Budget
Office of the CEO	4,706,321	5,352,425	7,537,013	2,184,588
Community Serv.	4,364,720	3,845,378	3,906,783	61,405
Corporate Services	3,630,264	3,964,768	4,005,894	41,126
Development Services	1,492,137	1,584,440	1,659,061	74,621
Works & Services	15,414,915	14,795,280	14,571,779	(223,502)
General Purpose Income	(28,837,247)	(28,837,247)	(30,975,247)	(2,138,000)
Loans	863,730	863,730	863,730	0
Total (Surplus)/Deficit	1,634,840	1,568,775	1,569,013	238

LEGAL IMPLICATIONS

12. Nil

ALTERNATE OPTIONS

13. The Second Quarter 2011-12 Budget Review is not adopted by Council. Therefore, the proposed re-allocation of budget line items could not be applied.

14. The Second Quarter 2011-12 Budget Review may be adopted subject to specific changes directed by Council. The proposed small surplus would be affected by any changes directed by Council.

SUMMARY CONCLUSION

15. Nil

Consulted References	Adopted Budget 2011-12 Local Government Act 1995
File Number (Name of Ward)	FM.BUG.2
Previous Reference	<ul style="list-style-type: none"> Annual Budget – OCM 9th August 2011