

**4.5: REQUEST TO ADOPT THIRD QUARTER 2011-12 BUDGET REVIEW**

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

**IN BRIEF**

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

**ITEM 4.5: RESPONSIBLE OFFICER RECOMMENDATION  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR BOWLES  
SECONDED: COUNCILLOR GREGSON**

**THAT Council ADOPT the Third Quarter 2011-12 Budget Review.**

**CARRIED 12-0  
ABSOLUTE MAJORITY**

**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 Third Quarter Review of the 2011-12 Budget was presented and discussed at the 26 March 2012 Audit Committee meeting.

**DISCUSSION**

3. The net position of the Budget following the third quarterly 2011-12 Budget review is a deficit of \$1,534,833.
4. There were a number of required amendments resulting from changed circumstances since the second quarterly review of the 2011-12 Annual Budget in February 2012.
5. The changes are detailed in the Attachment.

**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:
- is incurred in a financial year before the adoption of the annual budget by the local government
  - is authorised in advance by a resolution (absolute majority required) or
  - 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 Third Quarter 2011-12 Budget Review	Unlikely	Moderate	Medium	The existing second quarter review of the 2011-12 Budget would apply and proposed amendments could not be applied.

**FINANCIAL IMPLICATIONS**

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

	<b>Original Budget</b>	<b>Current Budget</b>	<b>Proposed Q3 Budget</b>	<b>Variance from Current Budget</b>
Office of the CEO	4,706,321	7,537,013	7,400,517	(136,496)
Community Services	4,364,720	3,906,783	3,938,400	31,617
Corporate Services	3,630,264	4,005,894	4,109,526	103,632
Development Services	1,492,137	1,659,061	1,765,061	106,000
Works & Services	15,414,915	14,571,779	14,516,879	(54,900)
General Purpose Income	(28,837,247)	(30,975,247)	(30,059,281)	915,966
Loans	863,730	863,730	(136,269)	(1,000,000)
<b>Total (Surplus)/Deficit</b>	<b>1,634,840</b>	<b>1,569,013</b>	<b>1,534,833</b>	<b>(34,180)</b>

**LEGAL IMPLICATIONS**

12. Nil

**ALTERNATE OPTIONS**

13. The Third 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 Third 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

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