

**4.6: ADOPTION OF THE BUDGET REVIEW FOR THE PERIOD ENDING
31 AUGUST 2012**

Attachments : Budget Review for the period ending 31/08/2012 (to be provided prior to OCM)
Responsible Officer : Executive Director Corporate Services (G Adams)

IN BRIEF

- Adoption of the Budget Review for the period ending 31/08/2012.

**ITEM 4.6: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council ADOPT the Budget Review for the period ending 31/08/2012.

BACKGROUND

1. Council adopted the 2012/2013 Budget on 19 June 2012 (total budget of \$75.7M comprising \$24.4M capital works, \$1.6M debt reduction and \$49.7M in operating expenditure).
2. Local governments are required to conduct a budget review between 1 January and 31 March each financial year which is a requirement covered by regulation 33A of the Local Government (Financial Management) Regulations 1996. The Department recommends a review of the budget early in the financial year to amend carry forward projects from forecast to actual. This review is for the period ending 31 August 2012 and will be followed by a proposed further review for the period ending 31 January 2013. Budget adjustments of an urgent nature will be brought to a Council Meeting as an item to be discussed when required and actioned outside of these reviews.
3. The Audit Committee met on 24 September 2012 and considered this Budget Review of the 2012-13 Budget for the period ending 31/08/2012.

DISCUSSION

4. This Budget Review identifies expenditure of \$5,637,480 for general works, variations and new projects.
5. Funding of \$5,698,686 inclusive of reduction in expenditures, adjustment of grant funding, additional revenue, reserve funding and increase in opening funds has been identified in this review to maintain a surplus budget.
6. This budget review shows the 2012-13 budget in a surplus position of \$61,206.
7. A copy of the Budget Review for the period ending 31 August 2012 is attached.

GOVERNMENT CONSULTATION

8. City of Albany Executives, Managers and Officers with budget responsibility were consulted in the preparation of the Budget Review.

PUBLIC CONSULTATION / ENGAGEMENT

9. Nil

STATUTORY IMPLICATIONS

10. Under the *Local Government Act 1995*, 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

11. 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

12. Nil

RISK IDENTIFICATION & MITIGATION

Risk	Likelihood	Consequence	Risk Rating	Mitigation
<i>Council does not approve the Budget Review</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>The existing Annual Budget would apply and proposed amendments would not apply.</i>

FINANCIAL IMPLICATIONS

13. A summary of the proposed 2012-13 Budget Review for the period ending 31 August 2012 follows:

BUDGET REVIEW FOR THE PERIOD ENDING 31 AUGUST 2012

This Review Maintains Council's Budget in a Surplus Position

	\$
GENERAL WORKS/VARIATIONS. (Additional Funds Required)	(5,637,480)
FUNDED BY	
- Adjustment to opening funds from forecast to actual 30 June 12	383,880
- Carry Forward Adjustment From 2011/12 Financial Year	236,620
- Reduction in Expenditure	1,302,877
- Adjustment in Grant Funding	3,289,611
- Adjustment in Revenue	385,698
- Restricted Cash	<u>100,000</u> <u>5,698,686</u>
Balance	<u>61,206</u>

LEGAL IMPLICATIONS

14. Nil

ALTERNATE OPTIONS

15. Adopt the Budget Review for the period ending 31 August 2012 with amendments (as specified by Council).

SUMMARY CONCLUSION

16. Nil

Consulted References	Adopted Budget 2012-13 <i>Local Government Act 1995</i>
File Number (Name of Ward)	FM.BUG.2
Previous Reference	• Annual Budget – Special Council Meeting 19 th June 2012