

**4.11: ADOPTION OF THE BUDGET REVIEW FOR THE PERIOD ENDING
31 JANUARY 2013**

- Attachments** : Budget Review for the period ending 31/01/2013 (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 31/01/2013.

**ITEM 4.11: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council ADOPT the Budget Review for the period ending 31/01/2013.

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. A review was conducted for the period ending 31 August 2012 and presented to Council on the 16 October 2012. This review for the period ending 31 January 2013 includes budget variations seeking approval by council requiring an absolute majority and also includes budget adjustments brought Council at a prior Meeting and endorsed since from the last review adopted 16 October 2012, this is for Councillor information only.

DISCUSSION

3. This Budget Review identifies expenditure of \$4,172,527 for general works, variations and new projects.
4. Funding of \$4,169,541 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.
5. This budget review shows the 2012-13 budget in a surplus position of \$58,219.
6. A copy of the Budget Review for the period ending 31 January 2013 is attached.

GOVERNMENT CONSULTATION

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

PUBLIC CONSULTATION / ENGAGEMENT

8. Nil

STATUTORY IMPLICATIONS

9. 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

10. 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

11. 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

12. A summary of the proposed 2012-13 Budget Review for the period ending 31 January 2013 follows:

BUDGET REVIEW FOR THE PERIOD ENDING 31 JANUARY 2013	
This Review Maintains Council's Budget in a Surplus Position	
	\$
GENERAL WORKS/VARIATIONS. (Additional Funds Required)	(4,172,527)
FUNDED BY	
- Budgeted Closing Funds As At Last Review	61,205
- Adjustment to the audited end of financial year accounts	8,642
- Reduction in Expenditure	3,528,127
- Adjustment in Grant Funding	1,311,216
- Adjustment in Revenue	161,429
- Restricted Cash	<u>(839,873) 4,230,746</u>
Proposed Budgeted Closing Funds As At 31 January 2013	<u><u>58,219</u></u>

LEGAL IMPLICATIONS

13. Nil

ALTERNATE OPTIONS

14. Adopt the Budget Review for the period ending 31 January 2013 with amendments (as specified by Council).

SUMMARY CONCLUSION

15. 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