



Budget Policy 2020

Responsible Officer	Chief Executive Officer
Relevant Delegations	Director Corporate Services
Legislation and References	Local Government Act 1999

1. INTRODUCTION

The annual budget process translates the Council's intended service delivery for the financial year into dollar values, to determine the funding required either through rates or other revenue sources.

It is important that the budget process considers the services the Council will deliver as well as the level at which those services will be performed. To do this consideration should be given to the Council's Strategic Plan, Corporate Plan, Infrastructure & Asset Management Plan, Long Term Financial Plan, Economic Development Plan and other planning documents.

2. POLICY OBJECTIVES

The intention of the Budget Policy is to provide the Council and management with a framework for the preparation of the annual budget.

3. LEGISLATIVE, CORPORATE POLICY AND STANDARDS REQUIREMENTS

Local Government Act 1999 S123(1)

Local Government Act 1999, Financial Management Regulations 2011 Section 7

4. POLICY STATEMENTS

1. The annual budget process is collaborative and transparent whereby responsible managers, budget holders and the Council ensure the final budget reflects the Council's financial resourcing and cash requirements while also making them accountable for achieving the budget.
2. The annual budget is prepared consistent with the principles, targets and priorities set out within the Council's adopted Strategic Plan, Corporate Plan, Infrastructure & Asset Management Plan, Long Term Financial Plan, Economic Development Plan and other Council planning documents.
3. The services, and the level at which those services are performed create the foundation of the annual budget. It is the role of the Council to determine the services and their required service levels.

File Path	Last review	Next review	Page
W:\Council Policies\CURRENT COUNCIL POLICIES\Council Adopted Policies\Budget Policy 2020.Docx	February 2020	February 2021	Page 1 of 4

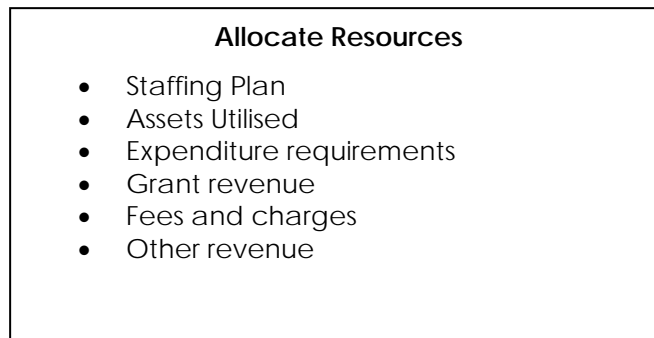
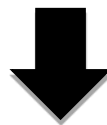
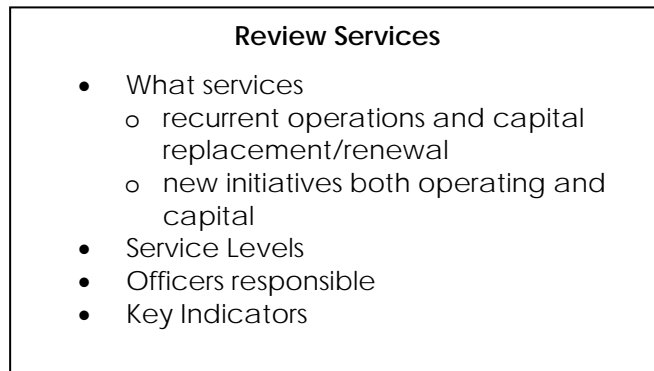
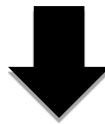
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Budget Policy 2020

4. The Council determines the amount of taxes it will impose on the community through rates after considering the cost of the delivering its services and the income it can generate from other revenue sources.
5. The key components of the annual budget process are;
- 6.



File Path	Last review	Next review	Page
W:\Council Policies\CURRENT COUNCIL POLICIES\Council Adopted Policies\Budget Policy 2020.Docx	February 2020	February 2021	Page 2 of 4



Budget Policy 2020

All projects (new initiatives of either a capital or operating nature and capital renewal/replacement) are evaluated and prioritised based upon the following criteria before being included within the annual budget.

- a Reduction in risk
Projects that mitigate risk previously identified as unacceptable will be scored higher than those that don't.
 - b Community Benefit
Projects that benefit more of the community will be scored higher than those that benefit less.
 - c Funding
Projects that are funded by sources other than rate revenue will be scored higher than those that are not. Funding is considered for the whole life of the initiative.
 - d Incorporated within Council plans
Projects that are specifically detailed within Council's Long Term Financial Plan, Asset Management Plan, Economic Development Plan, Corporate Plan or Strategic Plan will be scored higher than those that are not.
 - e Alignment to Strategic plan
Projects that contribute directly to strategies detailed within Council's Strategic Plan will be scored higher than those that are not.
7. Projects are included within a budget where they can reasonably be undertaken within the relevant financial year.
 8. Projects whose commencement is dependent on the successful external grant funding are included within the annual budget where they can reasonably be expected to receive the funding and be commenced within the relevant financial year.
 9. The annual budget is prepared applying a zero-based approach whereby all revenue and expenditure will require justification, rather than only requiring justification for incremental changes to the budget or actual results from the preceding year.
 10. The annual budget is adopted in a format consistent with the model financial statements (Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity, Statement of Cash Flows, Uniform Presentation of Finances and Financial Indicators) as well as in a format that details the functions and services performed by the Council.
 11. Where one-off income items (such as grants received for capital renewal projects) are material in the context of the Council's Operating Surplus/(Deficit), the

File Path	Last review	Next review	Page
W:\Council Policies\CURRENT COUNCIL POLICIES\Council Adopted Policies\Budget Policy 2020.Docx	February 2020	February 2021	Page 3 of 4

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Budget Policy 2020

Council specifically details the nature of the income and the underlying Operating Surplus/(Deficit) should the income / expenditure not be received.

12. The annual budget is considered by the Council together with the long term financial plan. Both the draft annual budget (as incorporated within the Annual Business Plan) and draft long term financial plan are presented for public consultation prior to their adoption.
13. Projects that have not been completed in the year they were originally budgeted maybe carried forward into the next budget year with the approval of the Council as part of the first budget review.
14. Project and additional spending that arise from Council decisions outside the annual budget process are evaluated on the same criteria as applied during the annual budget process and are reported to Council on a monthly basis as part of the ongoing financial reporting cycle.

5. REVIEW OF POLICY

Council will review the Budget policy prior to the commencement of the annual budget process for the following year.

The public may inspect a copy of this policy without charge at the Council offices during office hours and may obtain a copy for a fee fixed by Council.

The policy is also available on Council's website www.claregilbertvalleys.sa.gov.au

6. Document History

Approved by	Issue Date	Minute Reference – Details of Review
CGVC	21/03/16	Adopted by Council
CGVC	19/02/18	Reviewed by Council
CGVC	20/08/18	Reviewed by Council
CGVC	18/02/19	Reviewed by Council
CGVC	17/02/20	Reviewed by Council

SIGNED:

CEO

Date: ____/____/____

File Path	Last review	Next review	Page
W:\Council Policies\CURRENT COUNCIL POLICIES\Council Adopted Policies\Budget Policy 2020.Docx	February 2020	February 2021	Page 4 of 4

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