

9.5 Quarterly Budget Review Statement - December 2018

REPORT BY THE MANAGER FINANCIAL PLANNING
TO 20 FEBRUARY 2019 ORDINARY MEETING
GOV400067, FIN300179

RECOMMENDATION

That Council:

1. receive the report by the Manager Financial Planning on the Quarterly Budget Review Statement - December 2018;
2. amend the 2018/19 Operational Plan and Delivery Program 2017/21 in accordance with the proposed variations as listed in the Quarterly Budget Review attachment to this report; and
3. note the opinion of the Responsible Accounting Officer regarding the satisfactory financial position of Council, based upon the revised estimates of income and expenditure.

Executive summary

This report, with its incorporated attachment, makes up the December 2018 Quarterly Budget Review Statement of the 2018/19 Operational Plan. Proposed budget variations to the Operational Plan with relevant financial implications are included in the attachment.

Disclosure of Interest

Nil.

Detailed report

The Quarterly Budget Review Statement presents a summary of council's financial position at the end of each quarter. It is the mechanism whereby councillors and the community are informed of council's progress against the operational plan and the last revised budget along with recommended changes and reasons for major variances.

Community Plan implications

Theme	Good Governance
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

Strategic implications

Council Strategies

The recommendation if approved will amend the 2018/19 Operational Plan. In accordance with the Delivery Program 2017/21 a comprehensive Quarterly Budget Review reporting is required to be completed within two months of period end.

Council Policies

Not applicable.

Legislation

Clause 203 of the Local Government (General) Regulation 2005 requires that:

- (1) Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.
- (2) A budget review statement must include or be accompanied by: (a) a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and (b) if that position is unsatisfactory, recommendations for remedial action.
- (3) A budget statement must also include any information required by the Code to be included in such a statement.

Financial implications

Approval of all the proposed budget variations to the Operational Plan in this report will have the following impact on Council's projected cash balances:

Funding Source	Movement
2018/19	\$ 5,369,703
Asset Replacement Reserve	\$ 500
Capital Program Reserve	\$ 3,731
Unrestricted Cash	-\$ 221,964
Unspent Grants	\$ 63,984
Waste Unrestricted Cash	\$ 35,915
Water Unrestricted Cash	-\$ 10,000
Plant Replacement Reserve	\$ 391,341
Voluntary Planning Agreements	-\$ 7,000
Family Day Care Reserve	-\$ 36,204
Water Developer Contributions	\$ 2,000,000
Water Reserves	\$ 532,000
Sewer Developer Contributions	\$ 700,000
Waste Reserve	\$ 1,900,000
Saleyards Reserve	\$ 1,400
Non-cash	-\$ 4,000
2019/20	-\$ 3,371,200
Unrestricted Cash	-\$ 69,200
Unspent Grants	-\$ 70,000
Water Developer Contributions	-\$ 2,000,000

Funding Source	Movement
Water Reserves	-\$ 532,000
Sewer Developer Contributions	-\$ 700,000
2020/21	-\$ 2,000,000
Waste Reserve	-\$ 2,000,000

The impact of the proposed variations for each year is shown on page 22-24 of the attachment. The main drivers for change is deferral of large grant funded road upgrade projects.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2018/19	✓	✗	✓
Future Years	✗	-	✗

Certification The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2005:

It is my opinion that the December Quarterly Budget Review Statement for Mid-Western Regional Council indicates that Council's projected financial position as at 30 June 2019 will be satisfactory, having regard to the projected estimates of income and expenditure for the 2018/19 financial year.

Associated Risks

Not applicable.

NEIL BUNGATE
MANAGER FINANCIAL PLANNING

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

4 February 2019

Attachments: 1. December 2018 Quarterly Budget Review Statement. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER