

5.3 Quarterly Budget Review - March 2023

REPORT BY THE MANAGER FINANCE
TO 24 MAY 2023 EXTRAORDINARY MEETING
GOV400103, FIN300240

RECOMMENDATION

That Council:

1. **receive the report by the Manager Finance on the Quarterly Budget Review - March 2023;**
2. **amend the 2022/23 Budget in accordance with the proposed variations as listed in the Quarterly Budget Review Statement attachment to this report; and**
3. **note the opinion of the Responsible Accounting Officer regarding the satisfactory financial position of Council.**

Executive summary

This report, with its incorporated attachment, makes up the March 2023 Quarterly Budget Review Statement of the 2022/23 Operational Plan.

Proposed budget variations to the Budget 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.

Certification

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2021:

It is my opinion that the attached Quarterly Budget Review Statement for Mid-Western Regional Council indicates that Council's projected financial position as at 30 June 2022 will be satisfactory, having regard to the projected estimates of income and expenditure for the 2022/23 financial year.

Community Plan implications

Theme	Good Government
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 2022/23 Budget. In accordance with the Delivery Program 2022/26, 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 2021 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

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2022/23	✓	✓	✗
Future Years	✗	✗	✓

Operating Performance Ratio

The change improves the forecast slightly from -8.6% to -8.2%, however the forecast is still below the OLG benchmark. The change is mainly due to increase in Investment revenue \$1.5M offset by in grading program expenditure \$400k and deferral of TfNSW State Road Works to 23.24

Own Source Revenue Ratio

The change improves the forecast for the current year from 54.8% to 56.5%. The change is mainly due to the deferral of grant funded works to 23.24 which will result in a forecast decline in that year.

Building and Infrastructure Renewal Ratio

The change decreases the forecast for the current year from 158% to 141%. The change is mainly due to the deferral of capital works to 23.24 which will result in an increase in that year.

Associated Risks

Not Applicable

NEIL BUNGATE
MANAGER FINANCE

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

10 May 2023

Attachments: 1. Quarterly Budget Review March 2023 Attachment. (separately attached)
2. Proposed Budget Variations List March 2023. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER