
Proposed changes to business rules for Quarterly Budget Review Statement reporting

Responsible Officer: Group Manager Corporate and Commercial (Helen McNeil)

Recommendation

That Council note the proposed business rules in relation to the preparation and reporting of the Quarterly Budget Review Statements and authorise the General Manager to implement them as required

Background

The Responsible Accounting Officer is responsible for maintaining a budgeting system that enables the monthly monitoring of Council's actual income and expenditure against its estimated income and expenditure.¹

An opportunity to achieve administrative and business efficiencies in the management and reporting of budget changes was identified as part of the review and development of Council's Cash Reserves policy and Long-Term Financial Plan (LTFP).

These proposed changes are outlined below for Council's information.

Overview

To allow staff more flexibility to make minor budget adjustments, the following business rules are proposed.

- An increase to the reporting threshold in Quarterly Budget Review Statements from \$5,000 to \$10,000.
- Allow budget changes to be made if they are within the financial limits of a previously approved budget item, related to the same cost centre or area of the organisation and are approved by the General Manager. For example, if a project has incurred expenditure of \$40,000 against an existing budget of \$50,000, the remaining \$10,000 could be used for additional works required within that cost centre.
- Allow budget reclassifications where changes to the proposed expenditure has a direct correlation to the same group for administrative purposes. For example, if a staff vacancy exists due to a staff member resigning, an existing budget for salaries could be relocated to fund a temporary appointment under a labour hire agreement.
- Budget increases cannot exceed the amounts approved by Council.

Legal

The Responsible Accounting Officer is required, under the *Local Government (General) Regulation 2021* ('LG Regulation'), to prepare and submit a Quarterly Budget Review Statement ('QBRs') to Council accompanied by a statement as to whether they consider council to be in a satisfactory financial position (with regard to its original budget) and if not, their recommendations for remedial action.²

The business rules proposed above will not prevent or hamper the Responsible Accounting Officer from continuing to discharge their responsibilities under this, and any related, provision/s of the LG Regulation.

¹ [Section 202](#) *Local Government (General) Regulation 2021* (NSW).

² [Section 203](#) *Ibid.*

Consultation

The business rules proposed above formed a component of the presentation delivered by Council's finance staff to the 20 March 2024 councillor workshop.

This report was prepared in consultation with the General Manager and relevant staff.

Conclusion

In summary, the proposed business rules are intended to provide flexibility to the General Manager around budget changes during the last quarter of each financial year with a report to be produced for Council.