

POLICY

TITLE:	Financial Management Reporting Policy		
DIRECTORATE:	Finance		
ADOPTED BY:	Chief Executive Officer (CEO)		
DATE OF ADOPTION:	29 Nov 2024	DATE OF REVIEW:	29 Nov 2026
POLICY NUMBER:	126		
LEGISLATIVE REF:	<i>Local Government Act 2019; Chapter 10, Schedule 3</i> <i>Local Government Regulations 2021; Division 7</i> <i>Australian Accounting Standards</i>		

1. INTRODUCTION

1.1. Purpose

This Policy summarises the financial management reporting responsibilities pursuant to Barkly Regional Council (BRC) arising from Chapter 10 of the Local Government Act and Division 7 of the Regulations.

1.2. Scope

This Policy applies to the financial management obligations required to be met by Council.

For those with financial management responsibilities under this Policy, this Policy must be read in conjunction with the Act and Regulations.

1.3. Responsibilities

All persons within scope of this Policy are required to adhere to this Policy and its associated procedures.

The CEO and CFO have overall responsibility for the implementation of this Policy.

1.4. Policy Objectives

- 1) Council must meet its financial management obligations as outlined in the Act and Regulations and according to any guidelines or directions issued by the Minister.
- 2) This Policy provides explanation of the framework which applies to financial management at BRC.

2. POLICY STATEMENT

2.1 Long Term Financial Plan

- 1) Council must prepare and keep an up to date long term financial plan according to the following requirements:
 - a. The long term financial plan must relate to a period of at least 4 financial years.
 - b. The long term financial plan must be provided to the Agency by 30 June in the year preceding the first financial year to which the plan relates.
 - c. A long term financial plan must contain:
 - i. A statement of the major initiatives the Council proposes to undertake during the period to which the plan relates; and

- ii. The projected statement of income and expenditure for each financial year of the period to which the plan relates; and
 - iii. Any other matters prescribed by regulation.
- d. The Council must provide the Agency with a copy of its long term financial plan by 30 June in the year preceding the first financial year to which the plan relates.

2.2 Annual Budgets

- 2) Council must prepare a budget for each financial year on or before 30 June. The budget for the particular financial year must contain:
- a. The Council's objectives for the relevant financial year; and
 - b. The measures the Council proposes to take, during the financial year, towards achieving those objectives;
 - c. The indicators the Council intends to use as a means of assessing its efficiency in achieving its objectives;
 - d. The projected statement of income and expenditure for the financial year, differentiating between operating and capital expenditure;
 - e. List the Council's fees for services and the estimates of revenue from each of those fees;
 - f. State the amount to be allocated to the development and maintenance of infrastructure for the financial year;
 - g. State the amount the Council proposes to raise by way of rates, and set out the rates structure, for the financial year;
 - h. Include an assessment of the social and economic effects of its rating policies;
 - i. State the allowances for members of the Council for the financial year and the amount budgeted to cover payment of those allowances;
 - j. Separately provide for a budget for each local authority established by the Council (if any);
 - k. Include any other information required by any guidelines that the Minister may make or as prescribed by regulation; and
 - l. Be in a form required by any guidelines that the Minister may make or as prescribed by regulation.
- 3) Council must not budget for a deficit except in accordance with the regulations.
- 4) Council must adopt its budget for a particular financial year on or before 30 June in the previous financial year.
- 5) Council may, after adopting its budget for a particular financial year, adopt an amended budget. An amended budget must not have the effect of:
- a. Increasing the amount of an allowance for the financial year for the members of the Council; or
 - b. Changing the amount of an allowance for the financial year for members of a local authority established by the Council, except in accordance with any guidelines made by the Minister.
 - c. As soon as practicable after adopting its budget or an amended budget, the Council must:
 - i. Publish the budget or amended budget as adopted on the Council's website;
 - ii. Notify the Agency in writing of the adoption of the budget or amended budget;

- iii. Publish a notice in a newspaper circulating generally in the area informing the public that copies of the budget or amended budget may be downloaded from the Council's website or obtained from the Council's public office.
- iv. If an amended budget is published on the Council's website, the budget as previously adopted must remain published on the website clearly indicating that the budget has been superseded by an amended budget.
- v. The Council's budget and any amended budget forms part of the Council's Regional Plan.
- d. Council must not allocate money unless provision for the allocation is made in the budget for the relevant financial year.
- e. However, Council may allocate money that is not provided for in the budget if the allocation is:
 - i. Authorised by resolution of the Council; or either
 - ii. Within the terms of a grant accepted by Council; or
 - iii. Covered by revenue that compensates the expenditure.
- f. If Council allocates money as outlined above, any spending of the allocation that will have a material effect on the Council's budget must be reported to the next ordinary meeting of Council.
- g. Any allocation of money as outlined above must be included in any subsequent amended budget for the Council.

2.3 Accounting Records

- 1) Council must keep accounting records that give a true and fair view of:
 - a. The Council's revenue and expenditure; and
 - b. The Council's assets and liabilities.
- 2) The records must be kept in accordance with the requirements prescribed by regulation.
- 3) The accounting records must be available for inspection at any reasonable time by the Council's Auditor or an Inspector.
- 4) Subject to Council's Privacy Policy, the accounting records must also be available for inspection at any reasonable time by a member of the Council.
- 5) Council must, by resolution, adopt a Privacy Policy protecting elected members and staff from undue intrusion into their private affairs.

2.4 Annual Financial Statement

- 1) Council must prepare an audited annual financial statement by 15 November each financial year.
- 2) Please refer to the *Annual Financial Statement & Key Dates Policy* for further information.

2.5 Monthly Financial Reports to Council

- 1) The CEO must, in each month, give the Council a report setting out:
 - a. The actual income and expenditure of the Council for the period from commencement of the financial year up to the end of the previous month;
 - b. The most recently adopted annual budget;
 - c. Details of any material variances between the most recent actual income and expenditure of the Council and the most recently adopted annual budget.
 - d. Details of all cash and investments held by the Council (including money held in trust);
 - e. The closing cash balance split between tied and untied funds;

- f. A statement on trade debtors and a general indication of the age of the debts owed to the Council;
- g. A statement on trade creditors and a general indication of the age of the debts owed by the Council;
- h. A statement in relation to the Council's payment and reporting obligations for GST, FBT, PAYG withholding tax, superannuation and insurance; and
- i. Other information required by Council.
- j. If the Council does not hold a meeting in the particular month, the report is to be laid before the Finance committee performing the Council's financial functions.
- k. The report must be in the approved form and must be accompanied by:
 - i. A certification, in writing, by the CEO to the Council that, to the best of the CEO's knowledge, information and belief:
 1. The internal controls implemented by the Council are appropriate; and
 2. The Council's financial report best reflects the financial affairs of the Council; or
 3. If the CEO cannot provide the certification, written reasons for not providing the certification.

2.6 Financial Reports to Local Government Subsidiary

- 1) The Executive Manager must, in the month following each quarter of a financial year, give the local government subsidiary a report setting out similar financial requirements as outlined above, and in accordance with Section 18 of the Regulations.

2.7 Report in Relation to Rates in Arrears

- 1) The CFO must, at least once in a financial year, give the Council a report setting out:
 - a. The number of allotments with rates in arrears for more than 2 years and the total amount of those rates in arrears; and
 - b. The number of conditionally rateable allotments with rates in arrears for more than 2 years and the total amount of those rates in arrears; and
 - c. The actions taken to recover the rates in arrears.

2.8 Authorised Accounts and Expenditure

- 1) The name in which an authorised account is kept by Council or a local government subsidiary must include the name of the Council or local government subsidiary.
- 2) The CFO must ensure that, at least once in each month, the balance of an authorised account is reconciled with income and expenditure that has been or should have been paid into, or from, the account.
- 3) A cheque issued on behalf of Council or local government subsidiary must be signed by at least 2 persons authorised by resolution of the Council or local government subsidiary to sign cheques on behalf of the Council or local government subsidiary.
- 4) An electronic disbursement from an authorised account must be processed by at least 2 persons authorised by resolution of the Council or local government subsidiary to process electronic disbursements on behalf of the Council or local government subsidiary.
- 5) Authorizations must be given in accordance with Section 22 of the Regulations.
- 6) Expenditure by a Council or local government subsidiary may be made in cash to an extent authorised by resolution of the Council or local government subsidiary.
- 7) Council or local government subsidiary must keep an account of cash expenditure under an imprest system.

2.9 Auditor

- 1) Council must, by resolution, appoint an auditor in accordance with the Act and Regulations.
- 2) Council must, in the auditor's appointment, fix the term of appointment, which must be between 2 and 5 years, and must fix the basis of the auditor's remuneration.
- 3) If the Council fails to appoint an auditor, the Minister may make an appointment on behalf of the Council.

2.10 Audit

- 1) Council must prepare audited accounts by 15 November each year.
- 2) Please refer to the *Annual Financial Statement & Key Dates Policy* and the Act for further information on the requirements.

3. RECTIFICATION ORDERS

If the Minister is of the opinion that an irregularity has occurred/is occurring, in the administration of Council's financial affairs, the Minister may, by written order require the Council to take specified action to correct the irregularity or to guard against the recurrence of irregularities (or both).

4. RELEVANT POLICIES

Policies and procedures to be read in conjunction with this policy are:

- 1) Financial Management Reporting Procedures
- 2) Annual Financial Statement & Key Dates Policy
- 3) Privacy Policy

5. IMPLEMENTATION AND REVIEW

5.1. Implementation

Relevant personnel will be made aware of this Policy. Any financial information required to be published, will be done according to Schedule 3 of the Act.

5.2. Review

This policy will be reviewed on or before 29 Nov 2026.


6. VARIATIONS, REVOCATIONS AND/OR CHANGES

Barkly Regional Council reserves the right to revoke and/or amend this policy from time to time as is considered necessary to better manage its business and/or to comply with any legislative requirements. Employees will be given sufficient notice of any such revocations, amendments, or changes.

7. APPROVAL

This policy is approved.

Chris Kelly
Chief Executive Officer


Signature

29 Nov 2024
Dated

END