



14.4.	2023–2024 Quarterly Financial Report at 30 September 2023
Author:	Manager Finance & Corporate Services
Portfolio:	Governance & Finance
Councillor:	Cr Grigau

Purpose

The purpose of this report is for Council to consider and note the 2023–24 Quarterly Financial Report as at 30 September 2023 and approve additional funding allocations.

Executive Summary

Portfolio 5: Governance and Finance

Strategic Objective: To provide a financially viable Council that is accountable, transparent and practices good governance.

Priority 1: Maintain and build the financial sustainability of the Borough

Priority 3: Accountable and transparent governance

This report provides information on Council’s forecasted operating and capital work performance for the 2023–24 financial year and explains key variances against the adopted budget for 2023–24.

The projected accumulated cash surplus at year-end is anticipated to be \$302,000, exceeding the initially budgeted breakeven accumulated cash surplus. The projected year-end result of Council meets all financial sustainability indicators specified in the Council Plan 2021–2025.

RECOMMENDATION

That Council notes the Quarterly Finance Report to 30 September 2023 and approve allocating of \$39,000 from accumulated cash surplus to the Electrical Vehicle (EV) charging stations project to cover the additional costs associated with the project.



REPORT

Background

At its Ordinary Meeting on 28 June 2023, Council adopted the 2023–2024 Budget. This budget was based on a set of key assumptions, including the projected completion of major projects and capital works at 30 June 2023.

Budgeting is conducted on a conservative basis, with the responsible financial management of ratepayer monies foremost in Council's mind when adopting its budget. The quarterly forecast review process provides an opportunity for up-to-date information to be presented to Council. The review updates Council on changes from original estimates to forecast outcomes, and it identifies any efficiency savings achieved and/or emerging issues to be addressed.

Discussion

To facilitate a more accurate comparison of Council's financial performance with that of similar governing bodies, certain expense items have undergone reclassification within Council's new financial system. As a result, the values of specific line items in the original budget have been adjusted, as outlined in the attached report. It is important to note that these reclassification adjustments have no bearing on the overall budgeted financial outcome of the Council.

The projected accumulated cash surplus at year-end is anticipated to be \$302,000, exceeding the initially budgeted breakeven accumulated cash surplus.

The projected accumulated cash surplus of \$302,000 as of 30 June 2024, represents the excess cash surplus of \$774,000 generated in the 2022–23 financial year after deducting the Financial Assistance Grant (FAG) received in advance (\$413,000, timing of grant income).

Furthermore, specific allocations have been made within this surplus, including \$20,000 for the Wadawurrung Signage, a non-recurring operating project which was included in the 2023–24 budget as a project to be brought over. However, this amount was carried over from the 2022–2023 financial year without a corresponding reserve balance. Additionally, \$39,000 has been earmarked to cover the additional costs associated with the installation of EV charging stations. The increased expenses



related to the EV charging stations can mainly be attributed to civil work that was carried out that had not been factored into the original budget of the project.

In summary, the projected surplus of \$302,000, is driven by additional cash surplus from the previous financial year.

Measured against the Local Government Performance Reporting Framework (LGPRF) definition, the adjusted underlying result of the Council, reveals a projected deficit of \$0.83 million (-6.5%) against the budget deficit of \$0.33 million due to the early receipt of 2023–24 FAG and operating projects carried over from the 2023–2024 financial year.

As outlined in section 2.1.1 of the detailed quarterly financial report, after eliminating the impact of the early receipt of the FAG and the carried-over projects, the adjusted underlying result (on a recurring basis) remains at the budgeted level.

Options

1. Note the Quarterly Finance Report to 30 September 2023 as presented.
2. Request Officers to make further amendments to the Quarterly Finance Report to 30 September 2023.

Communications and Engagement

Community Engagement

The quarterly financial report provides information on Council's operating and capital performance to the community on a quarterly basis.

Collaboration

Similar reports from neighbouring municipalities were reviewed and considered in developing the format of the quarterly finance report.

Governance Context

Relevant Law

Local Government Act 2020

Local Government (Planning and Reporting) Regulations 2020



Charter of Human Rights

This report has had consideration to, and complies with, the *Charter of Human Rights and Responsibilities Act 2006*.

Gender Equality Act 2020

The *Gender Equality Act 2020* requires a Gender Impact Assessment to be undertaken when the Council develops or reviews any Council policy, program or service that has a direct and significant impact on the public. Has a Gender Impact Assessment been undertaken in respect of the matters in this Council Report?

No, this is an update on Council finances but is not a program or service in its own right and therefore a Gender Impact Assessment is not required.

Regional, State and National Plans and Policies

Not Applicable.

Legal and Risk Implications

This report presented each quarter compares budget/forecast results with actual results, providing useful information to Councillors and officers in managing the organisation's risks.

Related Documents

Community Vision 2021–2031

Council Plan 2021–2025

Financial Plan 2023–2033

Disclosure of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Considerations

Environmental Sustainability

The quarterly report provides financial information in relation to the Environmental Sustainability activities of Council.

Financial and resource implications



The quarterly financial report provides the opportunity for constant review of Council's financial position against the adopted budget (available resources).

Innovation and Continuous Improvement

The format of the quarterly financial report has been modified in response to the questions and inquiries the Council has received in recent times. Furthermore, additional information has been incorporated to facilitate a better understanding of the financial results.

Implementation

Operational Impacts

The report provides financial information about Council's operational activities.

Implementation Process

Not applicable.

Attachments

1. 20232024 Quarterly Financial Report at 30 September 2023 [**14.4.1** - 23 pages]