



Name:	Financial Management		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Financial Services		
Approval Date:	16/08/2016	Next Review Date:	16/08/2018

1 Purpose

This policy defines the contents and schedule for City of Palmerston Financial Management Reports and Statements in line with the legislative requirements by the Northern Territory Government.

2 Principles

Council follows the requirements for financial reporting in content and timing stipulated by the Local Government Act, Local Government (Accounting) Regulations and Local Government (Administration) Regulations. The Reporting follows the principals of the Australian Accounting Standards.

3 Definitions

For the purposes of this Policy, the following definitions apply:

Term	Definition

4 Policy Statement

4.1 Annual Budget

The Annual Budget is presented to Council in accordance with Section 128 of the Local Government Act on or before 31 July in the relevant financial year.

4.1.1 The Budget includes the following schedules:

- Budget Summary (including reserve movement)
- Operating Income per department
- Capital Income per department
- Operating Expenditure per department
- Capital Expenditure per department
- Reserve movement detail

4.1.2 The Annual Budget process:

- Information is compiled by department
- Reports are compiled by Finance Manager
- Reports are reviewed by Manex
- Workshops are held with Elected Members for information and input
- The Budget is included in the draft Municipal plan for public consultation
- The Budget is adopted as part of the Municipal plan in line with legislation

4.2 Long Term Financial Plan

Under legislative requirements a five year forecast plan is developed based on projected expenditure and revenue as part of the Municipal Plan.

4.2.1 The Long Term Financial Plan includes the following schedules:

- Statement of assumptions made
- Profit and Loss statement
- Cash Flow statement
- Balance Sheet

4.2.2 The Long Term Financial Plan process:

- Information is compiled by Finance Manager
- Reports are reviewed by Manex
- Workshops are held with Elected Members for information and input
- The Long Term Financial Plan is included in the draft Municipal plan for public consultation
- The Long Term Financial Plan is adopted as part of the Municipal plan in line with legislation

4.3 Monthly Financial Management Report

The Monthly Financial Management Report will be put to Council latest at the second Council meeting in the following month for the results of the previous month.

4.3.1 The Monthly Financial Management Report includes the following reports and schedules:

- Executive Summary
- Budget Summary Report - represents actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month and includes quarterly forecast income and expenditure for the whole of the financial year.
- Investments Management Report – provides details of all cash and investments held by the council in line with FIN06 Investment Policy
- Reserves Schedule – account of all restricted funds in line with FIN16 Financial Reserve Policy
- Debtor Control Accounts – a categorised statement of debts owed to council. Sundry debtors are indicative of their age.
- Creditor Accounts Paid
- Credit Accounts Outstanding
- Statement of Credit Card Transactions
- Waste Management Report
- Any other report as stipulated by policy

4.3.2 The Monthly Financial Management Report process:

- Information is compiled to complete Financial Management Report
- Report is reviewed by Finance Manager
- Report is approved by Chief Executive Officer
- Report is included in agenda for Council meeting by Chief Executive Officer

4.4 Budget Review

The Budget Review is completed three times within a financial year. Reviews are produced based on End of September, End of January and End of April Year to Date data.

- 4.4.1 The Budget Review Report includes the following schedules:
- Statement of Comprehensive Income (including reserve movement)
 - Costcentre overview of requested changes
 - Department overview of requested movements
- 4.4.2 The Budget Review process:
- Information is compiled to complete Budget Review Report
 - Report is reviewed by Finance Manager
 - Review is approved by Manex
 - Report is approved by CEO
 - Budget Review is presented to the Governance and Organisation Committee and forwarded to the next Council Meeting for approval

5 Associated Documents

- 5.1 City of Palmerston Policies

6 References and Related Legislation

- 6.1 Northern Territory Local Government Act
6.2 Northern Territory Local Government (Administration) Regulations
6.3 Northern Territory Local Government (Accounting) Regulations
6.4 Australian Accounting Standards
6.5 Ministerial Guidelines
6.6 Local Government General Instructions