

QUARTERLY FINANCE REPORT - SEPTEMBER 2023

Report Author: Manager Financial Services

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The attached quarterly finance report and capital works report have been prepared as of 30 September 2023. The report includes financial year-to-date data up to quarter one of the 2023-2024 financial year and is compared to the adopted budget for the full year to 30 June 2024.

RECOMMENDATION

That Council

- 1. Receives and notes the Finance Report for the three months from 1 July 2023 to 30 September 2023 for the purpose of Section 97 of the Local Government Act 2020.*
- 2. Approves and adopts the Capital Works Transfers as outlined in the September Quarterly Capital Works Report.*

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and Background

The quarterly financial update presents summary financial statements and a series of other progress reports on matters that will inform both Council and the Community on the performance of Council for the first three months of 2023-2024.

Summary of year-to-date results

Comprehensive Result (Net Surplus)

YTD comprehensive result of \$5.8m is \$1.7m below the adopted budget. This is due to:

- Overall revenue is \$4.2m below budget, this predominantly relates to operating grants being \$4.2m lower than budget, caused by the advanced receipt in full of the 2023-24 Victorian Local Government Grants Commission financial assistance grant in June 2023 which was budgeted for in July 2023. This will be an ongoing variance through the remaining year when comparing to budget.
- Other expenses are over budget by \$0.7m, depreciation and amortisation are over budget by \$0.5m.
- These variances are offset by lower employee costs due to unfilled positions across the organisation (\$1.0m), lower materials and services cost (\$2.3m) and lower financing costs (\$0.3m).

Balance Sheet and Cash Flow Statement

Cash and investment holdings ended September at \$70.0m representing a strong cash position. The Balance Sheet presents a working capital of \$30.0m (total current assets of \$151.0m less total current liabilities of \$121.0m). This reflects Council's ability to meet its obligations as and when they fall due.

Capital Program

Capital expenditure of \$13.1m is \$0.7m or 5 per cent below the YTD adopted budget of \$13.8m.

Further detail on the performance of the Capital Program is provided in the separate quarterly capital works report.

FINANCIAL ANALYSIS

The attached reports outline the financial performance and position of Council's activities for the 2023-24 financial year up to 30 September 2023.

APPLICABLE PLANS AND POLICIES

Sound financial management and reporting of Council's activities forms part of Council's commitment to being a High Performing Organisation, one of Council's five Strategic Objectives outlined in its Council Plan.

RELEVANT LAW

Section 97 of the *Local Government Act 2020* requires Council to prepare and present a quarterly finance report that compares annual budgeted revenue and expenditure with actual year-to-date revenue and expenditure, at a Council meeting which is open to the public.

RISK ASSESSMENT

A risk assessment has been considered in relation to the financial reports and deemed an acceptable level of risk.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Quarterly Financial Report – September 2023
2. Quarterly Capital Works Report – September 2023