

1. Heads of Power

Local Government Act 2009 (Qld)

Local Government Regulation 2012 (Qld)

Financial Management (Sustainability) Guideline 2013 (Qld)

Australian Accounting Standards

Queensland Audit Office (QAO) Guidelines

2. Purpose

The purpose of this policy is to establish a framework for the effective management of Aurukun Shire Council's (**Council**) financial resources. It ensures compliance with legislative requirements, promotes financial sustainability, and supports transparent and accountable financial decision-making.

3. Scope

This policy applies to all financial transactions and management activities undertaken by the Council, including budgeting, financial reporting, revenue collection, expenditure, and asset management. It applies to all Councillors, employees, and contractors involved in financial decision-making.

4. Definitions

Financial Sustainability: The ability to manage financial resources to meet current and future community service obligations.

Annual Budget: A financial plan that details the projected income and expenditure for a financial year.

Asset Management Plan: A strategic plan that guides the acquisition, maintenance, and disposal of Council assets.

Long-Term Financial Forecast: A 10-year projection of Council's financial position to support long-term planning and sustainability.

Own-Source Revenue: Revenue generated by Council through rates, fees, and charges, excluding government grants.

5. Policy Statement

Council is committed to:

- Ensuring financial sustainability through sound financial planning and management.
- Maintaining compliance with all relevant financial laws, regulations, and standards.
- Managing public funds responsibly and transparently.
- Undertaking strategic financial planning to support long-term community needs.
- Ensuring accountability in revenue collection, procurement, and expenditure.

6. Financial Planning and Budgeting

6.1. Long-Term Financial Forecast

- Council will maintain a Long-Term Financial Forecast covering a minimum of 10 years.
- The forecast will be reviewed annually to ensure alignment with Council's strategic goals.

6.2. Annual Budget

- Council will prepare and adopt an Annual Budget in accordance with legislative requirements.
- The budget will outline operational and capital expenditures and projected revenue sources.
- The budget must include measures of financial sustainability as per the *Local Government Regulation 2012* (Qld).

6.3. Asset Management

- Asset Management Plans will be developed to guide investment, maintenance, and renewal decisions.
- Council will integrate asset management planning into financial forecasting.

7. Revenue and Expenditure Management

7.1. Revenue Management

- Council will maintain a Revenue Policy that sets out principles for levying rates, fees, and charges.
- Rates and charges will be reviewed annually to ensure they align with service delivery costs.
- Council will actively pursue outstanding debts in accordance with the Debt Recovery Policy.

7.2. Expenditure Management

- Expenditure must align with the adopted Annual Budget unless otherwise approved.
- All procurement activities will comply with Council's Procurement Policy.
- Councillors and employees must adhere to Council's financial delegations when authorising expenditures.

8. Financial Reporting and Accountability

8.1. Financial Reporting

- Council will prepare financial statements in compliance with Australian Accounting Standards.
- Monthly financial reports will be provided to the Council for review.
- An audited financial report will be prepared annually in accordance with legislative requirements.

8.2. Internal Audit and Oversight

- Financial management activities will be subject to periodic internal audits in accordance with Council's Internal Audit Policy.
- Internal audit findings will be reviewed by the CEO, and recommendations will be implemented where necessary.
- External audits will be conducted annually in compliance with the *Local Government Act 2009* (Qld).

8.3. Internal Controls

- Internal controls will be established to safeguard assets, ensure accurate financial reporting, and prevent unauthorised transactions.
- Financial policies and procedures will be regularly reviewed to ensure compliance with best practices.

9. Risk Management

- Council will identify and manage financial risks through regular risk assessments.
- Adequate insurance coverage will be maintained to mitigate financial risks.
- Internal audits will assess financial risks and recommend corrective actions.
- Financial contingency plans will be developed to address unforeseen financial challenges.

10. Document Control and Continuous Improvement

- Council will conduct annual reviews of its financial performance against key sustainability indicators.
- Independent external audits will be conducted annually as required under the *Local Government Act 2009 (Qld)*.
- Internal and external audit recommendations will be reviewed and implemented where necessary.
- Financial processes will be adjusted based on audit findings to improve efficiency and compliance.
- Council will review this policy every two years or as required by changes in law or best practice.

11. Related Documents

- Internal Audit Policy
- Annual Budget
- Long-Term Financial Forecast
- Asset Management Plans
- Procurement Policy
- Revenue Policy
- Debt Recovery Policy
- Risk Management Policy

12. Policy Owner

Finance Manager.