

Financial Planning Policy

FIN-PL 100

1 Purpose of Policy

The purpose of this policy is provide a strategic framework for prudent management of Council's finances that facilitates public scrutiny of performance and representing leading financial planning practice.

2 Principles

Warringah Council is a multi million dollar business. We have a fiduciary duty to the community to manage finances over the long term in a way that balances their needs with the long term financial sustainability of Council.

Industry leaders have sound financial policies for responsible resource planning, rating, debt, infrastructure and service delivery strategies.

The development of the management plan and budget will be directed by the following best practice principles:

- 2.1 Council's strategic management processes include financial plans prepared on a rolling 10 year basis, asset management plans of at least 20 years and a works plan covering a 4 year cycle.
- 2.2 Projected operating revenues are set at a level sufficient to meet projected operating expenses.
- 2.3 Investment in the renewal of assets will increase each year to meet the full cost of asset depreciation by 2011-2012, and thereafter increased to keep pace with the depreciation of assets.
- 2.4 Asset renewals are funded by the depreciation expense.
- 2.5 New assets to support population growth are funded from developer's contributions.
- 2.6 New assets created to provide increased levels of service are to be funded from sources other than general revenue, including but not limited to loans.
- 2.7 Proceeds from the sale of real property are used in accordance with the "Sale of Real Property – Allocation of Funds" policy.
- 2.8 Excess accumulated working capital to be applied to "one off" projects that improves financial sustainability and builds capacity for the community.

3 Authorisation

This Policy was adopted by Council on 31 July 2007.

It is effective from 31 July 2007

It is due for review on 1 October 2012.

4 Amendments

This Policy has not been amended

5 Who is responsible for implementing this Policy?

Chief Financial and Information Officer

6 Document owner

Director Corporate Services

7 Related Council Policies or Operational Management Standards

- a) Allocation of Proceeds from Sale of Real Property
- b) Investment Policy

8 Legislation and references

- a) Local Government Act 1993 No 30
- b) Local Government (General) Regulation 2005

9 Definitions