



# Council Policy Manual

## WEST WIMMERA SHIRE COUNCIL

| COUNCIL POLICY                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |              |
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| FINANCIAL MANAGEMENT POLICY                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Policy No:          |              |
|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Adopted by Council: | 15 July 2026 |
|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Next review date:   | July 2030    |
| Executive Director:                                                                | Director Corporate and Community Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |              |
| Responsible Officer:                                                               | Chief Financial Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     |              |
| Functional Area:                                                                   | Financial Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |              |
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| Introduction and Background                                                        | <p>This policy outlines an agreed framework for the effective financial management, control and reporting by Council.</p> <p>Councillors take ultimate responsibility for the performance of Council and are accountable to the community. As Councillors are not involved in the day-to-day operations of the Council they rely on policies, procedures and internal controls to provide assurance about the information reported to them and in turn reported to the community and other stakeholders.</p> |                     |              |
| Purpose and Objectives                                                             | <p>The purpose of this policy is to establish a framework for the effective management of West Wimmera Shire Council's financial resources. It ensures compliance with legislative requirements, promotes financial sustainability, and supports transparent and accountable financial decision-making.</p>                                                                                                                                                                                                  |                     |              |
| Response to the Overarching Governance Principles of the Local Government Act 2020 | <p>Section 9 of the <i>Local Government Act 2020</i> states that a Council must in the performance of its role give effect to the overarching governance principles.</p> <p>This policy is in response to the following overarching governance principle/s of the <i>Local Government Act 2020</i>:</p> <p>a) the financial management principles (section 101)</p>                                                                                                                                          |                     |              |
| Legislative Requirements                                                           | <p>Section 101 of the <i>Local Government Act 2020</i> (the Act) outlines the financial management principles the Council must comply with. These are:</p> <p>a) revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;</p> <p>b) financial risks must be monitored and managed prudently having regard to economic circumstances;</p>                                                        |                     |              |



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|                | <p>c) financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;</p> <p>d) accounts and records that explain the financial operations and financial position of the Council must be kept.</p> <p>For the purposes of the financial management principles, financial risk includes any risk relating to the following:</p> <p>a) the financial viability of the Council</p> <p>b) the management of current and future liabilities of the Council</p> <p>c) the beneficial enterprises of the Council</p> <p>Section 105 outlines the principles for accounts and records. These are:</p> <p>a) The Principal Accounting Officer of Council must ensure that there are kept proper accounts and records of the transactions and financial affairs of the Council.</p> <p>b) A failure by a Council to keep proper accounts and records and the reason for that failure must be reported in the annual report.</p> <p><i>The Local Government Act 2020</i> requirements will be incorporated into Council documents and processes upon review.</p> |
| Policy Details |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1.             | <p>Application and Scope</p> <p>This policy applies to all staff with financial delegations or involved with Council's financial services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2.             | <p>Responsibilities</p> <p>There are essentially 3 main levels of responsibility within Council:</p> <p><i>Councillors (the governing body)</i></p> <p>The principles of sound financial management requires Councillors to actively oversee and monitor Councils operations to achieve long term sustainability. Council and Councillors act like the private sector board of directors, and are responsible for setting the strategic direction, for monitoring management performance and for monitoring control and accountability systems.</p> <p><i>The Chief Executive Officer (CEO) and the Executive Management Team (EMT)</i></p> <p>The CEO and the EMT are directly responsible for the day-to-day management of Council operations. They are responsible for implementing the strategic direction, for managing operations, obtaining resources and for providing information to Council.</p> <p><i>Senior Officers with specific management responsibilities</i></p> <p>The officers' responsibilities are determined by the job they undertake, the resources that they manage and the delegated authorities that they are given.</p>                       |
| 3.             | <p>Financial Management Principles</p> <p>All relevant legislative requirements of the Local Government Act 2020 provide the framework for sound financial management by Council including:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



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|    | <ul style="list-style-type: none"> <li>a) Prudent management of financial risks</li> <li>b) Stable and consistent rating policy</li> <li>c) Long term financial stability</li> <li>d) Full, accurate and timely reporting of financial information</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 4. | <p>Framework Summary</p> <p>This Policy outlines the financial management framework through identifying and documenting the following key processes:</p> <ul style="list-style-type: none"> <li>a) Accounting Controls</li> <li>b) Internal Audit</li> <li>c) External Audit</li> <li>d) Treasury Management</li> <li>e) Financial Planning and Budgeting</li> <li>f) Financial Reporting</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5. | <p>Framework Details</p> <p><i>Accounting controls</i></p> <p>An important part of financial management is the establishment of accounting controls to ensure financial information is reliable and reduce financial risks.</p> <p>Key internal control documents used by Council are outlined below by category:</p> <ul style="list-style-type: none"> <li>a) Revenue Management: <ul style="list-style-type: none"> <li>• Revenue &amp; Rating Strategy</li> <li>• Pricing Policy</li> <li>• Fees &amp; Charges Schedule</li> <li>• Receipting Guidelines</li> <li>• Accounts Receivable Guidelines</li> <li>• Hardship policy</li> </ul> </li> <li>b) Expense Management: <ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Corporate Card Policy</li> <li>• Delegations of Authority</li> <li>• Annual Budget</li> <li>• Accounts Payable Guidelines</li> </ul> </li> <li>c) Treasury Management: <ul style="list-style-type: none"> <li>• Bank Reconciliations</li> <li>• Bank Authorisation Guidelines</li> <li>• Investment Policy</li> <li>• Borrowing Policy</li> </ul> </li> <li>d) Financial controls: <ul style="list-style-type: none"> <li>• End of Month Reconciliation Guidelines</li> </ul> </li> </ul> <p>These above policy and procedures incorporate standard accounting control concepts including:</p> |



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|    | <ul style="list-style-type: none"> <li>a) Segregation of duties</li> <li>b) Management review</li> <li>c) System controls</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 6. | <p><b>Internal Audit</b></p> <p>The Local Government Act 2020 outlines the responsibilities and structure of internal audit within local government in Victoria. It mandates that Councils establish an Audit and Risk Committee to oversee the internal audit function.</p> <p>Key functions of the Audit and Risk Committee are:</p> <ul style="list-style-type: none"> <li>a) Development of an internal audit charter</li> <li>b) Appointment of an independent internal auditor</li> <li>c) adopt an annual work program</li> </ul> <p>The role of Internal Audit is to provide an independent and objective review and advisory service to provide assurance to the Council, Audit and Risk Committee, Chief Executive Officer and Management that financial and operational controls are:</p> <ul style="list-style-type: none"> <li>a) designed to manage Council's risks and achieve the organisation's objectives</li> <li>b) operating in an efficient, effective, ethical, and well-governed manner</li> <li>c) assisting management in improving the organisation's business performance</li> </ul> |
| 7. | <p><b>External Audit</b></p> <p>In accordance with the Local Government Act 2020 the Auditor General is to be Council's auditor. The Auditor General is appointed to provide an opinion on Council's annual financial reports. The Auditor General provides Council with a financial control audit that will assist in:</p> <ul style="list-style-type: none"> <li>a) strengthening Council's good governance and policy framework</li> <li>b) ensuring financial reports are compliant with legislation and Accounting Standards</li> <li>d) reviewing and improving Council's financial management practices, its accountability for public monies, and financial performance</li> </ul> <p>Key Documents produced by the External Auditors to provide an opinion on Councils financial control and reporting are:</p> <ul style="list-style-type: none"> <li>a) Management Letters</li> <li>b) Audit Opinions</li> </ul>                                                                                                                                                                                      |
| 8. | <p><b>Financial Planning and Budgeting Framework</b></p> <p>The Local Government Act 2020 requires Councils to prepare key strategic and financial documents after every four-year election cycle. These include:</p> <ul style="list-style-type: none"> <li>a) Annual Budget</li> <li>b) Annual Performance statement</li> <li>c) Council Plan (four-year plan)</li> <li>d) Financial Plan (including four-year budget)</li> <li>e) Financial Plan (including ten-year plan budget)</li> <li>f) Asset Plan (ten-year plan)</li> <li>g) Revenue and Rating Plan (four-year plan)</li> </ul> <p>Key documents used by Council in planning and budgeting are:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



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|     | <ul style="list-style-type: none"> <li>a) Model Budget Statements</li> <li>b) Performance reporting guide</li> <li>c) Budget Guidelines (internal document)</li> <li>d) Pricing Policy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 9.  | <p><b>Financial Reporting Framework</b></p> <p>The Local Government Act 2020 requires Councils to deliver the following are the key reports on a regular cyclical basis:</p> <ul style="list-style-type: none"> <li>a) Annual Report</li> <li>b) Annual Financial Statement</li> <li>c) Annual Performance Statement</li> <li>d) Quarterly Financial Reports to Council</li> <li>e) Monthly Financial Reports to Management</li> </ul> <p>Reports are also required to be presented to the Audit and Risk Committee for review.</p> <p>Key documents used by Council in reporting are:</p> <ul style="list-style-type: none"> <li>a) Model Financial Statements</li> <li>b) Performance reporting framework guide</li> </ul> |
| 10. | <p><b>Review</b></p> <p>This Policy shall be reviewed every four years or as determined by the Chief Executive Officer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| <b>Policy Adopted:</b>  | Council Meeting 15/07/2026 | SRV Governance – Policies, Procedures, Plans Strategies – Policies and Procedures – Council Policies |
| <b>Policy Reviewed:</b> |                            |                                                                                                      |
|                         |                            |                                                                                                      |