



Annual budget



"They are responsible with public money".

Intent

We prepare and approve a budget each year as part of our annual business planning. It will be flexible enough to accommodate unforeseen events including possible reductions in revenue.

Responsibilities

The board will:

- approve and monitor outgoings against the annual budget, and
- consider and approve expenditure above management delegations.

Management will ensure:

- the budget is prepared in sufficient time for it to be approved by end of the financial year or as soon as possible thereafter
- the board is provided with the information it needs to adopt and approve the budget, monitor and review it
- kaimahi and volunteers are informed about the budget
- operations run within budget.

Requirements



Budget estimates

An annual budget will be prepared with estimates set by considering:

- strategic priorities/kaupapa
- the current expenditure projections to end of year
- previous year's actual expenditure and budget
- maintenance and replacement of assets
- revisions to collective and individual employment contracts
- a projected increase in operating expenses (eg 10%) eg power, telephones
- consumer price increments or higher rate of increase for salaries or relevant wage increases
- funding allocation for the year ahead (what is known and can be reasonably anticipated)
- any other relevant information (e.g pay equity changes, asset register, pending property or whenua costs).

Approval and adoption

The board's approval must be documented in the board minutes.

Once adopted, the budget becomes the official operating budget for the following financial year. It will not be changed except by formal resolution of the board.

All members of the organisation will work within the financial limits stated or implied by the budget.

Monitoring and revision

The budget will be reviewed and revised every six months if necessary to reflect changes in projected and actual income and expenditure.

A revision of the budget must be submitted to the board for approval.

Helpful links



Financial management principles/ Financial management

Financial reporting

Delegations

Review

Date: January 2022

Next review: by December, 2023