

Financial Strategy in Practice

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- What is a financial strategy
- How do you identify your council's financial strategy
- Places to start

What is a financial strategy

- It is a tool
 - For communicating the right debate.
 - It tells a story

OAG comments

- *However, as is common with the other review areas, there is a range of financial management areas, primarily relating to financial strategy at both a whole-of-council level and at a service level, that we consider requires further development.*
- *In particular, I would emphasise the importance of a local authority explaining the financial prudence of its annual forecast surplus or deficit position in the light of its future service intentions and the funding of these.*
- *This report also provides an analysis of, and comments on, the major financial trends among local authorities. Overall, although the trends highlight an increased use of debt and other revenue as funding sources, rates continue to increase and are forecast to be proportionately higher as a source of funding in 2016 than in 2006.*

Financial strategy

- Explains your local authority's:
 - Application of the section 101 requirements to manage finances prudently
 - Application of the section 100 requirement to operate a balanced budget
 - Application of section 102 - funding and financial policies
 - Projected Financial Position

The story

- Of where you have come from
- Where you are going
- And what their journey will entail
- All in words but conveying a financial message

How do you identify your council's financial strategy

- Current balance sheet and it is why it is
- How you intend to comply with the balanced budget
- why does you will balance sheet in 10 years time look the way it does?
- Are you accumulating cash for
 - renewals
 - new assets
 - just saving for a rainy day

Places to start

What is the existing LTCCP saying

- Overall message
- Dollars
- What are the levels of service
 - How do these link to when the community what to go
- What are the messages from the AMPs

Where is your community and authority at now?

- Funding and Financial Policies
 - Use of debt
 - Intergenerational equity
 - Depreciation
- State of Assets
 - Renewals

Financial strategy

- KISS
- Reference to other parts of the LTCCP
- Your issues
- The Financial story