



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Review of Financial Reporting to Members
Date:	23 April 2010
Reporting Officer:	Julie Thompson, Director of Finance and Resources
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Purpose of Report

The purpose of this report is to propose a way forward in relation to the further development of financial reporting in Belfast City Council to Members.

Relevant Background Information

At the Council meeting on 1st April 2010 it was agreed that a report should be prepared for the consideration of the Strategic Policy and Resources Committee on the appropriate level of financial reporting which should be provided to Committee/Council.

Financial reports are currently provided regularly to Members. However, it is recognised that this could be further enhanced and that there is a need to ensure that consistent information is available across the Council for Member's consideration.

The future financial reporting needs of the Council were already under review by officers as part of a number of proposed financial improvement projects which officers are intending to consider with the Budget and Transformation Panel and the Strategic Policy and Resources Committee in future months.

It will be important that any changes to financial reporting are supported with appropriate training and guidance, if required and also that financial reporting is seen in the context of the wider performance management of Council activities.

Key Issues

CIPFA's Statement of Professional Practice outlines 'the objectives of financial reporting are the production of accurate, complete, relevant, timely and reliable information to demonstrate and maintain accountability, to meet statutory reporting requirements, to account to an organisation's stakeholders for its financial performance and to support decision making.'

In order to meet this objective in the context of Members information needs it is proposed that the following issues will require to be discussed with Members over the coming months:

Content of reports - it is important that finance reports meet the needs of Members in terms of their content. Members already receive reports on:

- Revenue current position
- Revenue forecast position
- Implications for reserves
- Capital current position
- Capital forecast position
- City Investment Fund
- Capital financing / affordability
- Efficiency programme

Members have already highlighted other potential reporting issues such as:

- Functional reports eg. by service area
- Thematic reports
- Area reports
- Opportunity for reallocation of under spends in year.

Consideration will need to be given to the cost of providing additional information compared to the potential benefits and the requirements of Members.

Timing of reports - we will need to agree the frequency of reporting for each report type, for example, monthly, quarterly and / or a combination of both depending on the time of year.

Role of committees - the reporting mechanisms need to reflect the different roles of the Strategic Policy and Resources Committee, Department Committees, the Budget and Transformation Panel and individual Members.

Training needs - in order to ensure that Members gain maximum benefit from the financial reports consideration will need to be given to the development of a financial training package for Members.

Recommendations

It is proposed that:

- (a) The Director of Finance and Resources work with the Budget and Transformation Panel and Party Groups in May/June to discuss the key issues raised in this report;
- (b) Specific recommendations on financial reporting are brought to the Strategic Policy and Resources Committee in June 2010 for consideration; and,
- (c) Financial reports available from the end of the first quarter in 2010/11