

**REPORT TO:** SCRUTINY RESOURCES COMMITTEE  
**Date of Meeting:** Scrutiny Resources – 16<sup>th</sup> September 2015  
**Report of:** Assistant Director, Finance  
**Title:** Financial Reporting Task and Finish Group Update Report

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

To update the Scrutiny Resources Committee as to the success of the trialed changes and improvements to the overall style and presentation of Financial Reports.

**2. Recommendations:**

That the Scrutiny Resources Committee:-

- Agree and approve that the changes and improvements to the style and presentation of Financial Reports should now be adopted on a permanent basis.

**3. Reasons for the recommendation:**

- To ensure that Members are content with the current style and presentation of Financial Reporting.
- To provide Members with the opportunity to comment further and suggest any additional improvements.
- To formally approve, through the Committee structure, that the changes and improvements should become a permanent feature.

**4. What are the resource implications including non financial resources:**

None.

**5. Section 151 Officer comments:**

This report raises no issues for the Section 151 officer to consider.

**6. What are the legal aspects?**

None.

## **7. Monitoring officer Comments**

This report raises no issues for the Monitoring officer to consider.

## **8. Report Details:**

The Chair of the Scrutiny Resources Committee at the meeting held on the 19<sup>th</sup> June 2013 (Minute 21) referred to the establishment of a cross party Task and Finish Group to look at the reporting of financial matters in a more meaningful and user friendly way.

Councillors had identified a need for clarity within the current financial reporting format which would enable them to have a better understanding of the reports presented to them and would allow them to more easily identify the key issues upon which they needed to take important decisions.

Membership of the Group consisted of:-

Cllr Baldwin (Chair)  
Cllr Ruffle  
Cllr Pearson  
Cllr Owen  
Cllr Donovan  
The Deputy Chief Executive  
The Assistant Director, Finance

The remit of the Group was:-

1. To review the current regime of reporting financial matters.
2. To review the current presentation of financial reports.
3. To consider whether there was any flexibility to alter the presentation of the financial information presented.
4. To see if reports could be simplified whilst still adhering to current statutory requirements and current Council policy.
5. To provide examples of alternative presentation of financial reports.
6. To clarify figures relating to budget and spend so that it would be easier for Members to identify issues from financial reports which may need attention.
7. To enhance and simplify financial reports.

The work of this Task and Finish Group would support the Council’s aims and priorities of ensuring a “well run” Council whilst enhancing accountability and transparency.

The Group met on three occasions and identified four main areas of specific interest:-

- Budget
- Spend
- Variance
- Income – is income being generated?

The Assistant Director of Finance produced a list of financial reports and confirmed that there would be more flexibility to alter the monitoring financial reports rather than the Statutory reports.

For ease of reference the table below demonstrates the current improvements and changes:-

Report	Statutory?	Key Changes	Reported to
Treasury Management Strategy	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No significant change – Statutory format</li> <li>• Slightly slimmed down</li> </ul>	Resources & Executive
Treasury Management Half Year Update Treasury Management Outturn	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Yes</li> </ul>		
Prudential Code indicators	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No Change – Statutory format</li> </ul>	Executive
Council Tax Base & NNDR1	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No Change – Statutory format</li> </ul>	Executive
Budget Monitoring – Quarterly updates and Outturn	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Slimmed down reporting format</li> <li>• Focus on significant variances</li> <li>• Tabular format for ease of reference</li> </ul>	Scrutiny Committees and Executive
Capital Monitoring – Quarterly updates and Outturn	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Slimmed down reporting format</li> <li>• Focus on significant Variances</li> <li>• Tabular format for ease of reference</li> <li>• Additional information – e.g. Completed Projects in the Quarter</li> </ul>	

Report	Statutory?	Key Themes	Reported to
Annual Governance Statement	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Statutory report</li> <li>Replaced written report with Pictorial representation</li> </ul>	Audit & Governance Council
Statement of Accounts	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>No Change – Statutory format</li> </ul>	Audit & Governance
Housing Rents	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>No Change</li> </ul>	Executive
Budget Strategy & MTFP (Dec)	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Slimmed down reporting format</li> <li>Significant use of tables rather than words.</li> </ul>	Resources & Executive
Annual Capital Programme & Revenue Budget Proposals (Jan)	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in detail – use of summary reporting.</li> </ul>	Resources & Executive All Scrutiny
Budget & Capital Programme (Feb)	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Report reduced in length</li> <li>Focus on Key Issues</li> <li>Increased use of Tables</li> </ul>	Executive Council
AIM Reports	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Removed – included in budget monitoring</li> </ul>	Resources

These changes were trialled during the September 2013 cycle of Scrutiny Committee meetings so that all Members would have the opportunity to comment upon the new style of financial reporting. Feedback was obtained from Members who commented that the changes implemented so far were very helpful and made the documents much clearer and easier to understand.

Further comments were obtained from Members in relation to the new financial reporting format following the January 2014 cycle of Committee meetings and the subsequent Full Council meeting. Members' comments remained positive and all agreed that the change in the format of financial reporting was of great benefit and provided much needed clarity.

In addition to the mainframe changes, there is also now an established Members' Briefing on the Budget which takes place in January each year. The Briefing concentrates on the Medium Term Financial Plan, additional spending pressures added and savings made. This ensures that all Members remain fully informed and have the opportunity to ask questions on any areas of the Budget.

Financial training for Members also appears as a regular feature on the Annual Induction Training Programme for Members.

**9 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?**

Not applicable.

**David Hodgson**  
Assistant Director, Finance

**Local Government (Access to Information) Act 1972 (as amended)**  
**Background papers used in compiling this report: None**

Contact for enquiries: Anne-Marie Hawley : Scrutiny Programme Officer  
Tel No: (01392) 265110  
E-mail: [anne-marie.hawley@exeter.gov.uk](mailto:anne-marie.hawley@exeter.gov.uk)