OPERATIONAL MANAGEMENT GROUP

Financial Reporting to OMG

Background

1. With the new arrangements in place arising from the Corporate Change Programme, it is opportune to consider the content and format of the regular financial information to be reported to the Strategic Leadership Team (SLT) and Operational Management Group (OMG), in line with their different remits. This paper proposes the development of two separate packs of complementary financial information to replace the existing monthly Finance Report and seeks OMG members’ views on what they would like to see. The intention is to provide a more high level, strategic, analysis to SLT, while targeting the more detailed operational information to Group Heads on OMG. The information to be received by SLT would also, as now, form the basis of the financial reporting to SPCB.

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Timing

2. OMG’s feedback on 15 May will enable us to implement revised financial reporting from the start of the 2009-10 financial year.

Discussion

3. OMG is invited to consider what information it would like to receive in its regular financial reports. To facilitate this discussion, a proposed format for future reporting is attached in Annex A, using data from February 2009. The published Finance Report for that period is attached in Annex B for comparison.

4. The proposed format for future reporting to OMG seeks to:-
   - focus primarily on the Parliamentary Service
   - use graphs and charts to provide more visual information
   - reduce the number of schedules
   - reduce the narrative content of the report

5. It is not intended that the report formats should be set in stone. We envisage that development of the reporting packs will be an iterative process and we will seek continuous improvement in financial reporting.

6. In particular, we are currently developing reporting on commitments and have tested the necessary changes on SEAS to enable this. This
will primarily be aimed at operational management, but we will also develop high level reporting to show trends in committed expenditure against forecast.

7. Group Heads will continue to receive detailed cost statements for their own group (together with office summaries as appropriate). Finance will also work with Group Heads to prepare separate quarterly financial reports for each Group Head to support their regular operational reviews with the Chief Executive and ACEs.

Resource Implications

8. None – ongoing development of financial reporting is a key part of the Finance Office’s operational plan.

Dependencies

9. We have agreed the high level information requirements for SLT before developing the more operational reporting for OMG. We also need to confirm that the SPCB is content with any proposed changes to the information it currently receives.

Equalities Implications

10. None.

Publication Scheme

11. The paper may be published with the minutes of the meeting. Annex A should not be published as it is a working draft for discussion and the final version will form part of the SPCB’s publication scheme in due course. Annex B has already been published.

Next Steps

12. Develop financial reporting pack for OMG.

Decision

13. OMG is invited to consider what information it would like to receive in its regular financial reports and provide feedback on the above proposal.

Financial Resources
May 2009