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Public sector management reporting Time to re-model?

In this new era of public sector reform, is there a need to introduce new models in public sector management reporting?

Access to sound and accurate information is critical to decision-making in all organisations.

One of the key channels public sector organisations use to communicate financial information is through their management reports.

In this new era of public sector reform, is there a need to introduce new models in public sector management reporting?

Management reports have to exhibit an understanding of the performance and sustainability of the organisation while at the same time reflect its culture and values.

Most public sector organisations recognise the role that management reports play in communicating their business performance and deliverables to their Boards.

Traditionally management reports have been focused primarily on the organisation's historical financial data and little else. As we head into a new framework of public sector accounting, we are already seeing changes to the format of management reports but is it enough to keep pace with the sector's dynamics?

Business sustainability has become a key issue in the public sector since the beginning of the recession. Public sector organisations should perhaps consider implementing a reporting model that explains key business drivers as they pertain to them.

This reporting model should also be flexible, especially when it comes to showing how the organisation is managed. It should not adhere exclusively to the prescribed format. Above all, it should avoid becoming a box ticking exercise.

We have seen many examples lately where the public sector has been pushed to embrace the need for a "comply or explain" concept. This may not be a bad idea in management reporting. When more people understand what this entails and are able to put it into action, we may be on our way to achieving behavioural changes across the sector.

As to what drives quality of management reports, users need to be put at the top of the list.

However this needs to be supported by qualified staff and strong systems of internal control, effective communication and management of risks. Also the tone needs to be set from the top. This is immediately a challenge in the public sector, as in today's Ireland public sector organisations are being asked to do more with fewer resources.

Are your reports relevant?

Business reporting is a process of gathering information, creating reports and delivering results. The information presented therefore needs to be relevant and accurate and preferably go beyond mere numbers.

A good rule of thumb is to keep reports simple and always look for feedback.

Organisations should also caution against having large amounts of information in management reports. More is not always better. Very often more information turns out to be less useful and may overwhelm users.

Instead focus on what is relevant. Ensure reports are clear. The key to successfully producing an effective report hinges on keeping it practical and meaningful.

But what it all comes down to is the calibre of those in charge of financial reporting.

Finally, no reliable and satisfactory report can be produced without the input of dedicated and knowledgeable professionals who understand the importance of producing meaningful and relevant management reports.

Is it time to re-model your management reports? Contact us now.

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