

Tri-Annual Reporting – Proposed Process Change and Policy Update**Report Purpose**

To seek Council approval on an amendment to the FIN-001-010 Financial Reporting Policy that will modify the current reporting schedule.

Recommendation

THAT revised policy FIN-001-010 Financial Reporting, as set out in enclosure 1 of the February 4, 2020 Corporate Finance report, be approved.

Our Prioritized Strategic Goals

Governance Requirement

Report

The current Financial Reporting Policy involves a quarterly management reporting process. Corporate Finance is proposing a change to tri-annual management reporting. Under a tri-annual reporting process, the financial reporting periods would be April 30, August 31, and December 31. This process change and policy update seek to achieve the following benefits:

- Improved Effectiveness:
 - Reporting of financial information as of April 30 and August 31 provides more timely and relevant information to Council.
 - Using the April 30 reporting date will provide more data and support improved analysis. This information will be reported no later than the current Q1 process that follows the completion of year-end reporting in April. Additionally, the current Q1 reporting has historically provided limited value as the operational activity is just underway and budget variances are not considered a good indicator of operational performance at that time.
 - Using the August 31 reporting date provides more timely information in the fall to align with the business plan and budget process. Under the current quarterly reporting process, the release of the June 30 information is delayed due to the summer break and the September 30 information is gathered after the fall budgeting process is largely complete.
- Improved Efficiency:
 - Reporting only three times per year will provide greater resource capacity to address competing priorities, such as the Business Transformation Project (SCBT) and other significant ongoing projects.
 - The use of June 30 information resulted in departments having to prepare quarterly variance information at the same time as preparing the following year's budget. The proposed April 30 and August 31 reporting dates will mitigate the overlap of staff duties through improved process alignment.
- Stakeholder Impacts:
 - Council would receive Management Reports in July, November, and April.

The planned change to tri-annual reporting was presented to internal stakeholders and received strong support and positive feedback.

Quarterly reporting is a best practice in the public and private sector, and this approach is often also guided by regulatory requirements. The County is not subject to any such regulatory requirements and other municipalities have implemented tri-annual reporting to enhance the efficiency and effectiveness of the reporting process.

Progress reporting on the Corporate Business Plan initiatives will be done on a bi-annual basis.

Council and Committee History

May 6, 2014 Council approved FIN-001-010 Financial Reporting Policy, as revised.

Other Impacts

Policy: FIN-001-010

Legislative/Legal: n/a

Interdepartmental: n/a

Master Plan/Framework: n/a

Communication Plan

All policies are published on the Strathcona County public website.

Enclosures

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| 1 | Financial Reporting Policy – FIN-001-010 - Proposed |
| 2 | Financial Reporting Policy – FIN-001-010 – Proposed with mark up |
| 3 | Financial Reporting Policy – FIN-001-010 – Original |