

REPORT OF HEAD OF FINANCE – DECLAN CONLON

Financial Performance 2007/8

The 2007 Annual Financial Statement was completed and submitted to the Department at the end of March 2007. A small deficit of €16,817 was returned on overall expenditure of €63.5m, equivalent to approximately 0.026%. We have a small cumulative deficit of €64,693 as at 31st December 2007.

For 2008, whilst we anticipate an increase in landfill income over budgeted levels, we have experienced a marked increase in Water and Sewerage treatment costs. In addition we are expecting a 50% reduction in planning fee income. We expect that excess income and cost savings in other areas will compensate and our current forecasts indicate that our overall net expenditure for 2008 will be close to budget.

Financial performance is monitored monthly with Management Accounts issued to the Management Team and Senior Managers and an independent financial report to the County Manager by the Head of Finance

Central Revenue Collection Section (CRC)

In 2008 we continue the development of the above section which was initiated in July 2007. The initial main focus of the section was the collection and resolution of water/sewerage accounts that were outstanding. Our collection as a result of this process has improved from 46% to 66%. During this period our staff have gained valuable knowledge and experience in the process of Revenue Collection. We have developed our own in-house software to facilitate a customer contact database and also a reminder/follow-up system linking to our legal debt collection. In 2008 this section also took on the task of issuing invoices for water and sewerage for all customers in Offaly following the consolidation of all water and sewerage services including those previously with our town councils.

In addition in 2008, as part of a national initiative, our revenue collection system was rationalised. In essence the old post of "Revenue Collector" has ceased to exist. The posts are now generic Grade 5's with an assignment to CRC. In addition we have reduced the number of posts from five to four.

It is our intention in 2009 to further develop the section taken on other areas of revenue collection for all Offaly Local Authorities. We are constantly striving to use IT and electronic means of collecting money to streamline our service and make it more effective.

This department is an example of how, shared services, can streamline and contribute to efficiency and effectiveness for all Offaly Local Authorities.

Comparing 2008 Budget with 2009 Budget

In comparing our 2008 budget with our 2009 budget, we have compared the line on Table A, "Adjusted Gross Expenditure and Income" - the main reconciling items are detailed below and explain the main increases in expenditure, savings on expenditure and increases/decreases in our income.

Major Revenue Account movements	<u>€ 000's</u>	<u>€ 000's</u>	
Adjusted Gross Expenditure and Income 2009 per Table A		24,598	
Adjusted Gross Expenditure and Income 2008 per Table A		24,810	
Reduction in Net expenditure in 2009 Budget		<u>212</u>	
Payroll Cost variations			
Reduction in Student places	-73		
Saving on 2008 Contract staff not renewed	-226		
Saving on 2009 Contract staff not renewed	-159		
Planned Reduction in overtime in budget	-347		
Temporary suppression of current vacancies	<u>-377</u>	-1,183	4.40%
Increases due under Towards 2016 National Pay Award		356	
Increase due for staff increments		<u>179</u>	
Net reduction in payroll		-648	
Non pay cost variations			
General Reduction in Advertising costs	-72		
General Reduction in Consultancy costs	-113		
General Reduction in Travel & subsistence costs	-113		
Increase in Water Services - Quality Assurance	1066		
Increase in Water Services operating costs	1259		
Increase in Landfill operations and remediation costs	929		
Increases in General Insurance (10%+)	153		
Net Increase in civic amenity site cost	113		
Increase in cost of funding Local elections	16		
Reduction in county roads budget	-143		
Reduction in Planning non pay costs	-160		
Reduction in Various loan charges	-100		
Other non pay cost variations	<u>-37</u>		
Net Increase in Non- Pay Expenditure		2799	
Net Increase in All Expenditure		<u>2150</u>	
Income variations			
Increases in Housing Rents		432	
Reduction in Planning income		-541	
Net Increase in Landfill & Environment Income		1870	
Increase in Water and Wastewater Income		535	
Increase in County Charge		66	
Net Increase in Income		<u>2362</u>	
Reduction in Net expenditure in 2009 Budget		<u>212</u>	
Funded By :			
Reduction in Local Government Fund allocation	-997		
Special LGF Water/Wastewater allocation	500		
Increases in Commercial Rates Income (3.2%)	285		
Reduction in Funding		<u>-212</u>	

Finance Dept. Corporate Plan/Business Plan - Key Achievements

The primary role of the Finance Department is to assist in achieving the strategic priority of developing and delivery quality services with particular regard to Financial Management and Value for Money.

The Finance Department Business Plan 2007/8 focused on identifying areas for improvement in the following work areas - Management Accounts, Annual Financial Statement, Budgeting/Costing, Financial Management Systems, Motor Taxation Office, Rates, Accounts Payable, Payroll/Superannuation, Fixed Assets Register, Housing Loans, Treasury Management and Insurance.

Key achievements during 2008

- The 2007 Annual Financial Statements for Offaly were submitted ahead of the Department's deadline of 31st March 2008.
- The new National Costing System has been implemented for all Offaly Local Authorities.
- A training programme was provided for staff on the Purchase Ordering and Enquiry modules in the Agresso Financial Management System.
- Continue the implementation of a Central Revenue Collection Section – to provide an enhanced revenue collection service.
- Introduce e-business opportunities – Low Value Purchase cards pilot basis), online expense claims system Electronic Funds Transfer, etc – to improve service and reduce costs.
- Continue to promote the concepts of Value for Money and budgetary control. Further Financial Management System training, for internal staff, – expenditure monitoring, in particular. We continued to provide in-house and external training on the Financial Management System and on other bespoke systems.
- Input to implementation of National HR, Payroll and Superannuation Project.

2009 Priorities

In the current economic/budget situation our priorities in 2009 will be to maintain our existing services and to continue to focus our attention constantly on financial management and budgetary control on an ongoing basis.

Risk management

In 2008, we have reviewed our risk management policy and a corporate risk register. In 2009 we intend to continue this process and evaluate outcomes. This is a continuous process where each section will evaluate an update their risk registers, which inform the overall corporate risk register.

Motor Taxation

In 2008 we anticipate that our total Motor Tax Department transactions will have increased by 4% on our 2007 activity levels. While there is some increase in vehicle

