

Effective Management Reporting

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What is Management Reporting?

- A mechanism for providing Senior Management and Board with details of financial position, performance and progress on *current business objectives*.
- The reporting to Senior Management/Board is a process of providing information to *various levels of management* so as to enable in judging the effectiveness of their responsibility centres and become a base for taking corrective measures, if necessary.
- Management reporting is the foundation for monitoring performance, tracking against plans and making *strategic business decisions*. Complete, accurate and timely management reporting that is presented clearly is fundamental to a well-run business and a strong finance operation.
- Management reports should be:
 - ❖ Concise
 - ❖ Accurate
 - ❖ Up to date
 - ❖ Timely
 - ❖ Easy to produce, interpret and understand
 - ❖ Should contain the good news and the BAD news – *this is critical*.

Effective Management reporting

LET'S DISCUSS

Management Reporting is not a compliance exercise, it is key in driving organisational performance.

- Timely reporting
- Reporting should address the real information needs of management/Board.
- Organisation should be able to utilise and understand management reports to assess financial health and performance but also **RISK**.
- RISK – Hot topic now? – Types of risk that management reports should be linked to? And why?
- Benchmark reporting – how you measure your reporting to industry benchmarks?
- Does your reporting enhance communication? – internal or external.
- Is the reporting frequency adequate for decision making and user requirement? And who drives the reporting timelines?
- Do you have a Management Reporting Strategy?

Modern Effective Management Reporting

Should contain:

- ❑ Financial and non financial data
- ❑ Key metrics
- ❑ Strategic goals and objectives
- ❑ Dashboard reporting with data – make it visual
- ❑ Variance reporting/exception reporting with commentary provided
- ❑ Use plain language and avoid jargon

Effective Management Reporting should:

- Influence decision making
- Should be accepted and become exciting news
- Independent and not be influenced

- Questions

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