

Municipal Indicators Factsheets – October 2022

On Time Financial Reporting 2017 - 2021

Alberta Municipal Affairs produces 13 measures related to specific aspects of a municipality's governance, finances or community. This month, we take a close look at the 'on time financial reporting' outcome measure.

About the 'on time financial reporting' outcome measure

Alberta Municipal Affairs produces 13 measures related to specific aspects of a municipality's governance, finances or community.

The 'on time financial reporting' outcome indicates those municipalities that submitted their financial information return to the ministry by the reporting deadline or within the extension period provided by the Ministry.

Why is this measure important?

Timely public reporting of financial statements promotes fiscal transparency and enables Albertans to hold their local governments to account.

Through on time financial reporting, residents can feel confident that their municipality continues to operate in a fiscally accountable and transparent manner.

On time financial reporting shows government which municipalities may experience future viability challenges, require additional supports, or need subsequent ministry intervention to meet their requirements under the Municipal Government Act.

Notable findings from the 'on time financial reporting' outcome measure

1. Municipalities who submit their financial reports on time

As shown in Chart 1, the slight increase from 2017 to 2020 is representative of an increasing number of municipalities that were able to complete their required financial reporting in a timely manner (+2.22 per cent). However, possibly due to the prolonged pandemic and

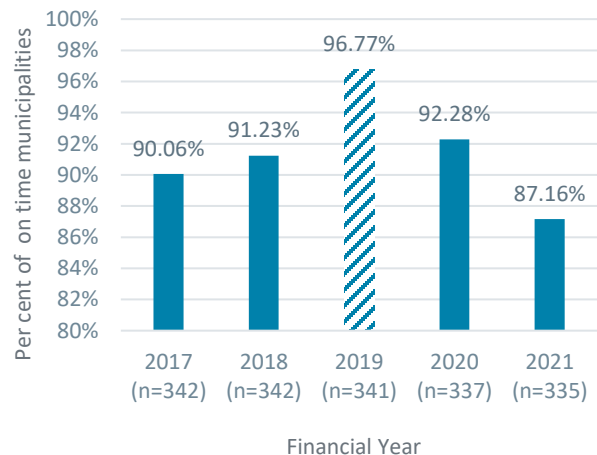
complex social economic circumstances in 2021/22, many municipalities, partners and auditors experienced various issues that resulted in a five per cent drop between 2020 and 2021 for on time financial reporting.

In response to the COVID-19 pandemic, Municipal Affairs proactively provided an October 1st extension to all municipalities in 2019.

Over the past five years, the percentage of municipalities who filed their financial reporting on time ranged from 87 to 97 per cent. When we break this out into municipalities that received a ministry-approved extension allowing them to report after the May 1 deadline and those that did not receive an extension (Chart 2), we see municipalities with and without an extension performed quite differently.

CHART 1: ON TIME FINANCIAL REPORTING, 2017 – 2021, ALL MUNICIPALITIES*

**Based on available data; Note: for the purpose of data visualization, the Y axis minimum was set to 80 per cent. Note: In 2019, due to the pandemic, all municipalities were granted a blanket extension.*



2. Extensions impact on time financial reporting

When excluding municipalities that were granted extensions between 2017 and 2021, more than 90 per cent of municipalities submitted their financial information return on time. However, when extensions are taken into consideration, we observe a substantial decrease in the percentage of on time financial reporting for every year except 2019. This decline may indicate that the extension did not fully meet its intended result.

Municipalities granted one or more extensions in a particular year did not appear to submit their data any earlier than those that were not provided extensions. Percentage wise, more municipalities with extensions failed to submit before their amended deadline.

A growing concern for the ministry is the rising number of extension requests and lower percentage of on time reporting over the last five years (excluding 2019). For the latest reporting year, with an unprecedented 40 extension requests, only 60 per cent of those municipalities that requested an extension submitted within the extension time.

Want to know more?

For more information on Alberta's municipal indicators and what they tell us, visit [Municipal Indicators](#).

To view municipal indicator results, by year, visit our [Municipal Indicator Dashboard](#).

Other questions?

If you have questions about the municipal indicators, please contact us at ma.updates@gov.ab.ca.

CHART 2: ON TIME FINANCIAL REPORTING, 2017 – 2021, NO EXTENSIONS VS. EXTENSIONS*

* Note: In 2019, due to the pandemic, all municipalities were granted a blanket extension.

