



Debate: Which is more useful to local government representatives—the annual budget or financial statements?

Martin Quinn, Julie Bertz & Elaine Stewart

To cite this article: Martin Quinn, Julie Bertz & Elaine Stewart (03 Feb 2026): Debate: Which is more useful to local government representatives—the annual budget or financial statements?, Public Money & Management, DOI: [10.1080/09540962.2026.2624103](https://doi.org/10.1080/09540962.2026.2624103)

To link to this article: <https://doi.org/10.1080/09540962.2026.2624103>



© 2026 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group



Published online: 03 Feb 2026.



Submit your article to this journal [↗](#)



Article views: 142



View related articles [↗](#)



View Crossmark data [↗](#)

Debate: Which is more useful to local government representatives—the annual budget or financial statements?

Martin Quinn^a, Julie Bertz^b and Elaine Stewart^a

^aQueen's Business School, Belfast, UK. martin.quinn@qub.ac.uk; E.Stewart@qub.ac.uk; ^bDCU Business School, Ireland. julie.bertz@dcu.ie

The call for papers for the Public Money & Management/ICAEW/CIPFA theme on 'Maximizing the use of local government accounts' posed many interesting questions. To begin a debate and encourage more research, we focus on two topics raised in this call, drawing on our own empirical evidence from a broader ongoing study by two of the authors on the usefulness of local authority accounting information in the context of Ireland. First, we offer some insight into the notion that the annual budget document is more useful to local government representatives than other sources of accounting information. Second, we question the extent and effectiveness of training that is provided to local government representatives in comprehending budgets and financial statements.

Irish local authority budgeting and accounting

To give some brief context, Irish local authorities are a form of local government at a city or county level. Operationally, they are managed by an executive team. Elected representatives attend monthly meetings, which are a forum for issues to be raised to the executive and vice versa. Budgets for operational and capital expenditures are produced each Autumn and must be approved by the elected representatives. The budgeted income comes from central government and local property taxes. Budgeted expenditure is classified across nine categories: A–H and J (A = housing & building; B = road, transport & safety; C = water services; D = development management; E = environmental services; F = recreation & amenity; G = agriculture, education & welfare; H = miscellaneous services; J = operational support [central management charge]). Once approved, budgets are available on the local authorities' web pages. Each local authority also produces an annual report and financial statements, also available on its website. At the time of writing (February 2026), there are 31 local authorities in Ireland. The breakdown of local authorities by type is as follows: 26 county councils (of which three are in Dublin—Fingal, Dún Laoghaire-Rathdown and South Dublin); three city councils (Cork, Dublin and Galway); and two city and county councils (Limerick and Waterford).

First empirical insight: the budget or the annual accounts, which is more useful?

By general definition, budgets in local authority accounting are formal statements declaring a local authority's planned net revenue and/or expenditure for a specific period,

typically one financial year. Annual reports, by contrast, are retrospective documents that provide a comprehensive account of the local authority's actual financial performance over a period. These accounts must be prepared in accordance with the Accounting Code of Practice (ACoP) on local authority accounting as set out in Ireland's Local Government Act 2001. Some prior research has explored the content of local authority financial reports, for example Peebles and Dalton (2022) and Quinn and Bertz (2025), from the perspective of their readability and complexity. However, a debate remains as to which are most useful to elected representatives—the annual budget or the annual report/financial statements of a local authority? As part of a larger research project, two of the authors surveyed the elected representatives of all Irish local authorities on various topics. The population was 835 individuals, and we obtained 70 complete responses, a response rate of 8.4%. Based on the survey responses, 61% of respondents had consulted the financial reports of their local authority in their role, with 68% of respondents claiming they had knowledge of the expenditure budget of the local authority. Almost all respondents (98.6%) claimed to have attended their local authorities' annual budget approval meeting. Interestingly, when asked which report was most useful, 72% of respondents identified the annual budget as the most useful report, whereas 28% regarded the annual report/financial statements as the most useful. These findings leave open the question as to why the budget is viewed as most useful by elected representatives? Other empirical studies suggest it is because the budget is more closely linked to policy decisions, resource allocation and the immediate priorities of government (Pajković et al., 2023), whereas financial statements are considered by some to be 'unnecessarily complex' and excessive in length (Haustein et al., 2021, p. 450). We consider the possibility that respondents may have cited the budget as more useful partly due to their own level of financial understanding, which we explore next.

Second empirical insight: training

The survey research mentioned above also sought to gauge the financial literacy levels of locally elected representatives by evaluating their understanding of 20 commonly used finance and accounting terms, including terminology found in local authority reports such as the budgets and financial statements. Respondents rated their understanding on a scale of 0 to 2, with 2 indicating full understanding. The average financial literacy score was approximately 1.6, with

no significant differences by age, gender or local authority type (urban versus rural). Additionally, the survey explored whether respondents had received any formal training within their local authority to help them understand the annual budget and/or the annual financial statements. Perhaps surprisingly, because although training is often provided but is not mandatory, 70% of respondents reported no training, although some said that they had missed a training session due to other commitments. Many respondents, who had not had any training, expressed a willingness to engage in future training specifically tailored to the financial documents of their local authority.

According to the Local Government Information Unit (LGIU), Ireland's local governments spent €7.4 billion on non-capital expenditures (LGIU, 2025). Despite this significant level of spending, local elected representatives rarely use their power to block budget expenditure by voting against the budget. Given that 70% of respondents to our survey had not received specific training, is it acceptable/appropriate to permit untrained persons to approve a large expenditure budget? Note that, despite the observed high level of financial literacy among respondents, coupled with approximately 65% possessing tertiary or professional qualifications, it can be contended that tacit knowledge and/or experiential learning provide a sufficient foundation for elected officials to discharge their financial oversight duties.

This leads to our second debate point: the training of elected representatives in Irish local authorities in understanding annual budgets and financial statements, while not lacking, is poorly attended and could be improved. This gap underscores the potential value of introducing mandatory, targeted training programs for elected officials, which could be effectively delivered through accessible online platforms. While this recommendation is informed by data from a specific national context, further comparative research examining the provision and impact of finance and accounting training for local government representatives across diverse jurisdictions is encouraged.

Disclosure statement

No potential conflict of interest was reported by the author(s).

References

- Haustein, E., Lorson, P. C., Oulasvirta, L. O., & Sinervo, L. (2021). Perceived usability of local government (LG) financial statements by local councillors: Comparative study of Finland and Germany. *International Journal of Public Sector Management*, 34(4), 441–458.
- LGIU. (2025). *Local government facts and figures: Ireland*. <https://lgiu.org/resources/local-government-facts-and-figures/local-government-facts-and-figures-ireland/>
- Pajković, I., Botica Redmayne, N., & Vašiček, V. (2023). The use and perceived usefulness of public sector financial statements by politicians: Evidence from Croatia. *Journal of Public Budgeting, Accounting & Financial Management*, 35(6), 180–198.
- Peebles, D., & Dalton, C. (2022). New development: Understanding the statement of accounts—the use of financial information in UK local authorities. *Public Money & Management*, 42(3), 178–180.
- Quinn, M., & Bertz, J. (2025). Irish local government accounts—general accessibility, complexity and confidence of financial statements narrative content. *Public Money & Management*, 1–13. <https://doi.org/10.1080/09540962.2025.2478200>

Martin Quinn, FCMA, is Professor of Management Accounting & Accounting History at Queen's Business School, Belfast, UK. He has published extensively in the leading accounting journals and has published several textbooks. His research interests focus on accounting history and management accounting change. His full profile can be viewed at <https://pure.qub.ac.uk/en/persons/martin-quinn>

Julie Bertz is an Associate Professor of Accounting at DCU Business School, Ireland. She is a Fellow of Chartered Accountants Ireland and has professional experience as an accountant in local government. Julie's research interests lie in public service management, change and accounting. Her full profile can be viewed at <https://business.dcu.ie/staff/dr-julie-bertz/>

Elaine Stewart is a Senior Lecturer in Accounting and Programme Director for the Undergraduate Accounting pathway at Queen's Business School, Belfast, UK. She teaches first-year management accounting and public sector accounting on the MSc Accounting and Finance. Her research interests include financial reporting reforms in the UK and Irish central government; sustainability and climate change reporting in the public sector; and financial capability mechanisms in the not-for-profit sector. Elaine is also on the editorial board for Public Money & Management. Her full profile can be viewed at <https://pure.qub.ac.uk/en/persons/elaine-stewart>