

D R A F T**ADMINISTRATION ESTIMATE AUDIT COMMITTEE****INTERNAL AUDIT REVIEW OF BUDGET MANAGEMENT****Note by the Director General of Resources****Purpose**

This note gives a high-level response to the review of budget management.

Management response

2. Overall, I welcome this report which scrutinises some of our key financial processes. It has given much food for thought, and the report comes at a time when we are in any event wishing to develop both our financial planning and budget management arrangements. Two key elements of current developments are:

- a revised planning timetable which involves setting strategic direction by the Board, seeking earlier initial bids in major investment areas, particularly shared areas with the Lords such as Estates and IT, and then carrying out the investment planning and approval itself in a more co-ordinated way;
- the development of a balanced scorecard which aims at giving the Board the management information it needs, and in due course cascading this through departments. The Scorecard will later play a part in the strategic planning process

3. The audit report raises some major questions, which we have not yet had sufficient time to reflect on fully. I should like to consider these with the Board over the coming months. The process for the next round of the three-year rolling plan is in hand as mentioned above, and Internal Audit might usefully monitor progress.

4. In the meantime, a number of further developments which are in hand will help to strengthen budget management and investment planning. These include:

- new business case guidance to be launched shortly. Training will follow;
- documentation of roles and competences for the finance community,
- a skills gap exercise;
- further development of the financial training scheme in the light of the needs identified;
- revision of the Resource Framework to clarify roles, responsibilities and delegations;
- a project with PICT to improve the management information (including financial information) available to managers.

Conclusion

5. For the present, we have confined the management commentary to the high-level points made in the “best practice challenge” at paragraph 9 of the audit review. We will prepare a management response to the detailed findings and action plan later in the year.

A J Walker
Director General of Resources

April 2009

Draft



Internal Audit
Office of the Chief Executive

House of Commons

Internal Audit 08/09. CA05.08

Review of Budget Management

Revised draft Report

Audit Sponsor:

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Date of issue:

16 April 2009 (in draft)

Internal Audit (2008/09) – Budget Management

Executive Summary

1. The objective of this audit was to review the processes for setting, controlling and monitoring budgets in the House of Commons. The review was proposed by the Director of Internal Audit and was approved as an addition to the 2008-09 Internal Audit programme by the Administration Estimate Audit Committee in October 2008.

2. The audit looked back over 2008-09 and also at the corporate financial planning for 2009/10 and the arrangements proposed for 2010/11. An outline schematic of the process can be found in Annex A. Corporate Financial Planning is co-ordinated by the Director of Financial Management and the Head of the Office of the Chief Executive. In year budgeting activities and the preparation of management accounts are co-ordinated by the Financial Planning and Budgeting Team, Department of Resources. They liaise closely with Finance Officers and staff in Departments and also with the dedicated finance teams in Facilities (Estates, Catering and Retail) and PICT.

3. Setting the departmental budgets for 2008-09 was complicated because of the restructuring of the House Administration in January 2008, following the implementation of the recommendations made in the Tebbit review¹. Existing baselines did not match the new organisational structure. They had to be re-worked and agreed by the new Departments.

Compliance

4. The House of Commons Resource Framework and the corporate planning and financial planning time-table issued by the Director of Financial Management defines the internal control framework for the financial planning (budgeting) activities in the House of Commons.

5. Based on our audit testing we have concluded that the application of the internal controls given in the House of Commons Resource Framework is adequate. Departments followed established financial planning and budgeting processes.

Improvements

6. Some improvements to the financial planning and budgeting process would strengthen the framework of internal control, these are:

¹ House of Commons Commission: Review of Management and Services of the House of Commons- Report by Sir Kevin Tebbit KCB CMG (HC685). Published 25th June 2007

- All budgets should be signed up to by budget holders, acknowledging their responsibility to work within them
- There should be guidance in the Resource Framework on when management should *formally* investigate or explain variances, above an agreed £ or percentage value
- The responsibilities and the authority of budget holders should be explicitly set out/agreed in job descriptions and individual key objectives and tasks in the Performance and Development Management system²
- Actions arising from financial performance and budget monitoring meetings should be briefly recorded

Audit Opinion

7. There are some weaknesses in the design and/or operation of controls; however the likely impact of these weaknesses on the achievement of the key system, function or process objectives is not expected to be significant. Furthermore, these weaknesses are unlikely to impact upon the achievement of organisational objectives.

We therefore give a Moderate assurance opinion on the adequacy and operating effectiveness of controls in place over budget management at the time of our audit.

Best practice challenge

8. The Tebbit³ review found that the House was in a position (following the implementation of H AIS) to put in place an effective performance management system that would enable the House of Commons to plan and run its services more efficiently (our summary of paras 120-133). Financial planning, budgeting and the reporting of financial information, consistently to all levels across the House will have a major role to play in such a performance management system.

² New Performance and Development Management (PDM) System, will replace the Annual Staff Reporting System from the 1st April 2009.

³ House of Commons Commission: Review of Management and Services of the House of Commons- Report by Sir Kevin Tebbit KCB CMG (HC685). Published 25th June 2007

9. This audit found that the House has established financial planning and reporting processes which have been refined over time. However, we also set out to establish whether these processes served the House well and if they matched with best practice⁴ in the public sector. We have called this ‘the best practice challenge’, albeit accepting that we recognise that there is no direct read across from other areas of the public sector to the House, but that there is value in a “compare and contrast” review. The results are as follows:

Theme	Financial planning and Management in the House	Public Sector Best Practice	Management comment
<p>Strategy</p>	<p>A predominantly bottom up approach has historically been taken to corporate planning. Departmental business plans have determined the priorities for the planning period. The financial strategy has been seen to be driven by FMD in the Department of Resources.</p> <p>It is acknowledged that this is changing.</p>	<p>Strategy is embedded through out financial and performance management processes. Feedback is routinely injected back into the strategy process</p> <p>Strategy drives planning –both financial and performance objectives are defined, alongside the results, outcomes and targets to be achieved</p>	<p><i>While it is true that , up to last year the annual planning process involved collating departmental business plans into the corporate plan, this has not been the case with the 2009/10 Corporate Business Plan. It is based on the medium-term strategy agreed by the Commission and on the strategic priorities agreed by the Management Board. It covers three years. It needs to be recognised, however, that a strategy agreed by the Administration cannot constrain the House itself, and some such initiatives (eg regional committees) have to be accommodated.</i></p> <p><i>It is accepted that more needs to be done to communicate this new approach to staff at all levels.</i></p>

⁴ Best Practice references used in the audit:
 Improving Budgeting: Modernising the Cycle CIPFA publication 2008; ISBN 978 1 84508 145 4; Integrated Planning and Overview of Approaches; CIPFA publication 2006; ISBN 1 84508 087 4

Theme	Financial planning and Management in the House	Public Sector Best Practice	Management comment
<p>Planning Process</p>	<p>Financial planning cycle for 2010/11 will commence in May 2009. This is an earlier start than in previous years. The revised time-table is determined by the timing of the laying of the Administration Estimate early in 2010.</p> <p>Financial planning activity based around indicative baselines with exception bids used to highlight any short-term adjustments required</p>	<p>Financial planning is undertaken in the last four months of the financial year – bottom up is completed and agreed November, Top down completed December to January</p> <p>Medium term planning horizon using 18 – 24 month rolling forecasts, in essence increasing the time spent on effective and continuous planning and reducing the time spent in an unproductive budgeting cycle</p> <p>Zero based budgeting adopted for selected areas.</p> <p>Financial plans are developed using rigorous approaches involving multi-disciplinary teams</p>	<p><i>Financial planning for the House takes longer than the public sector norm because of the need to consult the House of Lords on shared services and to seek the approval of Member Committees. A new annual planning timetable for Estates and IT has been agreed by the Management Boards of the two Houses. This involves starting with high-level outline plans/business cases in the early summer with a three-year time horizon. Bids for other expenditure are required by the summer recess so that detailed scrutiny can take place in advance of decisions in the autumn. Detailed budgets are issued in the spring.</i></p> <p><i>There will be sufficient flexibility in the planning process to accommodate emerging requirements later in the year.</i></p> <p><i>A zero-based approach will be considered for appropriate areas of expenditure.</i></p>

Theme	Financial planning and Management in the House	Public Sector Best Practice	Management comment
Budgeting and in-year financial management	Budgets allocated to budget holders as the year starts	<p>Budgeting integrated with output management.</p> <p>Monitoring brings together financial, non financial and risk processes with the balanced score card or equivalent</p>	<p><i>The Corporate Business Plan 2009/10 shows, for significant areas of activity, the responsible officer, an indicative budget and the key performance indicators. The balanced scorecard, which will be introduced in April and developed over 2009/10, will give an opportunity for the integration with output management as suggested</i></p>
In-year forecasting	Two opportunities in year to re-profile budgets over the 12 months in the financial year	<p>Forecasts look ahead the same distance in the future.</p> <p>18 – 24 month rolling forecasts with detailed forecasts for 6 quarters at any time</p> <p>Forecasts are recast at each new quarter and the impact of future events is clearly mapped. The intention of continuous forecasting is to avoid the allocation of budgets which managers perceive they need to 'spend up' even if they are not required. It has the potential to create savings or release resources for other priorities</p> <p>Trend analysis developed</p> <p>Integration with risk management and clear understanding of cost drivers result in reliable forecasts</p>	<p><i>We will consider the suggestion for 18-24-month rolling forecasts. But the key priority for the moment is to improve the quality of forecasting leading up to the financial year-end.</i></p>

Theme	Financial planning and Management in the House	Public Sector Best Practice	Management comment
In-year financial reporting	<p>Preparation of monthly profile of expenditure reports showing actual expenditure, forecasts; projected outturns; annual budgets and budget variances, for the 12 months in the financial year</p> <p>Rudimentary variance analysis</p>	<p>Financial and non financial information reported together</p> <p>Reporting of variances from what is expected for both operational and financial targets</p>	<p><i>The balanced scorecard, once developed, will give an opportunity to see financial data and operational data side-by-side</i></p>
In-year Performance Management by the Board	<p>Monthly performance reports to the Management Board on key non financial indicators only</p> <p>The Management Board receive three financial updates per year from the Director of FMD, which includes a mid year forecast outturn and end of year final outturn</p>	<p>Board sets aside time every month or quarter to review the continuous forecast and actuals and to direct how the organisation responds to them</p> <p>The Board also reviews KPIs, trends, compares forecasts and latest actuals. It also receives information about where forecast performance levels deviate from Corporate strategy and targets</p> <p>The Board should expect to see draft financial accounts at stages through the year</p>	<p><i>The balanced scorecard will give the Board regular financial information alongside operational data.</i></p> <p><i>The Management Board will take account of best practice in other parts of the public sector, as is considers the appropriate format and frequency of this information</i></p>
Skills and training	<p>Staff perception is that training and guidance is limited</p> <p>Training for finance staff is being reviewed as part of the Finance remodelling project</p>	<p>Training and development focuses on achieving strong financial awareness through out the organisation</p> <p>Finance and non finance staff trained in business planning, financial forecasting, risk management and investment appraisal techniques</p>	<p><i>Agreed.</i></p> <p><i>A skills gap analysis is currently being undertaken against the role and competence framework drawn up for the finance community. This will be used to inform the development of a revised finance training scheme, which is expected to include online</i></p>

Skills and training (cont)		Guidance notes, procedural manuals and training are available	<i>modules as well as more formal training courses.</i> <i>The existing Resource Framework is also currently being revised and updated. In future it will be available in electronic format and linked to the general management guidance available to all staff.</i>
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10. The financial planning best practice as described in the CIPFA models⁵ is based upon the fundamental principles of good financial management, which apply equally to all public sector organisations. There is no one-size-fits-all financial planning template in the public sector but the results of this 'best practice challenge' suggests that certain aspects of the current financial planning and budget management processes in the House can be developed to ensure that :

- The management of financial resources is subject to strong strategic leadership and direction by the Management Board
- Financial planning supports the achievement of strategic objectives and not leads it
- Financial management identifies and manages the financial implications of risk
- There is a full understanding of cost drivers, through the collection and analysis of a wide range of financial and non financial data
- Financial planning and reporting has a medium-term horizon (18 – 24 months) to improve and achieve greater value for money (VFM)
- Good quality financial and performance data is reported
- There is strong financial awareness within the House

11. The key drivers and the benefits of improving the current financial planning and budget management systems are:

- Improved accuracy of financial data and reporting
- Forward looking monitoring and forecasting of expenditure
- The integration of financial and non-financial data which is fundamental to effective performance measurement

⁵ Best Practice references used in the audit:

Improving Budgeting: Modernising the Cycle CIPFA publication 2008; ISBN 978 1 84508 145 4; Integrated Planning and Overview of Approaches; CIPFA publication 2006; ISBN 1 84508 087 4

- The ability for management to make earlier interventions and decisions about the use of resources as new pressures and issues emerge
- Greater degree of certainty and confidence that budgets are realistic
- Greater potential to realise efficiency gains
- Effective risk management
- Greater focus on value for money

12. Some of the best practice references we have used may be helpful to the Management Board in this context. The Management Board need to engage with these issues if the House is to develop more efficient and effective performance management systems.

13. A summary of audit findings follows in the next section.

Draft

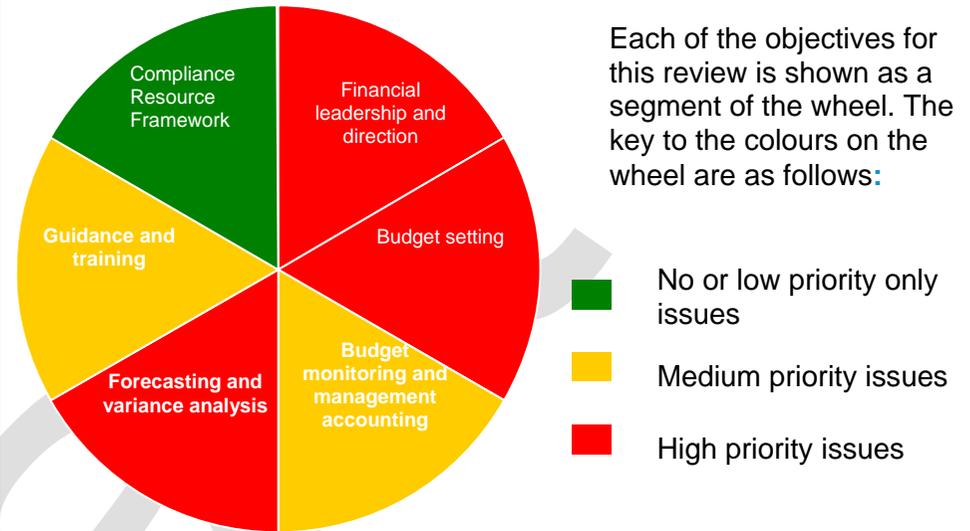
1. Detailed Audit Summary

<p>Department: Corporate</p> <p>Audit Sponsor: Andrew Walker</p> <p>Distribution List: Andrew Walker; Philippa Helme; Members of the Administration Estimate Audit Committee; Chris Ridley; [s.40]; Paul Thompson (HoL); Helen Booth, NAO</p> <p>Date of last review: N/A</p>	<p>Overall Opinion</p> <p>● Moderate Assurance</p> <p>There are some weaknesses in the design and/or operation of controls; however the likely impact of these weaknesses on the achievement of the budget management process and objectives is not expected to be significant. Furthermore, these weaknesses are unlikely to impact upon the achievement of the corporate objectives of the House</p> <p>The House's budget management system and processes operates in accordance with the guidance and procedures set out in the Resource Framework. There is strong compliance with these requirements by Departments</p> <p>Although, we conclude that the House's budget management activities are adequately controlled through the Resource Framework and the co-ordinating activities of FMD and the OCE, the budget management system has the potential to be more effective</p> <p>We therefore give a moderate assurance opinion on the adequacy and operating effectiveness of controls in place over budget management at the time of our audit</p>	<p>Control environment</p> <p>The House of Commons Resource Framework provides a high level control framework for corporate and departmental financial planning, which is supplemented by the annual financial planning time-table issued by FMD</p> <p>The preparation of the 2009/10 corporate plan, departmental business and financial plans was led and co-ordinated by the Director of FMD and the Head of the Office of the Chief Executive (OCE)</p> <p>There are three staff in the Financial Planning and Budgeting Team (FMD) who liaise with Departmental Business managers, departmental finance Officers, DFOs and budget holders</p>	<p>Number of findings</p> <p>0 Fundamental</p> <p>7 Significant</p> <p>6 Merits Attention</p>
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<p>Scope of the Review:</p>	<p>To review the system of budgetary control, monitoring and reporting operating in the House in 2008/09. This was a risk based audit.</p>
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High Priority Findings:

- The Management Board do not set aside time every month or quarter to monitor and review financial information and to give direction to the management of financial resources
- Financial performance information is not reported to the Board in the monthly performance report prepared by the OCE
- A predominantly bottom up approach has been historically taken to corporate Planning; Departmental Business Plans have tended to determine the priorities for the planning period
- There is a protracted financial planning cycle. Which, for 2010/2011 will commence in May 2009. Outline planning bids and assumptions may therefore be based on decisions made 9 months before the budget year starts
- Baselines are not periodically reviewed or rebuilt to challenge the historic pattern of expenditure and link expenditure to activity
- Some departments systematically, and as accurately as possible, profile their budgets showing an understanding of the key drivers and activities which affect their costs (e.g. Catering). Other departments take a more rudimentary approach to forecasting.



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Auditor: [s.40]
Fieldwork Commenced: 05/01/09
Fieldwork Completed: 05/02/09
Exit Meeting: 24/02/09
Draft Report Issued: TBC
Management Comments Received: TBC
Final Report: TBC

Risk Register Updates:
 All high priority findings should be incorporated in revisions to the Corporate and Departmental risk registers, where appropriate.

		Included in Risk Registers	Managed
1	The budget adopted and loaded on to Agresso does not reflect the approved estimate and underpin achievement of the key objectives of the House	[No]	●
2	The budgets do not realistically reflect activity	[No]	●●
3	Management does not have sufficient input into the process of determining accurate and realistic budgets	[No]	●●
4	Changes to budgets are not confirmed and communicated effectively to budget holders and managers	[No]	●
5	Budget holders and managers do not receive timely and accurate financial information	[No]	●
6	Significant variances are not followed up	[No]	●
7	Forecasts are incomplete, inaccurate or not carried out	[No]	●
8	Variances against forecasts are not reviewed and promptly acted upon	[No]	●
9	Budget holders and managers do not understand their roles	[No]	●
10	The is no appropriate control or monitoring of budgets at the right level	[No]	●
11	Agresso does not support effective budgetary control	[No]	●
12	Financial reports are not provided to the appropriate level of the House	[No]	●●
13	Poor financial information and communication between FMD, budget holders and management lead to ineffective budgetary control and management	[No]	●

The table sets out the risks identified in the terms of reference and audited for this review. These risks are categorised between whether they are currently included or excluded from Corporate and Departmental risk registers and whether the review has assessed them as being managed (green and amber) or unmanaged (red).

2. Findings and Action Plan

Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
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1	<p>The financial strategy has historically been driven by FMD in the Department of Resources, with relatively limited engagement by the Management Board</p> <p>A pre-dominantly “bottom-up” approach has been taken to corporate planning; Departmental Business Plans determining the strategic priorities for the planning period, and not the Management Board.</p> <p>This approach is changing, with the development of the role of the Office of the Chief Executive, but is not yet embedded and would benefit from clearer communication to line management.</p>	<p>● Significant</p>	<p>Management Board should have a greater level of involvement in developing and agreeing the financial strategy that sets out the business planning priorities in advance of the preparation of Departmental business plans, albeit taking into account the emerging business needs of directorates.</p>		<p>The House’s approach is at variance with current public sector best practice – where strategy drives the planning process</p>
2	<p>The financial planning cycle is protracted to accommodate the Summer Recess and the completion of the budget approvals process by the Management Board, the Finance & Services Committee and the House of Commons Commission, following the Christmas Recess, which culminates in the laying of the Administration Estimate.</p> <p>Financial planning for 2010/11 is time-tabled to start in May 09. Initial outline planning bids and assumptions can therefore be based on decisions made 9 months before the start of the financial year. Whilst adjustments can be made later in the process, these could disrupt the planning process.</p>	<p>● Significant</p>	<p>The Management Board should ensure that the corporate planning, and subsequent budget setting, time-tables are appropriate, and that the process will be fair and effective. It should also clarify the times when management decisions need to be made, ensuring that these are appropriately timed.</p> <p>Given that a significant proportion of the House’s costs are fixed (salaries) there is potential to streamline the process for laying the Estimate by concentrating the overall budget setting activities predominantly on the variable elements of expenditure.</p> <p>A future option would be to prepare high level rather</p>		<p>There is an issue about what is the appropriate planning time-line and if planning commences too early how relevant and accurate the plans will be at the onset of the new budget year</p>

	Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
			<p>than detailed forecasts for the laying of the Administration Estimate, subsequently supporting these with the detailed budget workings. A move to (medium term) 18-24 month rolling forecasts (see 8 and 9 below) – will look at costs beyond the current financial year; over time the forecasts will become increasingly accurate and would provide realistic basis for determining the following year's estimate provision</p>			
3	<p>There is no standard template for the preparation of departmental bids</p>	<p>● Merits attention</p>	<p>There should be a standard minimum template for the preparation of departmental bids, albeit allowing some departments to have additional details for their specific needs.</p> <p>There should also be a transparent record of how bids were processed (see also 4 below)</p>			
4	<p>Departments had difficulty in correlating their initial bids with the figures in the draft corporate plan</p> <p>There was a lack of clarity and/or awareness with some departmental finance staff about what happened after the submission of their bids to FMD and the OCE, particularly if the value of the original bid had been reduced.</p>	<p>● Merits attention</p>	<p>Communications should be consistent, clear and timely to ensure that departments are informed about the decisions made by FMD/OCE and the Management Board with regard to their financial bids and business plans, and the ability to ensure that any changes can be</p>			

	Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
			accommodated			
5	<p>Baselines are not periodically reviewed or rebuilt, from first fundamental principles, so as to challenge the continuing validity and priority of historic trends of expenditure or activity.</p> <p>There is no systematic mechanism in place or requirement for Departments to identify potential areas of “slack” in the baselines. This could be achieved by reviewing reasons for under-spends in terms of planned under-spends or in-built “over-estimations”. Excess capacity can therefore roll forward from one year to the next, without challenge.</p> <p>The House’s approach is at variance with current public sector best practice where challenging tools, such as budgeting from a nil base can be used.</p>	<p>● Significant</p>	<p>The Management Board should introduce a formal programme of reviews of the build up of base-lines for at least some parts of the organisation, principally for critical budgets, on a cyclical basis (3 or 5 years).</p> <p>A similar cyclical review of the reasons for under-spends should be undertaken to identify where base-lines are inappropriate.</p>			<p>Financial Plans are based around indicative baselines (agreed and adjusted over a three year cycle) with exception bids and short form business cases being used to highlight any required adjustments.</p>
6	<p>Budget monitoring and controlling are well developed processes in the House. Budget monitoring is not integrated with the House’s wider performance and risk management processes and reporting systems.</p> <p>The Management Board has agreed that a Balanced Scorecard approach will be adopted</p>	<p>● Significant</p>	<p>The House should give priority to the development an integrated performance management system where financial and non-financial information are considered together, and which measures value for money in relation to the resources required/used and whether outcomes have been achieved.</p> <p>This should be supplemented by sufficient financial information for the purpose (see 8 below)</p>			<p>Summary rolling forecasts and reports (see 8 and 9 below) offer a means to connect performance management and longer term strategic planning in the House</p>
7	<p>There is no guidance in the Resource Framework on when management should formally investigate or explain variances. Such investigation should be for the more “material” variances, based on an agreed £ or %-age of the budget</p>	<p>● Merits attention</p>	<p>There should be guidance in the Resource Framework on when management should formally investigate</p>			

	Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
	Actions arising from variance and monitoring meetings were not documented		or explain variances Actions arising from budget monitoring meetings should be briefly recorded and followed up			
8	<p>Financial performance information is not reported to the Board in the monthly performance report prepared by the OCE.</p> <p>The Management Board is not systematically monitoring significant variances between forecasts and outturn for operational budgets and major/business critical projects.</p> <p>The Management Board do not set aside time every month or quarter to review financial information and to direct the management of financial resources.</p> <p>The Management Board has declared its role to include : “approving business and financial plans, ensuring controls, managing risk, monitoring performance and</p>	● Significant	The Management Board should receive financial information on a monthly basis, including at a summary level: year to date actuals and forecast updates. These should include a high level rolling 12 – 18 month future horizon for the major operational budgets and business critical projects			The Management Board receive outturn updates from the Director of FMD three times a year (apart from the forward planning papers).
9	<p>Departments have two opportunities in-year to re-profile their budgets. Some departments systematically profile their budgets in detail for example: Catering and Retail profile the impact of lower levels of business experienced during recess periods. Other examples of good practice were found in PICT and Estates, primarily given the nature of their activities..</p> <p>Other departments were more rudimentary in their approach and senior management have concerns about the quality of the forecasting taking place.</p>	● Significant	<p>Mechanisms should be developed to produce rolling financial forecasts on a medium term, forward looking basis over 18-24 months</p> <p>At each new quarter the forecast should be recast and signed off by the relevant Director General</p> <p>FMD should play a key role in making sure that the forecasting by departments is robust, supporting staff by training and monitoring the effectiveness of forecasting accuracy.</p>			

	Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
10	Budget holders are not required to sign off their budgets to demonstrate that they are aware of their budget allocation	● Significant	Budget holders should sign off their budgets to demonstrate their acceptance of their allocation/s and acceptance of their responsibility to manage their budgets in accordance with the Resource Framework			
11	The (budget holder) responsibilities and the agreed delegations assigned to budget holders were not explicitly set out in agreed job descriptions	● Merits attention	The responsibilities, agreed delegations and detailed requirements assigned to budget holders should be included in their job descriptions.			
12	<p>There is currently no targeted and tailored financial awareness training for DFOs; budget holders and other members of the finance community in the House.</p> <p>The Finance re-modelling project is considering these issues, and we would support mandatory levels of competence and training to be a requirements for senior staff involved in financial decision-making</p>	● Merits attention	<p>The finance re-modelling should ensure that competence assessments are undertaken for all DFOs and Budget Holders, and other members of the finance community in the House. Subsequent targeted and tailored training should be in place to enable them to achieve the level of competence required for the finance related aspects of their respective roles</p> <p>Finance training should also be available for non-finance managers/staff so that they have a basic understanding of the House's financial; corporate planning and budgeting processes.</p>			Some departmental finance staff felt that available guidance and training opportunities regarding their day to day finance activities and for the annual financial planning activities are limited. We noted that improving guidance and training for Finance staff in Departments is part of the Finance remodelling project and will be addressed in 2009)

	Finding	Priority	Proposed Management Action	Owner of action	Target date	Further audit comments
13	There is limited guidance available covering the House's corporate planning and budget management processes	<ul style="list-style-type: none"> ● Merits attention 	Comprehensive guidance covering the corporate financial planning and budget management processes should be made available to DFOs; budget holders and other members of the finance community in the House			

Draft

Financial Planning and Budget Management – key stages 08/09 (January 2009)

