



Government
Finance
Function

Government Finance Function Strategy 2019-2023

**We put finance at the
heart of decision making.**

**Driving the agenda,
not just keeping score.**

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Foreword

The **Government Finance Function** vision is:

We put finance at the heart of decision making.

Driving the agenda, not just keeping score.

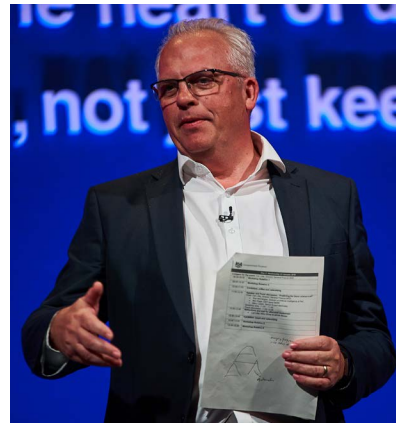
This vision requires us as a function to drive improvement across all that we do, to support the delivery of high quality public services. Success will only be possible if every member of the finance community demonstrates leadership, commitment, energy and a willingness to challenge the status quo.

The challenging context within which we operate –fiscal, political, technological and operational –means everyone across the function must be at their best to meet the demands of today and be fit for the future. Success will require collaboration between functions, organisations and most importantly between each one of us to learn and improve.

To position ourselves as the go-to trusted partner at every level of decision making across government, we will:

- Support the vision of ‘**A Brilliant Civil Service**’ by investing in our people to build and strengthen our capability, while creating a great place to work;
- Cultivate an inclusive learning culture, which encourages innovation and collaboration;
- Set clear delivery expectations through consistent standards and policies with a focus on high quality public services that deliver value for money;
- Deliver customer-focused expert advice and specialist services by bringing a strategic and cross-cutting perspective, supported by robust data and efficient processes and systems.

We have made enormous progress over the past few years and this strategy is an opportunity to clearly set out our ambition to go much further. It is a chance to engage the whole of the Government Finance Function and beyond in this journey and is a call to arms for the functional leadership. We will inevitably face challenges along the way but are confident that we will rise to these and build a Government Finance Function fit for the 21st Century that provides value for money across government and supports the provision of quality public services.



Mike Driver

Chief Financial Officer, Ministry of Justice; and Head of the Government Finance Function, HM Treasury



James Bowler

Director General, Public Spending, HM Treasury

The Government Finance Function

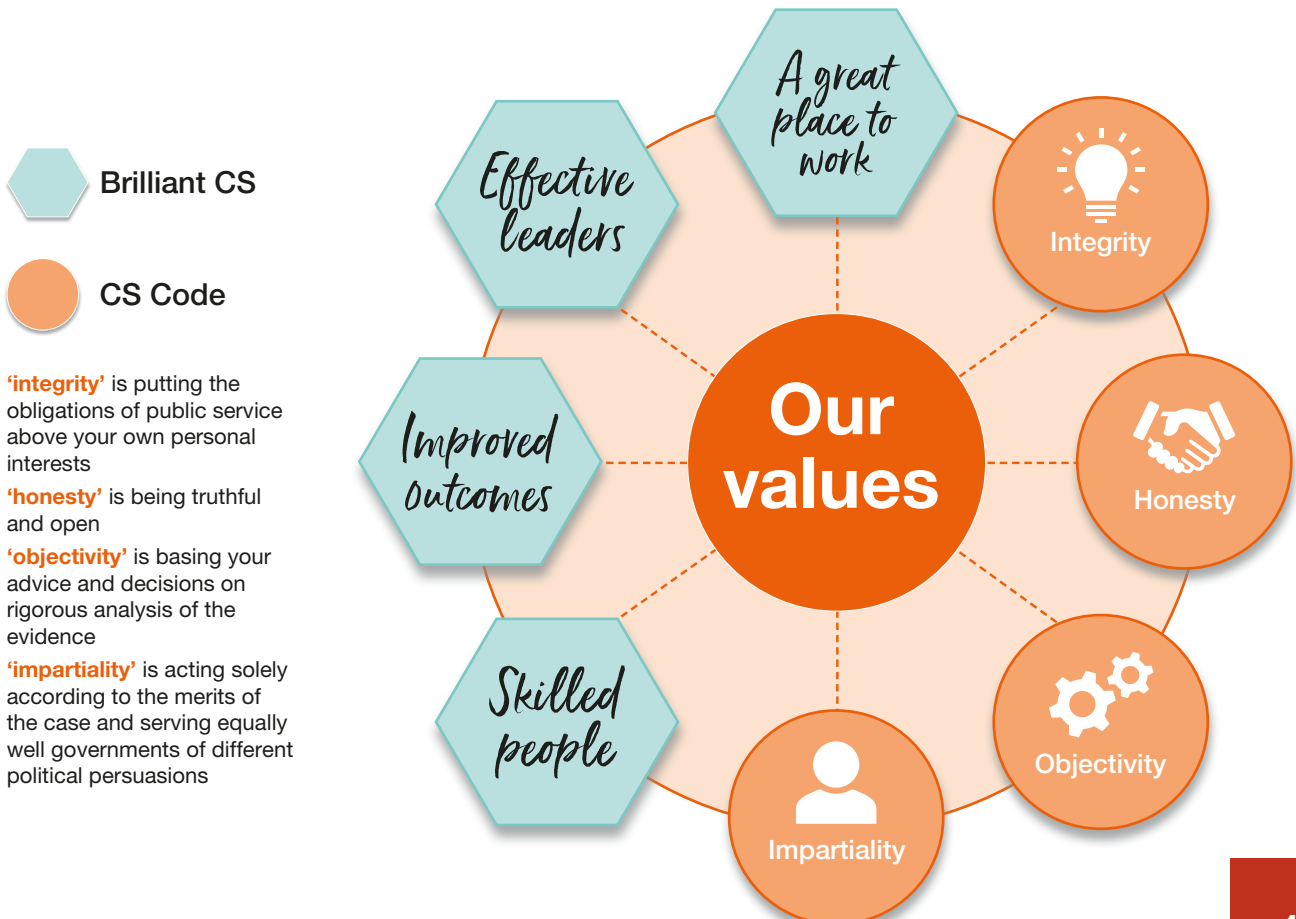
Our vision

This strategy is the first time we, as the Government Finance Function, have set out our vision and ambitions in a single cohesive document. It articulates the leadership roles, deliverables, and ways of working that will ensure we can meet our ambitions; enabling us, wherever we work across government, to deliver a quality service for our departments and organisations.

1. Founded on the Civil Service values, our vision ensures that we strive towards delivering more mature financial management, evidence-based policy and operational decision making, sophisticated forward-planning, and robust risk management.

We put finance at the heart of decision making.

Driving the agenda, not just keeping score.



Our objectives

To achieve our vision, we have identified six key objectives that are fundamental to our success:



Sound forecasting and reporting, with robust data, efficient transaction processing, and effective management of risk, supported by standards, policies, guidance and strong functional leadership



A function informed by analysis, underpinned by good quality data and supported by analytics and visualisation tools



A high performing and diverse function, with great people in the right roles with the right skills



The 'go-to' partner for colleagues to provide expert advice and informed decision making



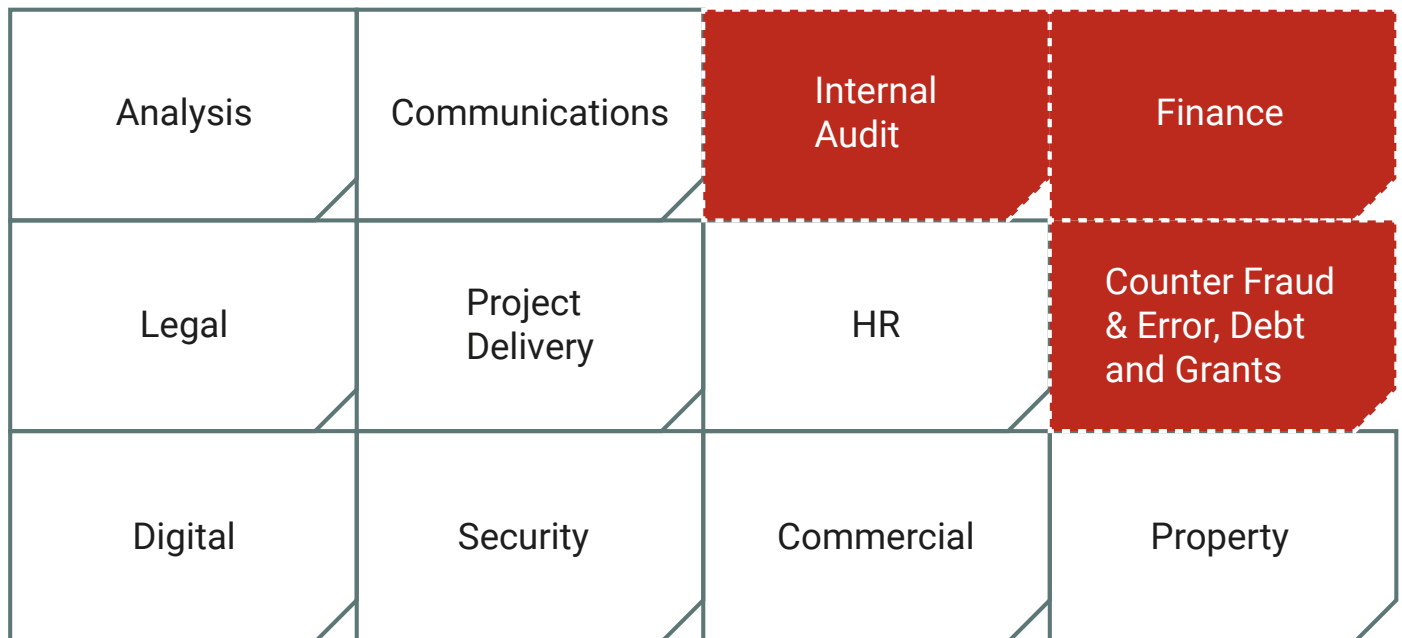
A modern, collaborative finance function that delivers quality services more effectively and efficiently



Driving a strong culture of planning, risk and performance with integrated financial and business planning, aligned with robust risk and assurance

Leading the functional agenda

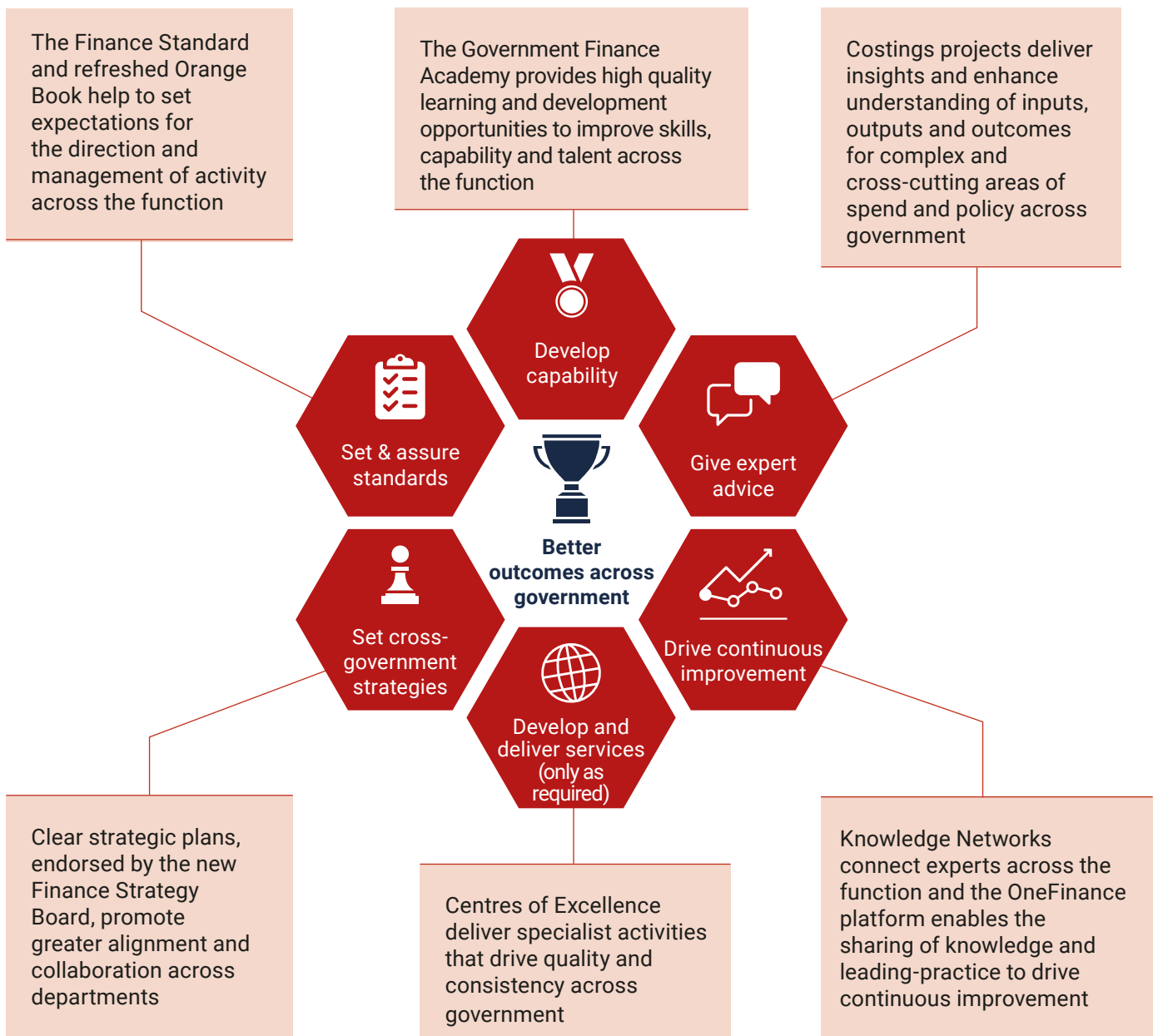
The Government Finance Function is at the forefront of the functional agenda, building a broad and inclusive function that is breaking down silos, sharing the excellent best-practice that exists across government, and establishing effective relationships with other functions.



2. The Government Finance Function, as one of 12 functions operating across the Civil Service, is integral to HM Treasury, helping the government to achieve its fiscal and economic objectives by:
 - Investing in its people to ensure a resilient, diverse and expert finance community, with a coherent cross-government view and advanced data analytics, which help deliver innovative solutions built on a clear finance narrative;
 - Establishing robust financial systems, standards and policies, and sharing knowledge and best-practice to ensure government-wide consistency in its service offering;
 - Developing frameworks, guidance and tools to facilitate more informed, effective and insightful planning, performance and risk management.
3. Close links with other functions are vital for effective cross-government collaboration. The impact of this has already been demonstrated; for example through our collaboration with Counter Fraud & Error, Debt and Grants to set up Centres of Excellence for Debt and Grants, and also through our continuous sharing of learning and development best-practice with Internal Audit.

Functional Taxonomy

The Functional Taxonomy is the common set of activities performed by functions. These have been summarised below with examples of how the Government Finance Function is delivering against each activity.



Looking ahead – the challenges we face

4. **Government will continue to operate in a period of ‘continued restraint’**, placing pressure on functions to provide insight for decision makers to manage resources in an agile way; and set the standard for others in the public sector by providing efficient, consistent services to customers.
5. **Embracing and maturing the role as ‘Trusted partners’** – a challenge for all government functions – comes from further embedding user-focused services and processes as government continues to transform and consolidate. In part, this challenge can only be addressed by being armed with the right information, underpinned by efficient processes – earning a seat at the table with an impactful customer-centric offer.
6. **Staying at the forefront of developing technology** and utilising the latest innovations will enable us to meet the challenges of the digital era, and drive value for money across government. Pioneering analytics and visualisation tools will further enable us to use data to tell a compelling story and provide colleagues with evidence to make better financial, strategic, and operational decisions. Developing our use of robotics, automation and artificial intelligence will support us in removing manual processes wherever possible and reduce the administrative burden for our people, freeing them to provide insight.

The Government Finance Function needs to provide pro-active leadership to both support departments to address these challenges and unify our collective impact as part of the wider government functional agenda.

Trends in Technology

7. As the pace of technological change accelerates, it is vital that we effectively leverage the opportunities presented by these emerging trends. In particular:
 - Cloud-based Enterprise Resource Planning (ERP) platforms
 - Data visualisation
 - Artificial intelligence (AI)
 - Robotics and automation

“Functions are the fundamental bedrock of how the Civil Service operates. Every civil servant and every part of government is impacted by the work of the functions.”

John Manzoni

Chief Executive of the Civil Service and Permanent Secretary of Cabinet Office

“The Finance Function is a key driving force behind HM Treasury’s continued work to maintain control over public spending, increase the effectiveness of financial management, and achieve strong and sustainable economic growth for the UK.”

Tom Scholar

Permanent Secretary of HM Treasury

Who we are

The Government Finance Function exists to enable the delivery of high quality public services and to ensure that public money is spent efficiently and effectively. It is responsible for supporting the management of over £800 billion of public expenditure each year, as well as over £2,000 billion in assets and £4,500 billion of liabilities.

Our journey

8. There have been a number of milestones over the years that have shaped our focus and approach, driving us forward in delivering better value for money across government.
9. The establishment of the **Efficiency and Reform Group** at the Cabinet Office in 2010 focussed attention on obtaining value from every pound of government spending, while 2013 saw **HM Treasury's Review of Financial Management in Government**¹ identify further opportunities to strengthen Whitehall's finance leadership.
10. In response to this, the **Financial Management Reform (FMR)** programme was launched in 2014 to implement the recommendations and enable finance to play an even greater role in decision making across government.
11. Through this we strengthened our operating model for government with a defined approach for shared service and cross-government centres of excellence. This has enhanced departmental collaboration, improving the way in which we operate across the function. Additionally, the FMR led to the establishment of the Government Internal Audit Agency (GIAA), and the creation of the Government Finance Academy (GFA) to train our staff.
12. We used every opportunity to accelerate the professionalisation of the function, with every large government department now having a qualified finance director on its Board. This has helped strengthen the leadership of the function with finance directors playing an ever more active role in shaping and delivering government priorities.
13. To continue to build on our successes we need to ensure that our mission extends beyond stewardship, fully leveraging the potential of the Government Finance Function and working collaboratively with other functions to deliver better outcomes across government.

People

14. The Government Finance Function is a diverse community of over 10,000 people spread out across the United Kingdom, with three-quarters based in regions outside of London. The function is far broader than individual professions, bringing together a range of disciplines and expertise, from strategic business partners, to accountants, to risk and audit professionals.

¹ HM Treasury, 2013, Review of financial management in government, <https://www.gov.uk/government/publications/review-of-financial-management-in-government>

- 15. Our people are embedded in every government department and their organisations, building trust by understanding, supporting and where appropriate challenging the business. They work together to deliver financial information, strategic insights, accurate and transparent performance reporting, and creative and pragmatic solutions.
- 18. Underpinning this is the senior network of finance leaders, the Finance Leadership Group. This comprises of finance representatives from each government department; heads of other government functions and connected professions; HM Treasury Spending Directors; and representatives from the Devolved Governments and the Small and Medium Departments Network.

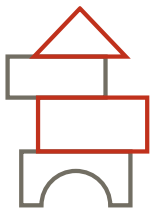
Leadership

- 16. Leadership of the function extends across all departments, with finance leaders in each taking responsibility for developing and executing their respective organisational strategies and aligning these to the function’s vision and objectives.
- 17. The function is jointly led by Mike Driver, as Head of the Government Finance Function, and James Bowler, as Director General for Public Spending. This structure ensures that both a departmental and HM Treasury perspective are embedded into everything we do, driving efficiencies in public spending and supporting the delivery of great outcomes for departments and citizens.
- 19. To bring this all together, our dedicated central resource works with teams and individuals across the Government Finance Function to ensure a joined-up approach to delivering our vision, objectives and strategy.



Our outcomes – what we want to achieve

To support the delivery of our strategy, we have collaboratively developed outcome statements against each of the six objectives to set out our ambition as a function. These build upon the great work that is already underway and make fresh, actionable commitments as to how we will consistently and collaboratively shape finance across government and meet the demands of the future.



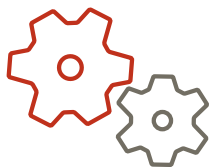
1 Getting the basics right

- Core processes, systems and management information that enable finance teams to execute their day-to-day responsibilities efficiently and support the effective management of public money through the provision of accurate, timely and compliant information
- Consistent standards and policies that are assured and maintained, setting expectations of Finance Function activities, supporting service and delivery requirements, and driving functional maturity
- Collective functional leadership that sets and helps to implement clear, cross-government strategies, supported by transparent governance that defines accountabilities and manages change effectively
- A progressive brand, recognised across government as leading the functional agenda, reinforced by a well-communicated narrative that provides internal and external stakeholders with a clear view of the function and its aims



2 People, diversity and capability

- Expert people equipped with the knowledge, skills and experience to achieve functional priorities and meet future challenges
- A diverse and inclusive culture that values differences in our people and draws upon their wealth of varied experience, background and knowledge to strengthen decision making and support excellent outcomes
- Clear career frameworks that define roles and set expectations of our people, to support the attraction and retention of high-performing and diverse talent
- Confident and visible leaders who role model technical excellence, lead by example, and make strategic connections that empower and inspire colleagues to drive functional alignment and maturity



3 How we operate

- A shared understanding of how we operate, identifying and striving to adopt leading-practice, to increase efficiency and alignment across government and deliver a modern Finance Function
- Organisational structures that promote collaboration and knowledge-sharing, and champion leading-practice, connecting teams and finance communities across government
- Greater process standardisation across the function that exploits shared services, automation and other technology opportunities to deliver services more effectively and efficiently



4 Insight

- Data driven insight, supported by cross-government, whole system analysis, that tells a story and provides a clear understanding of inputs through to outputs, promoting value for money discussions
- Enhanced analytics and data visualisation tools, with self-service capabilities, that inform decision making and unlock efficiencies
- Clear, consistent and accessible data governance, definitions and standards that are regularly updated, helping to protect data integrity, promote alignment across departments and functions, and improve shared decision making



5 Trusted partner

- Influential and solution focussed people that are connected, astute and politically aware, delivering cross-government perspectives that lead to more informed decision making and better outcomes
- Credible experts and business partners that understand the business in which they operate, building trust with key decision makers so that their advice is actively sought
- Strong and embedded relationships that enable the function to act as a critical friend to the business



6 Planning, risk and performance

- Affordable and deliverable departmental plans, that are informed by robust evaluation of strategies, policies and programmes, and reflect agreed assumptions, risks and dependencies, helping to deliver public value
- Effective risk management that is integrated and embedded into routine ways of working, supporting confidence in the successful delivery of objectives and increasing transparency
- Insightful reporting and monitoring of spend, performance and risks, that informs governance, decision making and financial management for the organisation and at the aggregate cross-government level

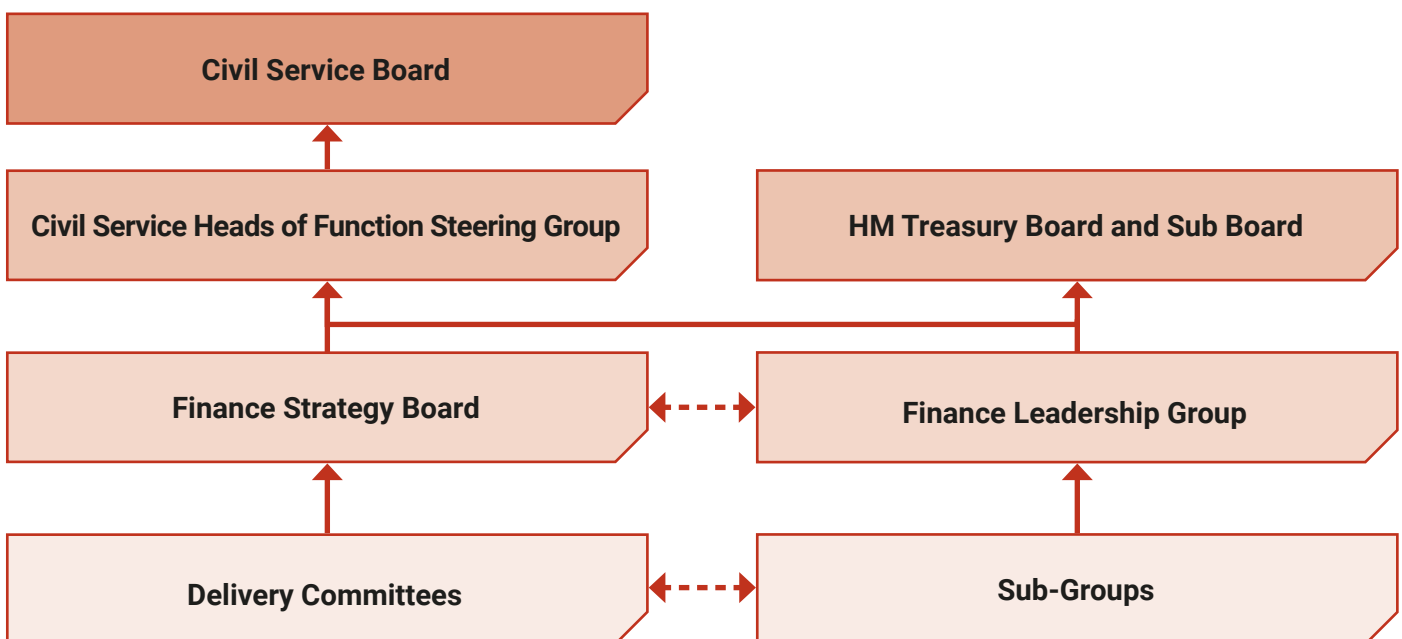
How we will achieve this

Leadership and governance

To support strong leadership, ownership and collaboration at every level across government, we need to strengthen our governance and set clear delivery expectations.

- 20. To do this, the new **Finance Strategy Board (FSB)** will provide greater oversight of how the strategy is delivered and will ensure that we join up effectively across the function and government, championing and influencing the wider functional agenda and supporting the Civil Service Board.
- 21. Delivery of the objectives themselves will be led by defined delivery committees championed by dedicated Finance Director Generals and Finance Directors from departments.
- 22. This will operate alongside the already well-established **Finance Leadership Group (FLG)** which will continue to provide visible leadership for the function, endorsing, supporting and challenging cross-cutting finance issues.
- 23. We will use the strategy to strengthen expectations for leaders to adopt a dual-role; both leading their departments in alignment to the Government Finance Function Strategy, and participating in the delivery of specific objectives for the whole of the function.

Our Governance Structure



Collaborative delivery

Our objective is to empower every member of the Government Finance Function to fulfil their respective roles and take ownership in leading the function, piloting new ideas, learning from others and improving outcomes for government and citizens. The majority of the change, therefore, will be led by our people driving innovation and improvements within their departments and organisations.

24. **The dedicated central resource** will support the functional governance and finance leaders in the delivery and performance management of the strategy. They will operate in three separate capacities:

- **Deliver** guidance, templates and work products to support departments and promote consistency across government;
- **Enable** departments to implement and roll out required changes and updates;
- **Measure** performance and adherence of departments (and therefore their finance directors) to key metrics, feeding into Finance Director Annual Reviews.

25. They will also **communicate** best-practice standards across the function, support departments in working towards these standards, and enable greater understanding of departments' own performance, leading to more insight on maturity of organisations and best-practice across government.

26. Collaboration with other functions is essential in the delivery of this strategy. We must seize opportunities to align our strategic approach, share knowledge and information, and solve shared problems, if we are to deliver creative solutions and drive better quality outcomes across government.

What this means in practice...

The Government Finance Function and the Government Internal Audit Agency (GIAA):

One area where we are already seeing the benefits of growing collaboration is in the People, diversity and capability space between the Government Finance Function and GIAA.

The relevance and applicability of many of the products offered by the **Government Finance Academy** has led to GIAA members attending various finance focussed training courses. Additionally, both areas have joined forces to develop **combined talent forums**, leveraging existing infrastructure and expanding their scope.

And this is only the start, as we increase engagement with each other and share knowledge, then such opportunities to collaborate across and beyond People, diversity and capability will continue to grow, enabling us to utilise resources in the most effective and efficient way.

27. This strategy also presents an opportunity to strengthen our links with the devolved governments and regional finance networks. By clearly setting out our achievements and ambitions we can identify those areas where it makes sense to join up and better leverage each other's expertise, knowledge and resources.

Sustainability in the Government Finance Function

The United Nations has highlighted the unprecedented and accelerating rate of species extinction, the declining health of ecosystems around the world and the importance of promoting education and sharing knowledge around environmental concerns.

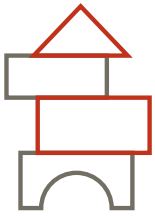
The Government Finance Function has a responsibility to act to support nature, the environment and its vital contributions to biodiversity. Sustainability must be considered in everything we do, including in implementing this strategy, from effectively evaluating the social and environmental costs and benefits when assessing interventions and proposals, to consciously thinking about our consumption of energy and products.

The Finance Leadership Group (FLG) has committed to supporting sustainability and considering economic, social and environmental diversity. We all have a part to play in this process, whether it is in considering the environmental impact of an economic policy or merely choosing not to print off an email.

We will produce regular updates on how you can get involved and make a difference, and will provide a platform on OneFinance to share knowledge, best-practice and the positive steps being taken within the Government Finance Function.



Delivering against our objectives



1 Getting the basics right

Why this matters

28. Getting the ‘financial basics’ right provides the bedrock for government organisations to effectively operate, successfully driving value for money amidst an ever-changing political and social landscape. It underpins the function’s credibility and reputation as a **trusted partner** and an effective steward of public resources.
29. Robust finance processes, data, capabilities and standards are critical to provide our departments and organisations with the insight and core foundations to **most effectively spend public money**. Greater consistency and streamlined services will generate efficiencies and enable resources to be focused on those areas where they can drive greatest value. Moreover, a collective functional approach that brings together expertise, insight and leadership, enhances the function’s impact, brand and value to customers.
30. In the current climate, our departments and organisations are under increasing pressure to **enhance productivity and efficiency**. In particular, more needs to be done to effectively leverage emerging technologies and realise the benefit of being part of a larger functional community with a broader offering of talent, tools and resources.
31. The Government Finance Function has made real progress in developing **the Government Finance Standard**, collective governance, and clear functional strategies and communications.
32. In 2018, we collaborated with the Cabinet Office **to influence and develop the broader functional agenda**, establishing a suite of consistent management standards and setting out clear shared expectations on how government operates. We’ve started work to embed and measure the maturity of departments against aspects of our standards, such as the Global Design Principles.
33. Structures and tools have been established to increase communications and strengthen our brand across the function. The annual **Government Finance Function conference** connects our people from teams and regions across the UK, while our digital platform, **OneFinance**, has over 7,100 registered users. Moreover, regional finance networks, which span the length and breadth of the UK, organise and provide regular development and networking opportunities.
34. Moreover, the **Finance Leadership Group** has continued to grow its membership to incorporate finance representatives from each government department; heads of other government functions and connected professions; HM Treasury Spending Directors; and representatives from the Devolved Governments and the Small and Medium Departments Network.

What we’ve done

31. The Government Finance Function has made real progress in developing **the Government Finance Standard**, collective governance, and clear functional strategies and communications.

What this means for our people...

“The Conference has been a fantastic event, which it always is. You can’t beat spending some face-time with people, really engaging, interacting and working through problems. It’s been a great couple of days and I’m looking forward to next year already.”

Ross Miller
Finance Business Partner,
Department for International Development

Our ambition

35. For all departments and their organisations to operate robust financial systems, processes and controls that enable them to: generate insightful reporting in line with the Finance Standard; effectively and efficiently execute the day-to-day fundamental finance tasks; and proactively and skilfully utilise data analytics and insight to inform decision making. The delivery of this by departments and their organisations will be underpinned by the following ambitions:

- For all departments and their organisations to continually **deliver and improve upon their 'financial basics'** and internal controls. This will take account of **differing levels of maturity** and recognise departmental capacity constraints. It will also be supported by the development of a performance framework, and feedback will be sought from our customers and key stakeholders to measure our progress;
- To **develop, communicate and uphold our new Finance Standard**, which will set expectations for the direction and management of activity within the function – the 'what' and the 'why'. It will bring together a consolidated view of existing finance standards and policies; and clarify the current responsibilities of members of the Government Finance Function. It will be built on government systems and processes, and aligned to other core government publications such as Managing Public Money². A consistent approach in this space will strengthen confidence in the function's offerings and its credibility as a trusted partner;
- To **proactively build a unified, strong and inclusive finance community**, which members are proud to be a part of, and that encourages knowledge sharing and professional development. We will strengthen connections and communications across the function, organising conferences and roadshows that bring people together from teams and regions across the UK. We will further reinforce our brand by delivering a new digital platform that will facilitate communication across departments, while enabling the sharing of resources, information and achievements;
- To **align departmental plans to the Government Finance Function Strategy**, taking account of the specific needs and objectives of business areas. This will support departments and organisations in embedding the 'financial basics' into their day-to-day operations, and will accompany regular strategic reviews to ensure plans remain current and effective. All of this will be underpinned by collective functional leadership that provides accountability and retains oversight.

2 HM Treasury, 2012, Managing Public Money, <https://www.gov.uk/government/publications/managing-public-money>

What this means in practice...

“Getting the basics right is an area that should resonate with everyone across the finance community, no matter what your role, team or location. It means paying attention to the detail, ensuring all that we do is accurate and clearly presented, that we follow our own policies and procedures and that we keep in mind our stakeholders. This gives us the credibility we need to put finance at the heart of decision making.”

Elizabeth Honer

Chief Executive Officer,
Government Internal Audit Agency



2 People, diversity and capability

Why this matters

36. People are essential to the continued success of the Government Finance Function. Therefore, a clear and ambitious People, diversity and capability Plan is required to ensure that the function has a **diverse and capable workforce**, in the right places, with the right skills, able to adapt and meet the future needs of the government. As a function, we have to be proactive rather than reactive to changes, identifying key future trends and always being one step ahead of the curve. Ensuring that we have a diverse range of people who are actively encouraged to share their views and experiences will enable the function to bring unique perspectives into the decision making process, promoting innovation and collaboration at every level.
37. We know there are challenges around recruitment and retention, particularly amongst the leadership cadre. Here people need both the **strong technical skills** and the **leadership ability** necessary to **empower** finance teams across government to deliver. To address these challenges we are consulting widely to broaden our understanding of the underlying issues and develop the right interventions to ensure our people are skilled and resilient.
38. There is also appetite from departments and their organisations for a more consistent People, diversity and capability offer across government, to facilitate **flexible and transparent career pathways**. Finance leaders across government recognise that positive steps have been taken in this area. However, we need to do more to provide greater clarity on the scope, structure and purpose of different roles, as well as ensuring that our people are supported in their development.



What we've done

39. Our people agenda has long been at the centre of our functional remit and has established sub-priorities: **diversity and inclusion (D&I)**; **learning and development** – the Government Finance Academy (GFA)³; **career frameworks**; **resourcing**; **talent management**; and **reward and recognition**. In each of these areas we have actively looked for opportunities to align the Finance agenda with Internal Audit and to other affiliated functions. The function has made significant progress in recent years and although each area is at a different level of maturity, all are key in enabling a high performing and diverse function.
40. **Diversity and Inclusion (D&I)** has an engaged working group with SCS sponsors, which has delivered important work in this space, such as an action plan that focuses on embedding a culture of inclusivity and diversity across the function. This plan has been endorsed by the People Committee, who will take ownership and support implementation.
41. **The GFA curriculum and career planning tool** were launched in January 2016, and have been adopted by departments and organisations across government. We have established the Finance Forefront development programme in partnership with PWC and work has recently begun to refresh the Finance Career Frameworks, learning from other functions' experiences and products.
42. A strong **governance and leadership structure** has been established to support departmental delivery and implementations of People, diversity and capability plans and priorities. The People Committee has provided senior governance on behalf of the Finance Leadership Group, as well as the necessary departmental insight and oversight. In addition, the Heads of Finance

Professionalism Network provide support and challenge to the People, diversity and capability agenda as well as valuable feedback to help shape and refine work in this area, and the **Regional Networks** support the delivery of capability and engagement interventions nationwide.

What this means for our people...

The Government Finance Academy offers the finance community wide-ranging training and development opportunities that are designed to build capability across the function and equip people with the skills to effectively meet the demands of today and the challenges of tomorrow.

"It has certainly lifted his horizons and approach to his work recognising more readily the strategic as well as tactical impact of his duties and approach."

Quote from a line manager on the impact of the 2018 Finance Forefront Programme

3 GFA, <https://www.gov.uk/guidance/government-finance-academy>

Our ambition

43. For all departments and their organisations to attract, retain and build up valuable and trusted finance professionals and partners, who are supported and equipped to deliver on their respective well-defined roles and expectations. **A diverse and inclusive culture** will provide the Government Finance Function with a wealth of varied experience, background and expertise to better meet the complexity and range of future challenges, and achieve our functional priorities. The delivery of this by departments and their organisations will be underpinned by the following ambitions:

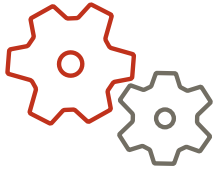
- **To thoroughly embed Diversity and Inclusion** into the culture, ways-of-working and activities across the entire Government Finance Function. Finance leaders across the function will also take responsibility to ensure that the function's diversity and inclusion policy continues to evolve alongside societal changes and emerging research in this space;
- To build a **confident, resilient, flexible and diverse talent pool**, equipped with the knowledge, skills and experience to meet current priorities and future challenges. The function will continually develop our people's capability and skills to ensure that we are able to drive value for money. We will also ensure that talent interventions are targeted in the right places and support movement within and across functions, encouraging diversity of thought and experience;
- To continually develop the **Government Finance Academy** to deliver a high quality inclusive learning and development offer which is flexible and responsive to the future needs of the Government Finance Function;
- To retain and grow **confident and visible leaders across all departments and organisations**, who role-model technical excellence, lead-by-example, and make strategic connections that empower and inspire colleagues to drive functional alignment and maturity. This will be enabled by talent management and a review of the pay and non pay offer to increase attraction and retainment of high-calibre staff;
- **To better utilise workforce data** (e.g. on diversity and inclusion, skills and capability, location, role and talent data) to keep finance leaders informed, identify focus areas and ensure that all People, diversity and capability work is evidence-based;
- To ensure the Government Finance Function is a place where people can be **passionate about their work**, feel committed to shared success and can see the career opportunities it offers.

What this means in practice...

"Our people and their diverse skills, experience and backgrounds are right at the heart of our strategy. We want the Government Finance Function to be a great place to work and develop, where staff at all levels and in any role are valued for the vital contribution they make to delivering excellent public services."

Catherine Vaughan

Director General and Chief Operating Officer,
Department for International Trade



3 How we operate

Why this matters

44. We operate in a continuously fast-paced and ever-changing world, and as the Government Finance Function we must be **adaptable, flexible and proactive to meet the needs of our business**. We must actively engage to maximise our impact for customers and to assert finance's seat at the table.
45. We have implemented various operating models, financial systems and financial processes across government to meet the needs of our business. Some of these are now outdated and cannot exploit opportunities relating to **best-practice structures or advances in emerging technology** (automation, augmentation and robotics). This has, in some instances, led to finance resources being deployed into less value-add transactional activities, creating inefficiencies and increasing the risk of errors.
46. Despite the considerable appetite to **improve collaboration across departments** and functions there is a recognised shortfall in the current resources available to aid this, including a lack of digital tools and virtual networks.
47. Through developing a greater shared understanding of how we operate, individually and collectively, we will be better equipped to **identify and adopt leading-practice**, and **create common principles** and **blueprints** that meet the business needs of our departments and organisations.

What we've done

48. There has been considerable activity across the function to date, to improve how we organise ourselves, learn, and grow together. Over the past year we have designed and launched finance process convergence, based on the **Global Design Principles**⁴, ensuring alignment across government; a third of best-practice process convergence is currently underway.
49. We have initiated **knowledge and best-practice sharing** across government, such as key learnings from the Metis project at the Home Office and the SAP Ariba project at HMRC. These pioneering cloud implementation projects have global principles embedded within their design, and have stimulated wide engagement across our departments and organisations. In tandem we have built strong relationships with system vendors (SAP, Oracle and Workday), working with them collaboratively to align with the Global Design Principles.
50. We have established a range of **knowledge and process networks** together with **Centres of Excellence (CoEs)** for tax, technical accounting and grants, that share knowledge, best-practice and drive the agenda for process convergence. By learning from one another, and exploiting the expertise and capability within the Government Finance Function, we have begun an important journey together that will grow as we keep building strong finance communities.

⁴ Government Finance Function, 2019, Finance Global Design Principles, <https://www.gov.uk/government/publications/finance-global-design-principles>

What this means for our people...

The Home Office's Metis implementation of Oracle Cloud is an exemplar of our cloud first strategy to modernise our technology. Using the Finance Global Design Principles, the Home Office developed a brand new Finance, Procurement Expenses, Planning and Analytics solution in just over a year.

"Metis delivers standardised processes for the Home Office and the Disclosure and Barring Service for 35,000 users on the largest Oracle Cloud footprint in government globally, and provides a solid foundation to now implement new technologies such as robotics, chatbots and machine learning."

Rich Hornby and Liz De Freitas

Finance Director and Group Finance Controller,
Home Office

- To drive greater **function-wide understanding of how departments and organisations operate**, testing this against customer expectations and identifying leading-practice. This will enable a consistent approach to how we organise ourselves, while allowing for, and encouraging, the tailored operating requirements of each of our departments and organisations. Within this objective area we will refresh and maintain the Government Finance Taxonomy, creating a common and consistent framework and language to support improved knowledge management and information sharing across the function;
- To **evaluate the impact of location** across the function, and provide recommendations for how we can best enable greater flexibility of working across organisational boundaries and ensure equity of opportunity for Government Finance Function members across the country;
- To promote a **collaborative and connected finance community** across government, specifically through a clear blueprint for how cross-government **Centres of Excellence (CoEs)** will operate; establishing communities of **Subject Matter Experts (SME)** in line with the Government Finance Taxonomy; and enabling knowledge-sharing through digital and non-digital platforms. This work will provide better infrastructure for our departments and organisations to draw upon – aiding in the sharing of best-practice and expert resource;

Our ambition

51. For all departments and their organisations to adopt leading-practice in line with their individual requirements, while being aligned to the overall Government Finance Function, its principles and common blueprints. Structures to promote **active collaboration and sharing** across government will enable departments and their organisations to continuously improve, and keep their operating models, financial processes and systems up-to-date. The delivery of this will be underpinned by the following ambitions:

- To develop **end-to-end process maps** ensuring all our departments and organisations implement and embed each process, incorporating the **Global Design Principles** across the 12 areas of the Government Finance Taxonomy, along with the **Global Process Owner** model. This will enable greater cross-departmental understanding and sharing, paving the way for greater standardisation of technology, systems and data;
- To develop a function-wide **finance technology blueprint**, collaboratively producing our departmental and organisational maturity assessments, roadmaps and a baseline position, along with a **shared services and digital story** to inform and share across the function. This will ensure that best-practice and key learnings from pathfinding technology system implementations are shared throughout government, and will support the alignment of our digital implementation programmes.

What this means in practice...

“We know that a one-size-fits-all operating model is not the answer, but we also know that there are opportunities for us to do things better and more consistently across the function. This is about identifying and sharing leading practice so that we can learn from each other, understanding and exploiting the opportunities presented by technology and developing shared solutions to common problems.”

Nick Joicey

Finance Director General,
Department for Work and Pensions





4 Insight

Why this matters

52. The ongoing drive for value for money, demand for public services and greater emphasis on transparency to understand where government spends its money creates a need for **robust and reliable finance data** that meets the expectations of our customers. The value of this will only increase when combined with the opportunities offered by the advancements in technology such as Big Data, that enable timely decision making with full understanding of cost drivers and improved forecasting.
53. To go beyond traditional score-keeping, control and compliance, we must **lead and influence with finance insight** that unlocks efficiencies across government and drives better outcomes for citizens. To achieve this, the Government Finance Function must utilise the insight from finance data more fully to create a more robust, forward-looking understanding of public finances.
54. Emerging technologies will help **align finance processes and advance data visualisation**, enabling the Government Finance Function to deliver greater insight to the business.

What we've done

55. A series of projects have been conducted to improve our understanding of finance data across government. **'Costing Projects'** have provided expert advice, and increased understanding of inputs, outputs and outcomes for complex and cross-cutting areas of spend and policy across government. Alongside this, **'Data Sprint'** projects have improved data quality across thematic areas of spend identified across government. The **Cross-Government Management Accounts Project** has helped increase standardisation of finance management at the board level across departments by producing a set of minimum professional standards and guidelines for board packs, developing resources and sharing best-practices in management information.
56. A **data strategy**⁵ for government finance has also been developed, building on an audit for government data maturity, with the aim to drive a step-change in the use of finance data.
57. A new change process for the **Common Chart of Accounts (CCOA)** has helped improve finance data governance, and is supported by a cross government CCOA knowledge network.
58. **Management Information (MI) townhalls and a knowledge network** now enables the sharing of MI best-practice and builds insight capability across government in partnership with private sectors and functions.

5 Published on OneFinance
<https://e-pims.cabinetoffice.gov.uk/OneFinance/>

What this means for our people...

“Costing Projects are extremely valuable pieces of work that bring together colleagues from across HMG, in the spirit of true collaboration, to tackle a shared issue. The structured analysis the team provides - often working with incomplete or otherwise challenging data sets - adds huge value to complex policy and delivery issues. The team drives genuine insight and enables departments to make more joined-up and evidence-based decisions and achieve better outcomes.”

James McEwan
Director Group Finance,
Ministry of Justice

Our ambition

59. For all departments and their organisations to **improve the quality of their value for money decisions** by consistently generating and using insight through joining up finance data with operational, performance and planning data. This will enable the delivery of better outcomes for our customers and a more consistent service offering across government. It will increase efficiency by re-allocating resources from cleaning up data towards greater value add activities such as finance business partnering. The delivery of this by departments and their organisations will be underpinned by the following ambitions:

- To develop clear and consistent **data governance, definitions and standards** for recording, reporting and sharing data; improving the quality and consistency of data across government, enabling the pooling of data across departments and organisations, and supporting benchmarking discussions;
- To continuously improve the value our customers get from **finance data** and continue our programme of cross government **Data Sprints** and **Costing Projects** focused on the highest priority areas of spend. This will drive value for money, and enable the sharing of data expertise to inform best-practice across government;
- To **standardise 'core' management information reporting**, building on the work of the cross-government Management Accounts Project, and to accelerate development and sharing of valuable management information identified as universally useful;

- To **transform the government's insight-capability**, enabling deeper insight into data sets, better assessment of value for money, and more accurate forecasting of trends and identification of risks;
- To identify, share and roll-out **management information best practices and tools**, increasing usage and understanding of cutting-edge analysis tools and utilising them to drive improvement;
- To **automate the collection and distribution of finance data**: reducing the number of manual data collections from the centre; reducing the time spent in departments and organisations processing data; improving value to our customers from consolidated finance data; freeing up resource for more effective business partnering.



5 Trusted partner

Why this matters

60. To effectively deliver optimal outcomes, our customers must be **confident in the financial expertise** that underpins day-to-day decision making. A financial perspective by itself is not enough. It needs to be **relevant to the business and issues at hand**, taking account of cross-government impact, avoiding siloed mentality and delivering genuine added-value.
61. Currently, the Government Finance Function is too often perceived as the 'gatekeeper' through which our businesses need to pass to progress their policies and initiatives. This can result in the Government Finance Function either being bypassed or involved late in the process, therefore reducing the effectiveness and efficiency of decision making. Only by consistently building trust and credibility, and demonstrating a keen understanding of departmental business can we take a **leading role in influencing and shaping better decision making, upfront**.
62. Business Partners, of all disciplines, are critical to this success, acting as a key conduit to the business. However, expectations of them and their role vary between our departments and organisations. They are sometimes expected to deliver activities outside of their remit, or are not deployed to their potential. We know from our customers, that the Government Finance Function must deliver on this agenda, bringing **objectivity, impartiality and evidence-based rigor** to the business.

What this means in practice...

"Delivering insight to the business by shedding light on the numbers is a key part of why we are here. This is not the same as reporting and we must remember that if we really want to influence and shape decisions then we must position ourselves to tell the story clearly and guide the business in better understanding the choices being faced. This relies upon not only the quality of the analysis, but also the tools available to extract and analyse it, and, crucially, the skills we equip our people with to interpret and communicate it effectively."

Nick Joyce

Director General Resources and Strategy,
Department for Transport

What we've done

63. The Government Finance Function has launched several tools in this area to help it better support the business, to build functional capability and to share knowledge and best-practice.
64. **The Excellence in Finance Business Partnering handbook** was published in 2018 and sets out the vision for Finance Business Partnering across government. It defines expectations of Finance Business Partners, sets standards and promotes a consistent approach across government. This was supplemented by the **Finance Partnerships in Government handbook**, which sets out best-practice guidance for partnering with the business.
65. As outlined under the 'People, diversity and capability' objective, the Government Finance Function has **enhanced the training and development offering**. Providing the right tools, resources and guidance to develop skills and capabilities that are key to helping the Government Finance Function become trusted partner.

What this means for our people...

The DWP Finance Business Partner network has been developed to meet the needs of large-scale operational areas, with a variety of demands and client bases. Taking the lead from the Government Finance Function handbook, 'Excellence in Finance Business Partnering', DWP's finance teams have evolved from one of directing to collaborating with and influencing operational areas.

"Getting close to the operational business by taking the time to know the people and the activities builds confidence in finance as a function and enhances the credibility of Finance Business Partners from just keeping score to being a valued resource that can be called upon to guide all stages of decision making processes."

Andrew Smyth

Benefit Payments Systems and Customer Insight Function, Finance Group, Department for Work and Pensions

Our ambition

66. For the Government Finance Function to be a trusted partner to the business by developing influential and solution focussed people, that understand their departmental business. Additionally, they bring **valuable, objective, impartial and evidence-based advice** to help the business make more informed decisions and deliver better outcomes. The delivery of this by departments and their organisations will be underpinned by the following ambitions:
- To be **pro-actively involved in business decision making processes** at an early stage and for the business to see our presence as essential. Departments and their organisations will face different challenges in this space depending on their level of maturity, requiring a more tailored approach to enable the function to become the **'go-to' partner** for colleagues in the business. Fundamental to building this strong relationship is having robust systems, data and processes in place to deliver credible and value-add insight;
 - To **fully embed the refreshed Government Finance Taxonomy and career frameworks** to bring clarity and standardisation to finance roles across government, putting the right people, with the right skills and capability, in the right roles, and enabling them to operate with confidence and expertise;
 - To ensure our people are able to tell a story with the data, which resonates with our businesses, and **inspires our customers with confidence** in the financial decisions we make.

What this means in practice...

“Achieving our vision relies on being trusted by the business. We have to earn our seat at the decision making table by demonstrating not only that we understand the numbers, but just as important, that we understand the business itself. This relies on a willingness to work together, across teams, departments and functions to assess and communicate the potential impact of decisions and establish the overall cross-government picture.”

Catherine Little
Finance Director General,
Ministry of Defence





6 Planning, risk and performance

Why this matters

67. Effective planning, risk management and performance management is a necessity for every government organisation. This is becoming increasingly critical and urgent, particularly given the significant macro challenges we face as a nation, including rapid technological change. The Government Finance Function needs to continue to respond effectively to these challenges by **placing itself at the heart of decision making** and driving more effective planning, more informed risk management and more insightful performance monitoring. All of this will help to ensure Accounting Officers, as the leaders of the Civil Service, are clear on the choices available and are **focussed on delivering priority public services safely and successfully**.
68. At the same time, the functional leadership has changed the way in which those engaged in planning, risk and performance activities operate within and across departmental boundaries. There now needs to be a **step-change in collective working across functions** to embed new ways of operating, and the setting of affordable and deliverable plans. These must support the achievement of departmental and organisational objectives, and the delivery of high quality services for the public.

69. This approach is **supported by key stakeholders** including: the NAO as set out in their report 'Improving government's planning and spending framework'⁶; the non-executive network's steers on risk management in government⁷; and the Institute for Government as outlined in their report 'Accountability in modern government: recommendations for change'⁸.

What we've done

70. There has been a drive from HM Treasury, Cabinet Office, and within the Government Finance Function to **create a stronger culture of integrated financial and business planning**, aligned with robust risk and performance management.
71. The **Single Departmental Plan (SDP⁹) 2019/20 guidance**, has increased the focus on prioritisation, deliverability and performance, with an increased requirement for transparency over principal risks. Our departmental activity in driving public value through the **Public Value Framework¹⁰** has been embedded in the process as an integral part of the planning and performance governance arrangements.
72. The refresh of **standards and principles covering risk management (the Orange Book¹¹)**, informed by consultation with key stakeholders, has enabled more effective risk management. It places a particular focus on embedding key risk management and

6 NAO, 2018, Improving government's planning and spending framework, <https://www.nao.org.uk/report/improving-governments-planning-and-spending-framework/>

7 Civil Service Non-Executive Board, 2017, Management of Risk in Government, <https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

8 Institute for Government, 2018, Accountability in modern government: recommendations for change, <https://www.instituteforgovernment.org.uk/publications/accountability-modern-government-recommendations>

9 Cabinet Office, <https://www.gov.uk/government/collections/a-country-that-works-for-everyone-the-governments-plan#single-departmental-plans>

10 HM Treasury, Public Value Framework, <https://www.gov.uk/government/publications/public-value-framework-and-supplementary-guidance>

11 HM Treasury, Orange Book, <https://www.gov.uk/government/publications/orange-book>

assurance principles, and developing a culture in which risks are considered, managed, and monitored proactively in the planning and delivery of every business activity.

What this means for our people...

DCMS has implemented automated, data-driven systems into its business planning function, which allows it to use robust evidence in decision making at a strategic level. For example, in the business planning round, teams apportion resource and funding into six key types of work (e.g. EU Exit, Ministerial Priorities and BAU). The board can then effectively analyse spend and programmes of work and use this to prioritise and inform their decision making.

“Having a single source of departmental data has enabled us to perform various types of analysis swiftly in order to underpin our planning process and decisions taken on prioritisation. We are then able to reflect the apportionment of man hours and spend across our programme of work in our Single Departmental Plan and measure the benefits of that investment in-year.”

Dorota Francis

Head of Business Planning, Performance and Risk, Department for Digital, Culture Media and Sport

Our ambition

73. For departments and their organisations to achieve more effective planning, **more informed risk management and more insightful performance monitoring**, in order to deliver better public value safely and successfully. The function supports the delivery of this by departments and their organisations, working closely with HM Treasury and Cabinet Office, who lead on planning and performance policy:
- **To facilitate and enable cross-department working and join-up** between planning, performance, risk, strategy and finance colleagues through organising and sponsoring additional key knowledge networks or enhancing existing ones (e.g. the Cabinet Office led Planning Network and the Strategic Finance Knowledge Network). This will require effective communications and engagement to support the sharing of best-practice;
 - To enhance current and future **Spending Reviews (SR)**, helping to ensure proposals are based on realistic assumptions with a focus on deliverability. HM Treasury will also implement a strong public spending performance regime to monitor how the government delivers value in the medium and longer term - learning the lessons from the Barber Review¹² and its pilots;
 - To ensure dedicated functional support is available to our organisations in embedding the **Public Value Framework**, effective risk management arrangements and planning maturity enhancements. These will be considered in a functional health assessment to support continuous improvement;

¹² Sir Michael Barber, 2017, Delivering better outcomes for citizens: practical steps for unlocking public value, <https://www.gov.uk/government/publications/delivering-better-outcomes-for-citizens-practical-steps-for-unlocking-public-value>

- To **develop intelligence on cross-department risks**, in support of Ministers and key governance bodies, such as the Civil Service Board;
- To build **capability for risk and assurance leaders and practitioners** through defined roles and specifications along with advice, guidance and learning products that promote strong risk management skills throughout the finance community;
- HM Treasury and Cabinet Office intend to release future **SDP guidance** that integrates new performance reporting arrangements, advances the move towards reporting resources against individual departmental and organisational objectives, and sets out expectations of medium term financial plans based on the SR19 settlement process. To enable greater cross-government collaboration on improvements, identify and share good practice, build capability action plans, and assure the consistency and quality of information in SDPs (public SDPs in particular).

What this means in practice...

“Finance is not just about money, it is about whether our organisations are delivering expected policy outcomes on time and to budget. This means we need to understand how policy and strategy connect through to delivery performance, how risks and opportunities are identified and managed through the delivery life cycle, and how we can continuously evaluate and learn from our performance so our next plan can be even better.”

Rachel McLean
Finance Director General,
Ministry of Housing, Communities
and Local Government

Our Community

The Government Finance Function is a diverse community of over 10,000 people spread out across the United Kingdom, with three-quarters based in regions outside of London.

We will sustainably grow the function by operating across organisational and location boundaries to bring people together and ensure equity of opportunity for all.

What's next?

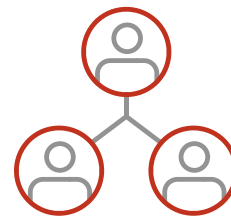
What you can do next

As we continue this journey together, new knowledge resources, events and forums will be introduced to enable us to work collaboratively across government, towards these ambitions. Below are a range of steps you can take to engage as we make this strategy a reality together.



Keep up-to-date with work, and share what you are doing through the OneFinance platform

<https://e-pims.cabinetoffice.gov.uk/OneFinance/>



Encourage your team to attend a Government Finance Function regional event, and the annual conference – you can book on through the Government Finance Event Hub <https://registration.livgroup.co.uk/governmentfinance/>



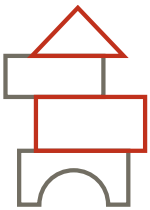
Get in touch with the central teams at GovFinance@hmtreasury.gov.uk – they are available to engage with you and your teams, and help you to learn more about what is going on across the function.



Use the engagement toolkit and summary strategy document to engage your teams and colleagues on how the strategy relates to your respective area and how it can support you in your day to day role. These can be accessed via the OneFinance platform <https://e-pims.cabinetoffice.gov.uk/OneFinance/>

Enabling Activities in 2019/20

For 2019/20, we will deliver the following support to departments and their organisations...



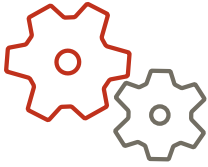
1 Getting the basics right

- A **refresh of the Finance Standard** and accompanying governance structure, and to support organisations to **embed the standard**
- **Strong functional governance and a performance framework** to measure the delivery and effectiveness of the Strategy as well as the performance, controls and improvement of finance teams across the function
- A new **digital knowledge-sharing platform** to replace OneFinance. The functionality of this new platform will be determined by funding and resource considerations
- **Consistent branding, and increased communications and engagement activity;** through the development of a proactive communications cycle with the entire finance community, through regional roadshows and the Government Finance Conference, and through supporting finance leadership in communications and engagement activities



2 People, diversity and capability

- A **Diversity and Inclusion plan**, including guidance on behaviours, ensuring diverse interview panels, and a clear view of the D&I data required to underpin this
- A **Government Finance Academy (GFA) vision and strategy**, along with clear funding and delivery models
- A **new career framework** with an appropriate and effective implementation approach
- Guidance and support to help departments develop clear **succession plans**
- Guidance on **success profiles**, a defined **senior resourcing offer** and an effective **G7 recruitment campaign**
- A new **Finance Fast Stream** End-of-Scheme process to support our first cohort of fast stream graduates, and a refresh of both our **senior talent forums** and **talent cycle** to build our pipeline to senior roles
- A refined **reward and recognition offer**, focussing on the development of a senior pay case and commencing a review of the current non-pay offer



3 How we operate

- A **baseline of departmental functional performance** (effectiveness and efficiency) and **operating models**, that identify leading-practice
- A refreshed **Government Finance Taxonomy**, developed with subject matter experts and embedded consistently across all functional activities and departments
- An evaluation of **the impact of location on the function**, considering how we sustainably grow the function to operate across organisational and location boundaries and ensure equity of opportunity nationally
- A **blueprint for cross-government Centres of Excellence (CoEs)** that includes a clear service offer, funding model, and governance for the different types of CoE (e.g. centralised vs virtual)
- A **Global Process Owner (GPO) model** across the function; with support in implementing and embedding this
- Robust, best-practice **process convergence** based on the **Global Design Principles** across the finance taxonomy, that will be rolled out across government



4 Insight

- Up to **eight costings and data projects** to drive down costs where complex inter-departmental savings can be found, and ensure data is consistent and reliable
- Guidance and Management Information (MI) townhall events to **share best-practice and build the capability** of the Government Finance Function
- Knowledge-sharing opportunities around the **data visualisation tools** utilised in OSCAR II
- Greater **collaboration with other functions**, such as working with HR to deliver more insightful MI
- Implementation and sharing of the **Data Strategy**, ensuring a consistent understanding and use of data across government



5 Trusted partner

- Proactive management of the **Cross-Government Talent forum for SCS grades** to identify and support talented individuals and link this to resourcing needs, including business critical roles
- A refreshed **G6/G7 talent forum** to provide individuals with the opportunities to be connected across the function and increase their political awareness
- The **Future Finance Leaders programme for SCS1s** with the potential to progress to Director level, in order to continue to support our senior leaders
- A new **career framework**, which will drive consistency across the function by identifying core functional roles and specifying their accompanying behaviours and skills



6 Planning, risk and performance

- Work with HM Treasury and Cabinet Office on SDP Guidance to aid departments in producing their **2021/22 Single Departmental Plans (SDPs)** and ensure that there is a clear governance structure and sign-off point for SDPs
- Refine the **planning maturity model and help to embed the Orange Book reforms** into risk management; communicating these improvements to departments, and supporting them in their implementation
- Support departments to understand and implement the recommendations from the **Management Accounts Project**
- Support HM Treasury on guidance to assist with **Spending Review (SR) planning and performance reporting**; supporting departments in incorporating this guidance in their SR submissions
- Work to ensure that **risk management is understood**, and embedded in standards and guidance across government, along with delivering the updated **Orange Book** and supplementary guidance
- Create **risk management learning and development products** and establish a knowledge network to share best-practice

*A Brilliant
Civil Service*