

From: THE PRIVATE SECRETARY



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Dear Tim

FINANCIAL MANAGEMENT INITIATIVE - NORTHERN IRELAND DEPARTMENTS

Thank you for your letter of 26 August 1983 which indicated that the Prime Minister has agreed that the Northern Ireland Report can now be published as proposed by Mr Prior, subject to the points made by the Chief Secretary.

You may wish to have the final version of the text, which has been amended to take account of the Chief Secretary's points (and of other minor drafting and updating changes) and which I now enclose. I am also sending copies to John Gieve (Chief Secretary's Office) and Mary Brown (Office of the Minister for the Arts).

Yours ever

Derek

D A HILL

JLD

SEP 1983



**FINANCIAL MANAGEMENT INITIATIVE**

**WITHIN THE NORTHERN IRELAND DEPARTMENTS**

A report on the main objectives of the Financial Management Initiative within the Northern Ireland Departments, indicating progress already made towards these objectives, identifying areas where further work is required, and describing the programme for that work.

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1. INTRODUCTION

- 1.1 The White Paper "Efficiency and Effectiveness in the Civil Service" Cmnd 8616 published in September 1982 indicated the Government's intention, through a Financial Management Initiative co-ordinated in Great Britain by HM Treasury (HMT) and the Management and Personnel Office (MPO), to evolve the systematic and comprehensive application of higher standards of financial management which, building on work already undertaken, would have the aim of promoting in each Department an organisation and system in which managers at all levels have:
- a. a clear view of their objectives and the means to assess, and wherever possible measure, output or performance in relation to those objectives;
  - b. well defined responsibility for making the best use of their resources, including a critical scrutiny of output and value for money;
  - c. the information (particularly about costs), training and access to expert advice which they need to exercise their responsibilities effectively.
- 1.2 The Secretary of State for Northern Ireland decided that a similar initiative should be launched within Northern Ireland Departments which (in accordance with the administrative arrangements applying in Northern Ireland) would be conducted as a separate but parallel exercise co-ordinated by the Department of Finance and Personnel for Northern Ireland (DFP).
- 1.3 The purpose of this report is:-
- a. to describe in more detail the main objectives of the Financial Management Initiative (FMI) within the Northern Ireland Departments;
  - b. to indicate the progress already made towards these objectives;
  - c. to identify areas where further work is required to achieve the objectives;
  - d. to describe, within a specific timeframe, the programme for that work.

2. **NORTHERN IRELAND FACTORS**

- 2.1 The primary responsibility for devising systems to meet the needs of managerial responsibility, financial accountability and control within an individual Department clearly lies with the Department concerned. The Department of Finance and Personnel, however, has responsibility not only for its own internal arrangements but also for ensuring that the overall Northern Ireland arrangements are effective and provide a basis for the effective and efficient management of the total Northern Ireland Public Expenditure allocation. The work in Northern Ireland has been taken forward on that basis. In recognition of its strategic responsibility for financial management in the Northern Ireland Departmental system, and to provide practical assistance to spending Departments in the development of their work, DFP established at the outset a small Central Unit, similar to that which was set up in the HMT/MPO. This has been achieved within the existing staff resources, supported by the secondment of a consultant from the private sector to work in the team. For their part, Departments have identified specific officers to act as direct points of contact on the FMI and to steer the work at Departmental level.
- 2.2 The approach to the implementation of the FMI in Northern Ireland has taken fully into account the particular features of the Northern Ireland administrative system and in particular its scale. At end July 1983 the Northern Ireland Civil Service (NICS) consisted in total of some 25,700 industrial and non-industrial civil servants, attached to six separate Departments, each with an Accounting Officer with the full range of direct responsibilities for the running of his Department which that role implies. The NI Departments are small by GB standards in terms of numbers but at the same time cover much the same (and in some cases a wider) range of responsibilities as their counterpart Departments in GB. In particular the Department of the Environment for Northern Ireland (DOE(NI)) handles on a direct basis a number of activities which are handled by Local Authorities in Great Britain. In addition substantial expenditure is incurred by Bodies which are not part of Central Government but are virtually 100% funded by Government Departments. The Health & Social Services Boards and the Education and Library Boards are cases in point. Inevitably, therefore, the approach and speed of progress in particular areas is dependent on the nature of services and the allocation of responsibilities. Relevant factors include the mix of expenditure between

administrative costs and programme costs, the presence or absence of outside Bodies such as Area Boards, the range of functions and the nature of the financial systems already in operation.

- 2.3 A unique and significant element in the Northern Ireland system is the role of the Department of Finance & Personnel in discharge of its responsibilities for the approval of Northern Ireland Departmental expenditure and for central management of the Northern Ireland Public Expenditure block and NICS Manpower total as regional resources. This provides for the Department the opportunity, as co-ordinator of the FMI in Northern Ireland, to channel the thrust of the initiative in response to local circumstances, and, through the sharing of best practice, to avoid unnecessary duplication of development activity.
- 2.4 The scale of the Northern Ireland Departmental system, the integrated approach, through DFP, to the planning and management of NI manpower and financial resources and the more direct drive on which the administration of services in Northern Ireland is organised, are in important respects advantageous in terms of achieving the FMI objectives.
- 2.5 For example the sub-division of the Northern Ireland administration into relatively small Departments, each with its own distinct accountability for the management of a defined set of programmes, has established a ready-made framework of identified management responsibilities and accountability on which to build further development. At the same time, the service overall is of a size which facilitates the dissemination, from the centre through education and training programmes, of both the general awareness of principles and the sort of specialist expertise which are cornerstones of the FMI. It also simplifies the processes of consultation which are inevitable in the evolution of management strategies, for example, in relation to the development of Information Technology (IT), and which are particularly relevant in the FMI context.
- 2.6 It is also helpful that similar advantages of scale have allowed for the development, and will provide for the further enhancement, of close working relationships between NI Departments and their partners outside Government in the delivery of services. DENI and the Education and Library Boards, DHSS and the Health and Social Services Boards, and DOE and the Northern Ireland Housing Executive are examples.



- 2.7 In taking advantage of local arrangements it is also important to ensure that what is good in existing practice (and there is much which is) is retained, and that where change is to be made or development undertaken it is properly thought out and managed.
- 2.8 In light of all these factors, the FMI work in Northern Ireland has moved, and will move, forward on the basis that:-
- a. projected developments, to achieve anything lasting, must be seen to be worthwhile and be attainable by those involved;
  - b. given the scale of the task and the resources available, simultaneous progress on all aspects of the FMI within each individual Northern Ireland Department would not necessarily be the best way to proceed. The objective is to ensure progress and development on all the various aspects of the FMI, taking Northern Ireland Departments as a whole; thus
  - c. in developing FMI work, NI spending Departments, in consultation with DFP, have concentrated immediate priority on areas which afford the best prospect of gain according to individual circumstances; and
  - d. DFP, in order to take full advantage of the opportunities for sharing experience afforded by the scale of the Northern Ireland system, has sought in agreeing projects for development with Departments, eg, in the Information Technology field, to ensure that unnecessary overlap has been minimised; therefore
  - e. an integral part of each Departmental plan for developing the FMI must be a programme specifying interim and ultimate objectives for achieving the plan against a stated timetable.

3. **MAIN THEMES OF THE INITIATIVE**

**The Management of a Department's Administrative Resources**

- 3.1 A cardinal objective is that the line manager in charge of a unit must be conscious of, and accountable for, all his activities, performance and results, including the identifiable administrative resources he controls and consumes. If this is to be achieved it is important that each manager's objectives, and the extent of his responsibilities, should be clearly stated. The effective management of administrative resources thus requires the establishment of coherent managerial 'blocks' or 'businesses' and responsibility for the use of resources once allocated should be vested in the officer in charge of each block.
- 3.2 While these broad principles apply to all areas of Civil Service work, the nature and diversity of activities undertaken by Departments means that the degree of disaggregation which is practical and desirable varies from Department to Department and even between sections within Departments. Whatever the level of disaggregation, however, a clear statement of the responsibilities of the manager of each unit is essential, together with a full statement of the administrative resources involved. These should be the subject of a regular review and reports to Ministers and top management.

**The Management of a Department's Programme Expenditure**

- 3.3 Arrangements for the management and control of programme expenditure must be devised to suit the nature of the expenditure and to take account of the relationships between the Department and any other agencies involved.
- 3.4 Three generally applicable lines of development can be identified. First, line responsibility should be clarified by breaking down the programme into blocks for the purpose of considering priorities, setting objectives, and assessing effectiveness. Second, it is essential to keep value for money under review. This involves the systematic application of techniques such as Investment Appraisal and the establishment of financial targets and/or other performance indicators to assess what has been

achieved with the resources consumed. Third, on the basis of the data generated, each block of expenditure should be regularly reviewed and considered against other priorities.

#### Development of a Management Information System

- 3.5 Such a system is an essential pre-requisite if Ministers and senior officials are to be placed in a position where they can review regularly all aspects of a Department's work, compare priorities and decide how resources can be allocated to maximum advantage between them.
- 3.6 There is clearly a direct inter-relationship between a good management information system and the effective handling of both administrative and programme expenditure. The existence therefore of a management information system is an essential part of the FMI for each Department.
- 3.7 The Management Information System for Ministers (MINIS) of the Department of the Environment in GB is the best known of the information systems for resource allocation and Northern Ireland Departments are developing similar systems, having regard to the circumstances of each Department.

4. **PROGRESS TO DATE - CENTRAL**

- 4.1 Progress to date on the FMI in Northern Ireland can most conveniently be described under two headings - first, developments generated centrally by DFP (a great number of which also involve Departments) - and second, developments undertaken within individual Departments (with support from DFP where necessary).
- 4.2 This section deals mainly with centrally generated work of relevance to the NI system as a whole. Work generated inside individual Departments is covered in Section 5 and Annexes 1-6.

**Public Expenditure Survey**

- 4.3 Public Expenditure planning and control are clearly a central part of the arrangements for carrying out government policy. They depend, inter alia, upon having a clear set of definitions for both the identification of Bodies which count as part of the Public Sector, and for the classification of transactions. The definitions which apply for the purposes of identifying and classifying public expenditure in Northern Ireland are fully consistent with those which apply for the United Kingdom as a whole, and the planning totals for Northern Ireland's Public Expenditure form an integral part of the UK annual survey (Public Expenditure Survey or PES) system. This system has been in use for some 20 years now.
- 4.4 The major development in this area over the past two years has been in basing Northern Ireland Public Expenditure Survey work on the management of the Northern Ireland Public Expenditure total as a single regional resource to be shared, rather than on the aggregation of individual programmes based on bids which, not unnaturally, given the needs and circumstances of the Province, always exceeded the total available. Decisions within the Survey have therefore been directed towards the establishment and implementation of priorities and, as a result, much more towards the possible and the attainable rather than the desirable but unattainable. This in turn has facilitated a positive approach to public expenditure planning and prompted increasing attention to priorities within, as well as between, programmes.

4.5 As part of this development DFP has worked closely with all spending Departments towards the establishment of a common database against which proposals to Ministers can be formulated and discussed. This is a complex task and the database will always be the subject of development work, not least because of technological change. Good progress has been and is being made and the bringing together of administrators in the Financial Planning Branch, economists from the Economics Division and staff of Social Research Division into a single Policy, Planning and Research Unit within DFP has been a major step forward in programme and policy analysis. The role of spending Departments in all of this is critical and one of the successes has been the increasing collaboration between spending Departments and DFP in the planning as well as control area.

4.6 Over the system at large much more attention than in the past has been directed towards the identification of physical or other targets against which progress can be measured. The more progress which can be made in agreeing programmes and determining performance targets and systems of assessment, against which programme management can be reviewed, the less need there is for detailed case control, and the greater the capacity to compare priorities and respond to changing pressures.

#### Monitoring

4.7 Assessment of performance against physical or other targets is one form of the monitoring necessary in any good financial management system. Another is monitoring spending against profile and the identification of potential over- and under-spends in the current year.

4.8 In order to optimise the use of resources overall within the Northern Ireland Public Expenditure block, and to concentrate attention within Departments on the need for efficient management information systems, the normal UK-wide systems for monitoring have been supplemented, in Northern Ireland, by a system of regular assessments, undertaken by Permanent Secretaries at key points throughout the year.

4.9 This ensures that DFP is in a position to react positively when shortfall is emerging. One of the major gains from the system has been the development of expertise in assessing what is possible in which areas, and

on what timescales, when resources become available as a result of shortfall. The overall effect has been to enhance the capacity to maximise total resources available, including the avoidance of unnecessary constraints in areas where additional revenues can be constructively and effectively used within the year and without detriment to forward planning. As an indication of the progress made, shortfall on the Northern Ireland programme has fallen from 6.8% in 1973/74 to about 1.5% in 1981/82 and to 1% in 1982/83.

### Education & Training

- 4.10 DFP and spending Departments have recognised that training will play an important part in developing the awareness of the importance of good financial management and the techniques associated with it and is in itself an objective of the Initiative. The necessary training is well under way.
- 4.11 The Central Unit established in DFP has special responsibility, through the network of Departmental Liaison Officers (see paragraph 2.1), for promoting awareness of FMI objectives in Departments and for encouraging and monitoring progress towards those objectives. The Central Unit is also responsible for keeping in touch with developments in Great Britain and has availed itself of private sector consultancy services in the financial management field to help with the dissemination of guidance on best practice to Northern Ireland Departments.
- 4.12 The DFP Central Unit has:-
- a. through the NICS Training Centre initiated a series of seminars for officers in the Northern Ireland Civil Service with a perceived key role in the promotion of FMI objectives. The seminars are designed to be highly participatory and to give an opportunity for assessment of progress as well as provide training;
  - b. again through the NICS Training Centre, initiated a series of seminars aimed at promotion of general awareness of the FMI throughout the Northern Ireland Civil Service;
  - c. provided specific seminars for individual Departments on request.

4.13 In addition the NICS Training Centre has:-

- a. encouraged all senior officers in the Northern Ireland Civil Service to attend FMI related courses at the Civil Service College at Sunningdale. To date, some 10% of senior officers have attended such courses. Attendances at such courses is now mandatory for officers in positions of special responsibility for financial management;
- b. introduced a series of service-wide courses on appreciation of Investment Appraisal techniques (identified by FMI Central Unit as of immediate relevance to the FMI objectives) which will be completed by December 1983 and will have a throughput of over 100 officers.

and the Northern Ireland Public Service Training Council has

- c. organised seminars on FMI issues on a public service-wide basis.

#### Internal Audit

- 4.14 DFP has an overall responsibility for promoting effective internal audit in the NI Civil Service, though the primary responsibility for Departmental management of funds lies with the individual Department and its Accounting Officer.
- 4.15 DFP has recently revised the guidance to Departments on internal audit. The revision takes account of comments by the Comptroller and Auditor General (London) and the Public Accounts Committee in June 1981 (9th Report of PAC, 1980/81 Session on "Internal Audit in Central Government"), and of the Comptroller and Auditor-General for Northern Ireland's report on the 1981 Appropriation Accounts, and the recent re-appraisal of the position in Great Britain by the PAC in December 1982 (2nd Report of PAC, 1982/83 Session on "Development of Internal Audit in Central Government").
- 4.16 As part of its general oversight of audit arrangements DFP now takes a close interest in the quality of staff engaged in internal audit and all new appointments to Head of Internal Audit have to be cleared with DFP.
- 4.17 Particular importance is attached to training. A comprehensive programme of training courses has been established by the NICS Training Centre to

meet the needs of Departmental internal audit units. Leading accountancy firms and other private sector specialists have been employed to carry out the training. The Diploma qualification of the Institute of Internal Auditors has been adopted as the most appropriate qualification for staff in internal audit. The NICS Training Centre has now become a recognised "Tuition Provider", and is represented on the Institute's Diploma and Syllabus Committees.

4.18 The main features of the training programme initiated are:-

- a. from November 1982 until end August 1983 training courses involving 390 participants (drawn mainly from NI Departments including Local Government and Health Service Audit Staff but also staff from Exchequer and Audit Department, the Northern Ireland Office, Police Authority for NI, the NI Court Service, the various Education & Library Boards and Health Boards, and the NI Electricity Service) have provided a curriculum covering general audit, audit management, computer appreciation, the audit of basic computer systems, the audit of complex computer systems, computer installation audit, commercial accounting and statistics for auditors;
- b. training for the Diploma of the Institute of Internal Auditors has been organised by the local office of an international accountancy firm. The course, lasting 2 years, incorporates examinations in Principles of Internal Auditing, Internal Auditing Techniques, Computer Auditing, the Management of an Internal Audit Department and Practical Auditing. Course members took their first examination in June 1983;
- c. "On the Job Training" takes the form of a 2-week audit workshop carried out by one of the firms of accountants currently employed on audit training. The primary aims are to assess the extent to which more formal training has been put into practice and to give practical advice to internal audit units on good operational practice. A side product to these workshops has been the benefit gained by the trainers in keeping in touch with actual Departmental audit problems. All NI Departments plan to participate in the "On the Job" training programme during 1983. The first workshop took place in March 1983.



## Information Technology & Computer Strategy

- 4.19 Efficient and effective exploitation of developments in the computer field and in Information Technology are recognised as essentials of FMI. To this end, a comprehensive review of arrangements for handling computer, new technology and related matters in the Northern Ireland Civil Service was set in train in the Autumn of 1982. The review, commissioned by DFP and conducted with the help of private sector consultants, was carried out in two stages.
- 4.20 The first stage of the Review, completed early in 1983, identified the following key points:-
- a. at the centre a coherent long term strategy for computing and Information Technology was needed in the NICS as a matter of urgency;
  - b. in Departments, understanding and organisation to handle computer matters, particularly in relation to determination of needs and priorities, required development;
  - c. the division between central (DFP) and individual Departmental authority and responsibility in the Information Technology field should be looked at afresh;
  - d. the possibilities for establishing a central Information Technology Unit, combining work in the field which is presently carried out in the Computer Services and Management Services Divisions of the Department of Finance & Personnel and the Works Division of the Department of the Environment (NI) required examination;
  - e. the possibilities for concentrating greater resources of money and manpower in the Information Technology area required examination.
- 4.21 The second stage of the Review, which has just been completed, was designed to establish a proper long term strategy for the use of Information Technology in the NICS; to redefine the responsibilities of Departments and DFP for IT; and to introduce advanced management and systems development methods. It is envisaged that there will be substantial changes in the organisational arrangements for IT, with Departments being given an increasing responsibility in the development of Information Technology within the context of a coherent strategy.

### Departmental Running Costs

- 4.22 Annual scrutiny of Departmental running costs (based on the pilot study carried out in the United Kingdom Civil Service in 1980 following an initiative by Lord Rayner aimed at enabling Ministers and senior management to be aware of the full costs of their Departments' activities) has been undertaken for NI Departments since 1981. For 1983/84, the scrutiny has been assimilated into the 1983/84 Main Estimates procedure.
- 4.23 Association of the scrutiny of running costs with the normal procedures for dealing with Estimates has helped with:-
- a. identification of adverse trends in the direction of costs in Departments and in pinpointing areas of expenditure which require special attention, eg, personnel overheads, accommodation, office services, casual work;
  - b. development of measures of comparative performance as between Departments, eg, expenditure per capita on travel, accommodation, printing and stationery, etc;
  - c. focusing attention on the problems associated with allocation of overheads for centrally provided services to the operational management blocks within Departments.

It has therefore contributed substantially to the development of scrutiny of administrative expenditure (see paragraph 3.1).

### The Organisational Framework

- 4.24 Quite apart from the scale of the NI systems referred to in section 2, a number of important organisational changes made in the NI Departmental system have contributed to the development of a climate conducive to the achievement of the FMI objectives in Northern Ireland:-
- a. the establishment of the Department of Finance and Personnel in April 1982, as the Department with overall responsibility for control of both finance and manpower, and the creation within the Department of a single Resources Group, which integrates the Divisions concerned with exercising the control functions, those engaged in providing professional support and advice, eg, Economists, Social Researchers, Efficiency Services and the Financial Planning Branch, has added considerably to the

directional influence which DFP can bring to bear on the progress of FMI and greatly simplified and improved the relationship between spending Departments and DFP.

- b. Northern Ireland Departments have now formally designated senior officers who have specific responsibility as Principal Finance Officers (PFO) and Principal Establishment Officers (PEO) within their Departments for the management of finance and manpower. Principal Finance Officers are responsible to the Accounting Officer for the general quality of the Department's systems for control and economy in the use of money, for advising on the quality of those areas of financial management which fall within the responsibility of line managers, for ensuring that any limits which have been decided upon are not exceeded, for ensuring financial propriety and regularity at all times, and for monitoring line managers' use of financial authority delegated to them. Principal Establishment Officers are responsible for the control and disposal of manpower; for the efficient administration of the Department (in particular for the operation of manpower planning and systems of personnel management). These formal appointments have added to the strength of the network of NI systems by formalising what had increasingly been common practice in most Departments.

#### **Provision of Management Services**

- 4.25 Prior to the formation of DFP on 1 April 1982 the Staff Inspectors within the former Department of the Civil Service (DOCS) were frequently in the position of making recommendations in areas where the authority to act rested with the Department of Finance Supply Officers. Despite good co-operation between the then DOCS and Department of Finance, there was obvious potential for overlap and confusion about control. Following the creation of DFP, these responsibilities have been closely integrated in the Resources Group of DFP to ensure that all items with significant implications for manpower resource consumption are given the comprehensive consideration necessary by Supply Officers, advised by Management Services Division covering Works Study, Organisation and Methods as well as Staff Inspection.

5. **PROGRESS TO DATE - INDIVIDUAL DEPARTMENTS**

- 5.1 As well as responding to, participating in, and developing the work described above (initiated by DFP) each Department has been developing its internal systems in ways which have provided a very good base on which to make further progress. Common features (in accordance with the key FMI concepts) are plans for developing the use of measures of output and performance in the various spheres of Departmental activity and for developing the management information systems necessary to support the managerial block concept and to provide senior officials and Ministers with a means of reviewing objectives regularly and maintaining cost effective allocation of resources. All Departments now have senior management groups and associated management information systems on which further development can be built as necessary.
- 5.2 This section does not attempt to detail every aspect of this work (more information about the detail of Departmental plans is provided in Annexes 1-6) but rather to illustrate the work of individual Departments in the context of:-
- a. managing administrative resources;
  - b. managing programme expenditure; and
  - c. improving information systems.

**Managing Administrative Resources**

- 5.3 The Department of Health & Social Services has for some time had an internal budgetary control system under which expenditure is allocated to budget holders, who then prepare monthly profiles of their planned expenditure. Monthly budgetary control reports are issued to indicate expenditure-to-date against profile and to highlight deviations. Periodic budgetary control meetings are then held at which performance is reviewed and adjustments are made as necessary. The Department considers that this system has worked well to date and is using it as a basis for the development of a comprehensive cost centre system within the context of the FMI. As a result of an internal report which made recommendations along the lines of the report from Price Waterhouse Associates for DHSS (GB), the Department is committed to the allocation of budgets for administrative expenditure to cost centres.

- 5.4 Within the framework of their Financial Information System, the Department of the Environment pays particular attention to the control of travelling/subsistence expenses and of general administrative expenditure. At the start of each financial year details of budgeted expenditure on these costs are given to Divisions or Branches as appropriate, and actual expenditure is monitored on a monthly basis against budget. To reinforce this discipline a quarterly printout of travelling/subsistence expenses for individual officers is also produced by the Accounts Branch and issued to the senior officer at each cost centre for information and consideration of any action required. This is particularly important in a Department with a substantial regional organisation.
- 5.5 The Department of Finance and Personnel, which does not have direct responsibility for programme expenditure but is as section 4 indicates heavily involved in the FMI over the NI system as a whole, has been identified as a suitable testing ground for a computerised system for analysis and control of administrative expenditure. A project team selected from within existing staffing resources with specialist support from the private sector, has the target of having this pilot scheme in operation during the next financial year.

#### Managing Programme Expenditure

- 5.6 As part of its overall arrangements for controlling programme expenditure, the Department of the Environment has developed a system whereby its Management Objectives are reviewed regularly by a Departmental Board. Divisional objectives are established within the overall Departmental Strategy and are quantified to the fullest extent possible in terms of input and output. Objectives only emerge after a two-way flow of information between the Departmental Board and Divisional managers. This means that any changes in Departmental priorities at Ministerial level are communicated to, and understood by, Divisional and Branch staff. In addition the Department has instituted in-depth reviews of major functions. For example, a Housing Review was carried out based on the results of the House Condition Surveys of 1974 and 1979 which enabled the Housing Executive to measure in quantitative and qualitative terms the physical effects of certain levels of housing investment during that 5-year period. This work was also useful in the construction of a costed, agreed physical programme for the Executive which continued the reduction

of unfitness levels achieved during that period and which is leading to a reduction in waiting lists over the following 5 year period. A similar review of the Roads Programme has been undertaken, based on an assessment of roads requirements and priorities in physical terms. As a result of this work the Department is now in a position to establish in these areas physical targets and performance measures.

- 5.7 The Department of Agriculture has made substantial progress in recent years as regards the control of programme expenditure. Within the framework of the Public Expenditure Survey and the Estimates procedures, individual cost centre managers have been establishing (in consultation with the central Finance Division) quantitative targets in physical terms to enable the measurement of progress towards objectives. This process continues within the broad strategy of Departmental policy set by the Minister and monitored by a Senior Management Policy group. In some areas targets can readily be established in precise terms, such as area of land to be planted by the Forest Service, while in others it is more difficult to find suitable indicators, for example in the field of research. Much effort has been devoted to making cost centre managers conscious of the need to monitor and review the effects of their activities, and progress continues to be made by the Department in distinguishing controllable activities and establishing realistic targets.
- 5.8 The Department of Economic Development has made substantial progress - in consultation with DFP - towards improved monitoring systems for major firms such as Harland & Wolff and Shorts. In addition the Department has considerably developed its relationship with the Northern Ireland Electricity Service. In all of these cases more systematic monitoring systems have been established and the improved flow of information has reduced the danger of having to respond to crisis situations which can so easily arise in the absence of good information systems. As regards the Electricity Service much work has been done also to establish performance aims following the review of energy policy in 1980/81, and the targets set are being achieved. To ensure that value for money is obtained, an Efficiency Audit of the activities of the NIES has recently been completed.
- 5.9 The Department of Education has established a monitoring system designed to ensure that each Departmental unit responsible for a budget has a

profile of its expenditure, against which to monitor progress during the year. The multiplicity of outside Bodies carrying out education functions makes it difficult to standardise the format of profiles; however, certain broad principles do apply. For Bodies which are effectively 100% financed from public funds, eg, Area Boards, the Department satisfies itself that net payments are proceeding in accordance with approved expenditure limits. For Bodies which are only partially funded by the Department, for example, District Councils, the Department's systems relate to the cash grant committed to each Body rather than the totality of its expenditure. In addition, all major capital works (ie, costing more than £100,000) are identified individually in expenditure profiles. The cost of School and Further Education Teachers' salaries represents some 40% of the Department's total budget. Estimates in this area are particularly critical and special arrangements have been established to monitor and profile all elements of the total salary commitment. To indicate the level of management information available and used, it should be noted that the Department also controls the staffing establishment of each school in Northern Ireland.

- 5.10 The Department of Health & Social Services has a planning system designed to secure realistic strategic and operational plans for the Health & Personal Social Services. A considerable amount of work has been done in co-operation with the Area Boards. The Department sees this as the key to the effective use of resources through the operation of a comprehensive planning system drawing on existing financial information systems, and on statistical data on activity performed and manpower resources consumed.

#### Improving Information Systems

- 5.11 The Department of Health & Social Services has been operating a MINIS system tailored to its own needs. The first plan covered the period from October 1982 to March 1983. The second MINIS report covers the period from April to October 1983. The system covers, inter alia, the organisational blocks within the Department, planned expenditure by area, expenditure on administration and manpower complements for each block, together with past trends and savings targets. It therefore integrates the separate information systems on expenditure and manpower resources and links them with objectives and tasks for each Division for the next six months.

- 5.12 The Department of the Environment already has in place a computer-based financial information system which provides data monthly for accounting and monitoring needs and fortnightly for Roads and Water Division cost-control purposes. Computer data is used to provide the basic information both for the Appropriation Account Records and for preparation of monthly expenditure and receipts monitoring statements. These compare actual costs/receipts against estimates in both quantitative and percentage terms and also profile costs against actual expenditure.
- 5.13 The Department of Finance and Personnel has introduced a Key Area Tally System (KATS) which incorporates, for consideration at the Senior Management Board and by the Minister, for each Under Secretary Command, work objectives, manpower and financial resources required and targets for completion. The statements are subject to a review at intervals of 6 months which covers the 6 months past and the 6 months forward. In this way objectives, progress and priorities can be kept under the spotlight and performance against target measured. When the nature of the work makes it difficult for primary objectives with physical performance indicators to be established, secondary objectives and subjective judgements are applied.



6. **THE WAY AHEAD**

- 6.1 The preceding sections of this report describe the progress that has already been made on a service-wide basis in the development of financial systems and the promotion of the principles of good financial management. Paragraph 2.8 described the basis on which this work has moved, and will continue to move, forward. Section 3 identified the themes which will underlie that work.
- 6.2 The details of existing achievement, ongoing work and future programmes for advancing the Financial Management Initiative within individual NI Departments are set out in Annexes 1-6.
- 6.3 In addition to the Departmental work DFP will continue to press forward with the centrally co-ordinated activity described in Section 4. To that end the DFP Central Unit (see paragraph 2.1) will continue in being until at least the end of the 1983/84 financial year. It will continue to make use of private sector consultancy services in the financial management field to help with the dissemination of guidance on best practice to Northern Ireland Departments.
- 6.4 DFP (in conjunction with individual Departments) will also continue the work already started to develop the database on which Public Expenditure decisions are made. This will involve reviews of several major areas of expenditure in the context of the Public Expenditure Survey, as well as the usual work on programme analysis.

The direction is towards a dynamic rather than a static approach. Examples of quantitative measures which are currently taken into consideration are listed in Annex 7. In addition to the normal processes of programme review the following measures have been identified for development work in 1983-84:

- a. farm incomes;
- b. completions achieved in the housing programme;
- c. teacher and non-teacher costs in schools;
- d. development of performance indicators within the Health Service in NI.

- 6.5 It is intended that each year specific programmes of development or review work will be agreed between DFP and spending Departments designed to ensure that maximum advantage is taken, in the context of resource management, of the advantages afforded by the more extensive direct drive administrative arrangements which apply in Northern Ireland.
- 6.6 Over the next year DFP will complete a review of its relationship with each spending Department in order to clarify levels of responsibility and optimise the arrangements for both control and management of expenditure within the existing statutory framework. This will provide a sound basis for the delegation of authority within Departments to line managers. Included in this review of relationships between DFP and Departments will be an examination of the arrangements for the control and grading of posts and for the division of staff inspection responsibilities between DFP and Departments. Departments will also be considering the balance of responsibility between their central finance and personnel branches and other branches. That balance, which will vary according to circumstances is, of course, material to the detailed approach taken in different Departments to cost centres and control of administrative and personnel expenditure.
- 6.7 DFP will be carrying out a programme of review of the top management structure of each Department at regular intervals of 3 or 4 years. These Departmental reviews will focus on structural aspects which are deemed to need special attention. The first study involves an examination of the senior management and professional structure for DOE's Planning, Roads, Water and Works Services within the context of the overall top management of the Department.
- 6.8 Improved financial management depends ultimately on the quality and motivation of the staff in the Northern Ireland Civil Service. Recognising the importance of attitudinal change, the NICS is taking positive steps to improve personnel management at all levels.
- 6.9 A review of personnel work in four Northern Ireland Departments has been completed and the recommendations arising therefrom, together with those advocated in the equivalent GB Review, are under urgent examination at senior levels.

- 6.10 The main thrust of the recommendations is to devolve within an agreed framework of principle the maximum authority to Departments. Within Departments the drive will be towards creating a new partnership between Personnel Divisions and line managers, with the latter having more authority in day-to-day dealings with their staff. This new partnership would cover such areas as promotion; appraisal; career development; probation; and inefficiency. Positive steps are being taken to develop the aptitudes and skills required for more professionalism, with emphasis on financial management.
- 6.11 A new procedure for promotion to senior posts, ie above Principal and analogous grades, has been introduced. This is designed to ensure a genuine spread of talent across Departments. Succession planning has been developed within NICS for all posts at Under Secretary level and above and additionally for the key senior posts in the financial and personnel commands. Consideration is also being given to the problem of equalising promotion opportunity below Principal level in the Northern Ireland Civil Service as a whole. Work in Great Britain with the objective of bringing staff from different groups and specialisms into common pay and grading arrangements is being paralleled. This will help to enhance the flexible deployment of managerial talent.
- 6.12 By way of separate studies account is also being taken of the need to improve facilities for women as career civil servants and more generally to monitor career progression in such a way as to ensure that proven talent is fully utilised without constraint.
- 6.13 The need for the introduction of incentive schemes, not only enabling individual members to achieve awards under the Staff Suggestion Scheme as at present but also attracting payments for the benefit of an office as a whole, is under active consideration.
- 6.14 Full implementation of the Review of Computing will take some years to achieve because, for example, of practical constraints on availability of staff with the relevant specialist skills. However it is already clear that the Review will run with the grain of the FMI by promoting more responsibility within Departments for planning, developing and running their own Information Technology applications and for monitoring and

auditing their own operations. DFP will be monitoring progress and providing support as necessary. Specific development programmes for each Department will be drawn up.

- 6.15 DFP will continue the drive in the important area of training and education. Specifically Departments will be encouraged to send staff to the various courses run by the Civil Service College; in addition the Central Unit in DFP will continue to be available to hold seminars on FMI as Departments perceive needs in this area. Steps will be taken to increase the general level of proficiency and professionalism in the Service in selected key areas. Specific plans have been finalised for a two year financial analysts' course, to be held at the Ulster Polytechnic, which is being carefully tailored to meet the needs of the Public Sector and will be attended by approximately 5/7 people. In addition, a programme of secondments on a two way basis between the public and private sectors intended to improve the business expertise of Civil Servants and to enable a useful private sector perspective to be applied to the operations of the Public Service, is under active consideration.
- 6.16 DFP will also be reviewing its work on the Efficiency Services side in order to develop a multi-disciplinary approach to selected projects and to strengthen the professionalism of staff inspection. As well as the traditional programmes of staff inspection, management services and work study assignments, a number of reviews of major areas of work (including Rayner Scrutinies) will be carried out and the concept of "management audit" will be developed. Private sector consultants will be used to supplement the teams drawn from NICS. The reviews are aimed at increasing the efficiency of administration.
- 6.17 Management Services Division is in the course of carrying out a specific programme of work in areas relevant to FMI. Areas in which the Division is active at present include the following:-
- a. the issue to Departments of guidelines covering management of telecommunications, messenger services and transport;
  - b. the review of administrative forms and development of an advice service to assist Departments in this area;
  - c. a review of the accommodation needs of Northern Ireland Civil Service Departments; and

- d. a review of the effectiveness of systems in stores maintained by certain Government Departments.

The areas of activity will be reviewed annually and specific programmes of work identified for the next year in light of progress and requirements. Areas of relevance to the Financial Management Initiative will be given priority.

- 6.18 To make sure that the momentum on internal audit is maintained DFP has obtained reports from each Department assessing its internal audit capability and making proposals for action to remedy, over a reasonable timescale, any major weaknesses. In addition a service-wide review of the quality of internal audit is being carried out by a firm of accountants. Their review will be completed in the current financial year.
- 6.19 The Diploma of the Institute of Internal Auditors course will continue in accordance with requirements. Arrangements have been made that one year after "On the Job Training" has taken place, Departments will be asked to undergo a Quality Review. A firm of accountants, completely unconnected with NICS Internal Audit Training, will be employed to carry out a critical assessment of the work of the individual units and report to Accounting Officers and DFP. On training generally it is intended that discussions should take place between Heads of Audit and DFP to establish Departmental training requirements each year which will cater particularly for new entrants, promoted staff, and staff moving into new audit areas, eg, computer audit, etc.

ANNEXES

DEVELOPMENT OF THE FMI IN NORTHERN IRELAND  
DEPARTMENTS

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF FINANCE & PERSONNEL****Introduction**

1. The Department of Finance & Personnel was created on 1 April 1982 by an amalgamation of the control elements of the former Department of Finance and Department of the Civil Service. It has some 1,500 staff and a budget of some £24m. As the Department responsible primarily for the central management of financial and manpower resources within the NICS, the bulk of its expenditure relates to administrative costs, with the only other significant spending area being in relation to Superannuation (£9.2m in 1982/83).

**Management Structure**

2. The Department's management structure is organised into two groups:-
  - i. The Resources Group is concerned with co-ordinating and integrating the aspects of the Department's work concerned with the planning, allocation, control and efficient use of money and manpower resources and
  - ii. The Personnel Group is concerned with co-ordinating NICS activities in the personnel, recruitment, training, industrial relations and associated fields.

Additionally the Department administers the Valuation Office of Northern Ireland, the Ulster Savings organisation and the Central Pay Branch. As an aspect of the work of Resources Group a range of common efficiency services is provided embracing organisation and methods, work study, staff inspection and computer services. The Department directs policy and provides training in internal audit and computer audit.

3. The Department's top management group meets regularly at Under Secretary level, under the Chairmanship of the Permanent Secretary, to exercise overall co-ordination of the Department's activities.

### The Approach to FMI

4. The Resources Group of the Department is responsible for the overall direction and co-ordination of the FMI in Northern Ireland Departments. This annex is, however, directed at the implementation of FMI in those functions which are essentially internal to DFP and is concerned with the Department's own operations and administrative processes.
5. The Department has a good base from which to develop its FMI work. A basic system of budgetary control has already been introduced under which financial responsibility is, to an extent, devolved to local managers. The system is proving its effectiveness as understanding and credibility develops between the centre and the participating budget holders. It will provide the basis for development of cost centres throughout the Department.
6. The main thrust of the Department's FMI work will be directed towards two developments:-
  - i. Refinement of the management information system which will give senior management more comprehensive information on how the Department's resources are being deployed in response to specific objectives.
  - ii. An integrated financial information system to provide managers with the data necessary for management of the Departmental cost centres, in a form compatible with the accounting requirements of the Public Expenditure and Estimates control systems.

### Management Information System

7. A major feature of FMI is to provide top management with a comprehensive and co-ordinated view of a Department's objectives and the resources which achievement of those objectives requires. DFP which is a compact Department with a coherent set of responsibilities has been considering its own requirements in the light of its particular functions and structure. The result is a purpose-designed Key Areas Tally System (KATS) which is now being introduced. Full implementation of the system is planned to be completed within 6 months.



8. This system compiles information for each Under Secretary command and sets out objectives, the key areas of activity contributing to those objectives in the ensuing 6 month period and, where appropriate, the resource requirements of those activities.
9. The costs of such arrangements are negligible as the Key Areas Tally System is aimed at co-ordinating and structuring arrangements for collation, presentation and analysis of existing information. However, it will have two main benefits:-
  - i. it provides top management with a regular review of ongoing activity, thus enabling any necessary re-ordering of priorities or resource allocations to be considered against a composite backcloth;
  - ii. it provides a mechanism through which line managers can draw attention to difficulties which require to be resolved in the wider Departmental context.

#### **Integrated Financial Management Information System (IFMIS)**

10. DFP has no significant 'programme' expenditure, thus 'administrative' expenditure represents the main call DFP's functions place on resources. Accordingly, the Department is working towards the implementation of an Integrated Financial Management Information System (IFMIS) by 1 April 1984 to secure the best possible identification, monitoring and control of its administrative resources. Developments in this field are likely to have implications for other Departments' administrative expenditure and hence the DFP work has assumed the characteristics of a pilot scheme.
11. The integrated system will be fully computerised. It will provide the flexibility to meet requirements of cost centres/budget holders for detailed disaggregated data which they need for their financial management responsibilities, as well as meeting the 'aggregate' demands, for example, of Appropriation Accounts, Estimates and Public Expenditure Survey requirements. The system will provide computer-based monitoring at the micro and macro levels.
12. Progress is being made to designate cost centres/budget holders and identify their requirements. An agreed framework for the computer-based

system has been drawn up and the alternative means of providing the system's computer requirements evaluated. An Operational Requirements document has been issued and the processes of hardware and software selection and procurement are in hand.

13. Quantification of costs and benefits will be undertaken when a detailed plan has been drawn up. Initial costs are likely to be those of setting up a new system, namely the staff costs of development work, costs of outside advice/expertise and provision of computer requirements. Staff training costs will depend on the detailed system implemented. The system is aimed at two main benefits:-
  - a. full and immediate financial information for all decision making; and
  - b. flexibility to meet quickly ad hoc demands for information in any desired combination of features and at any level of aggregation and disaggregation.

#### **Other Initiatives**

14. There are a number of other initiatives which are being carried forward within the FMI framework:-
  - i. Valuation Division

The main recommendations of a recent Rayner exercise on Land Acquisition, Management and Disposal envisaged rationalisation of land-orientated services by integration of DOE Lands Service specialist staff into a Valuation and Lands Office with an enlarged remit. It is expected that a significant gain in efficiency will ensue when the new organisation is fully effective. The new structure will be particularly suited to being established as a comprehensive cost centre.

In addition the introduction of more sophisticated computer methodology in the work of the Valuation Office is intended. A comprehensive systems analysis and feasibility study is in train. There will be some limited gain in efficiency in the shorter term from direct linkage of the Valuation Office to the computer system in Rating Division. The more substantial benefits likely to accrue from radical update of Valuation Office methodology are expected to be fully realised by 1985/86.

ii. Ulster Savings

The Ulster Savings Branch, which is a distinct cost centre, is concerned exclusively with work arising in the administration of Ulster Savings Certificates.

There has been a recent review of organisation and procedures in the Ulster Savings Branch and this has resulted, inter alia, in recommendations for substitution of computers for more traditional methods of information storage and retrieval and other aspects of the operations. An Operational Requirements document for the new computerised system has been produced and hardware and software procurement procedures are in hand. It is expected that the new system will be brought into operation in the fiscal year 1984/85.

**The Machinery for Implementing FMI**

15. The Department has established a small top level steering group, chaired by the Under Secretary responsible for Departmental administration. The group has been given the responsibility for the overall direction of FMI and for ensuring the drive necessary for the implementation of the various initiatives on the timescale outlined.

DEPARTMENT OF FINANCE AND PERSONNEL  
FINANCIAL MANAGEMENT INITIATIVE  
ACTION PLAN

Component	Substance of Project	Paragraph	Achieved or Anticipated Effects	Progress and Timescale
The Key Areas Tally System (KATS)	The system collects, collates and presents information by Under Secretary commands, on objectives, key areas of activity contributing to the achievement of those objectives, and the resource commitments to the activities. The result is the presentation to top management of a flow of continuously updated information on the work of the Department.	7	Facilitation of synoptic overview by top management of all the work of the Department, so as to make easier the task of any necessary re-ordering of priorities in resource allocations. Provides also a running check on validity of organisation structures and serves to lessen dependence on subjective judgement in these matters.	The system has been designed and procedure developed and agreed, and a prototype was introduced with effect from 1 June 1983.
Integrated Financial Management Information System (IFMIS)	A fully computerised system which will provide the capability to capture, store, process, interrogate and retrieve information for the production of the Department's books of account, fund accounting, periodic statements at all necessary levels of aggregation and disaggregation, monitoring data for FIS and budgetary control, PES, Estimates.	10	The chief advantages of the new system are seen as the provision of comprehensive, immediate and reliable financial information as an essential input to decision-making; and a degree of flexibility adequate to meet demands for information in any desired combination of features and at any levels of aggregation and disaggregation.	The basic requirements of the system have been specified and preparation of a detailed Operational Requirement was completed in June 1983. The choice of hardware and software is in train and detailed design of the computer system is expected to be completed by the Autumn so as to facilitate installation and testing in January/February 1984. The target date for implementation is 1 April 1984.

Component	Substance of Project	Paragraph	Achieved or Anticipated Effects	Progress and Timescale
<p>Organisation and systems update in Valuation Office</p>	<p>(i) Comprehensive systems analysis and feasibility study with a view to more extensive use of computer technology;</p> <p>(ii) Implementation of agreed Rayner recommendations on integration of dispersed expertise on land matters in Valuation Office of DFP and Lands Service of DOE (NI).</p>	<p>14</p>	<p>(i) Limited gains in efficiency have already been achieved from linkage to the dedicated Rating Division computer system. More major gains are expected from extended use of computers.</p> <p>(ii) Creation of a rationalised Valuation and Lands Office will open the way for significant gain in efficiency and achievement of savings in 1984/85.</p>	<p>(i) A detailed feasibility study is in hand. Implementation of comprehensive computer systems expected in 1985/86.</p> <p>(ii) Implementation will commence in November 1983.</p>
<p>Introduction of computer methodology in Ulster Savings Branch</p>	<p>A review of organisation and procedures in the Ulster Savings Branch has resulted in decisions for substitution of computer for more traditional methodology.</p>	<p>14</p>	<p>When implemented the new methods will make for significantly more efficient operation, space and time savings and reduction of administrative costs.</p>	<p>A detailed Operational Requirements document has been produced and hardware and software procurement is in hand. The developed system is planned to 'go live' by the summer of 1984.</p>

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF THE ENVIRONMENT****Introduction**

1. The Department of the Environment with approximately 10,000 industrial and non-industrial staff is the largest Northern Ireland Department in employment terms and has an annual expenditure provision of some £620m.
2. The Department's functions include Planning; Roads; Water and Sewerage; Housing and Urban Affairs; Enterprise Zones; Ordnance Survey; Land Registry; Registry of Deeds; Land Acquisition, Management and Disposal; Comprehensive Development; Transportation (including Railways, Buses, Airport, Road Safety, Vehicle Licensing); the Fire Service; Public Records Office; Conservation; Historic Monuments and Buildings; Environmental Services including pollution control and access to the countryside; Local Government; Rate Collection; Works Service; the District Development Officer Service; and the necessary financial/personnel/land acquisition/servicing functions involved in the exercise of these responsibilities. Although implementation of these responsibilities is carried out in several different ways, eg through the Housing Executive, Fire Authority, transport companies and directly by the Department's own services, the Department has overall responsibility for determining policy and priorities, allocating resources, approving programmes and the Permanent Secretary of the Department is the Accounting Officer, responsible to Parliament for the voted expenditure involved.
3. The Department of the Environment has, in the past few years, developed financial and other information systems consistent with the principles and criteria outlined as the basis for the Financial Management Initiative.

**Management Information Systems**

4. The Department has introduced 3 specific information based systems which clearly define and monitor the Department's objectives, and the necessary financial and manpower resources to achieve these objectives, and from

which regular information is available about costs, manpower, and policy options requiring decisions.

a. Management Objectives

The system is a refinement and development of a basic Management Objective system introduced some years ago. All Branches/ Divisions produce annual statements of Management Objectives. These are monitored at appropriate levels of responsibility within the Department and the methods used reflect the diversity of functions and type of control necessary. The major objectives are monitored directly by a Departmental Board consisting of the most senior officers of the Department meeting monthly under the Chairmanship of the Permanent Secretary. It is the responsibility of the Board to deal with major issues, particularly those affecting more than one sector of the Department's activities, Departmental strategies and policies and the allocation and use of resources. This system is continually updated so that it can be quantified to the fullest extent possible in terms of input and output; so that it reflects the appropriate level of management responsibility within the Department; and so that it ensures maximum flow of information both upwards and downwards in the Department. In the current financial year there are 17 major objectives which will be monitored by the Departmental Board including oversight of the Department's financial systems and targets and such specific items as the public sector housing programme (with a quantified input and output); roads programmes with consequential policy implications for levels of maintenance, levels of staffing etc, transport policies and capital programmes; review of the Belfast Development Strategy; disposal of surplus lands; and issues on Water, Works, Environmental Protection etc.

b. Financial Accounting Systems

The systems operated by the Department are largely computer-based, providing data monthly for accounting and monitoring needs and fortnightly for cost control purposes in respect of major areas of expenditure such as Roads and Water. In these areas, total expenditure for each geographical Division for a particular period is analysed and attributed to relevant cost centres which may, for example, be districts or sub-divisions within a Division or

individual jobs as required by the nature of the expenditure. This computer-based information is used to provide data both for Appropriation Account Records and for the preparation of monthly expenditure and receipt monitor statements. These compare actual costs/receipts against estimates in both quantitative and percentage terms and also compare profiled costs against actual expenditure. Attention is paid to the control of general administrative costs, with particular attention being paid to the areas of travelling/subsistence/hospitality and general administrative expenses. In these areas estimated profile expenditure is produced at Divisional and Branch level as appropriate, with actual expenditure monitored on a regular basis against the budget. Regular printouts of such expenses for individual officers are produced and issued to the senior manager at each cost centre for appropriate managerial action.

c. Central Management Unit

The Central Management Unit has specific responsibility for the co-ordination of central functions and the development of management efficiencies and systems within the Department. This Unit has given priority to the production of a detailed strategy for computerisation, particularly of financial management systems, and to the carrying out of a number of management assignments to improve the efficiency and effectiveness of Departmental Services. The Unit is also responsible for the internal audit of the Department. Internal audit has been developed so that the audit is now systems-based audit relating to accounting and other procedures. This enables weaknesses in financial and other systems to be identified at an early stage so that there can be close co-operation with the relevant Service, Finance and Personnel Divisions to ensure that any deficiencies are remedied as quickly as possible. The Unit also deals with matters such as Exchequer and Audit queries, proposals for write-off etc so that there is opportunity to identify instances where Departmental machinery has not worked effectively and where corrective action is necessary. There has been a noticeable improvement in the handling of centralised services and the development of consistent and uniform systems throughout the Department.



### Programme Reviews

5. The systems for Management Objectives and Financial Accounting Systems described above provide information about the various sectors of the Department and the use by these sectors of the resources allocated to them, in terms of input and output. The Department has also initiated regular in-depth reviews of its major functions. Such reviews require the Service to justify in detail the resources allocated to it in terms of its achievement of quantifiable objectives of strategy and policy. Housing and Roads have already been the subject of such reviews and an exercise is currently under way with the Water Service. The Housing review was based on the results of the House Condition Surveys of 1974 and 1979 which enabled the Housing Executive to measure in quantitative and qualitative terms the physical effects of certain levels of housing investment during that 5-year period. Subsequently it was possible to construct and cost agreed physical programmes in the form of a composite Housing Strategy which will continue the improvement in housing conditions during the period to 1984. Such programmes related to Capital Works on new house building and improvements, required levels of expenditure on private sector house renovation grants, maintenance and management of public sector stock and expenditure by Housing Associations. The result of this strategy will be measured with the findings of a further House Condition Survey in 1984.

### Development of Systems

6. The Department is now heavily involved in the development of a number of new computer-based information systems and an extension of existing systems.
7. From the beginning of the financial year 1983/84 the receipts and payments arising from the Department's Works Service (which transferred to the Department on 1 April 1982) have been fully computerised so that the same financial systems as have been operating in other Services such as Roads and Water will now be available to Works Service. At the same time, the Rate Collection system operated by the Department has been fully computerised, as a result of which there will be significant savings in costs and manpower, the closure of 13 offices, the introduction of a single billing system and a very significant improvement in the financial

and administrative systems operated by the Rate Collection Branch. Further enhancements of the system will be completed during the current financial year. The systems referred to in paragraph 4a. above have again been completed and so for the current financial year there are detailed Management Objectives, detailed budgets including profiles of expenditure for each Division, Service and appropriate cost centre.

8. Within the next 12 months, the Department proposes to introduce a computer-based stores Information System covering its major Services. This is in course of preparation, is related to the assignment in paragraph 12 below and is intended to provide a computerised facility for recording information about quantity, age, cost etc of stores held by these Services.
9. During the current financial year it is intended to introduce a computerised system for calculation of Productivity Bonus for Roads and Water Services, the calculation of which is at present labour-intensive. This would be an integral part of a management accounting system for these Services and would also enable the extension of productivity schemes within these Services which is not possible at present because of manpower constraints in producing productivity bonus payments. In subsequent financial years it is intended to extend the productivity bonus payment calculation into a comprehensive industrial payroll scheme whereby the calculation of pay and productivity bonus would happen simultaneously with a single input at point of source.
10. The Department's Planning Service processes a very considerable number of planning applications annually and it is intended to introduce a computerised development control system. This would be based on specified control centres and would ensure that management targets for the processing of such applications could be maintained and improved upon.
11. Beyond the current financial year, the Department intends to develop proposals for further extension of the accounting system into Management Accounting, the use of applications for capital programmes, the production of further performance indicators etc.
12. There are also a number of major efficiency assignments designed to improve the financial and other systems currently operating within the

Department. During the next 12 months a review of the maintenance of Plant and Vehicle Fleet will be completed, as will a major review of the organisation, location and procedures for Departmental Stores. It is likely that the results of both these investigations will produce recommendations aimed at improving the efficiency and effectiveness of stores, plant and vehicle maintenance and other related operational matters which are the Department's responsibilities. The Department has also initiated an investigation into the central purchasing of materials on a value for money basis during the year.

13. At present, the Department is engaged on a comprehensive review of the use of Information Technology in its activities. This review will be completed in the current financial year and inter alia, will update the priority needs for the use of computerisation, improved communication, information systems etc as part of FMI.

#### **Machinery for Implementing FMI**

14. Specific responsibility for the direction and progress of the FMI within DOE lies with the Central Management Unit. The Unit has recently been streamlined to concentrate on its core tasks of co-ordination and the development of management efficiency and systems. The machinery exists within the unit to keep the FMI work under review and to ensure that timescales are met.

#### **Summary**

15. The Department already has a series of well tried and tested information systems but is presently in the process of reviewing these, of enhancing existing systems, developing new systems and assessing opportunities for improvements in its financial management. DOE(NI) is firmly of the view that its activities to date and future proposals reflect the importance of sound financial management as required in the Initiative.

DEPARTMENT OF THE ENVIRONMENT  
FINANCIAL MANAGEMENT INITIATIVE

FUNCTION	PARAGRAPH	WORK PROGRAMME	TIMESCALE
1. All Departmental functions	4(a)	Production of Management Objectives for 1983/84	March 1983
2. All Services and Divisions	4(b)	Production of detailed budgets and profiles of expenditure for 1983/84	March 1983
3. Works Service	7	Introduction of computerised accountancy systems	April 1983
4. Rate Collection	7	(i) Computerisation of rate collection procedures	April 1983
		(ii) Further enhancements of the system	December 1983
5. Roads and Water	8	(i) Introduction of computerised stores information system at Divisional level	March 1984
		(ii) Extension of system to other services and to Divisional level	December 1984
6. All Departmental functions	12	Review of procedures for Plant and Vehicle maintenance	July 1983
7. All Departmental functions	12	Review of current arrangements, procedures etc for stores	September 1983
8. All Departmental functions	12	Review of current purchasing policies	September 1983
9. Roads	9	Computerisation of Productivity Bonus calculations	October 1983

FUNCTION	PARAGRAPH	WORK PROGRAMME	TIMESCALE
10. Water	9	Computerisation of Productivity Bonus calculations	December 1983
11. Roads and Water	9	Comprehensive Payroll system implementation	September 1984
12. Planning	10	Computerisation of Development Control systems	March 1984
13. Water	5	Completion of Programme Review	June 1983
14. Roads and Water	11	(i) Computerisation of Capital Programmes	June 1984
		(ii) Introduction of Management Accounting Systems	September 1984

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF ECONOMIC DEVELOPMENT****Introduction**

1. The Department of Economic Development (DED) was founded in September 1982 by the merging of the former Departments of Commerce and of Manpower Services. At the same time the new Industrial Development Board (IDB) for Northern Ireland was established within the Department. In addition to the broad task of co-ordinating industrial and manpower policy in Northern Ireland, DED is responsible for a wide and heterogeneous range of specific industrial and employment functions. The main areas of activity, the related companies, public corporations and other bodies falling within the Department's field of responsibilities and the principal elements of the Department's 1983/84 budget of approximately £400m are summarised in a table at the end of the annex. DED currently employs a total of approximately 2,900 including approximately 250 industrial staff.

**Central Controls**

2. To provide the cohesion and co-ordination necessary to control the Department effectively, a Departmental Management Committee (DMC) has been established consisting of the Chief Executive of the IDB, the Deputy Chief Executives of the IDB and the Under Secretaries of DED, under the chairmanship of the Permanent Secretary. The primary function of DMC is to consider issues of strategic importance to the Department as a whole, including the identification of areas in which new policy initiatives should be considered, the deployment of the Department's central policy development resources for this purpose, the adoption and ranking of new policy objectives and the allocation of financial and staff resources among competing programmes. As part of the planning process, DMC considers all PES and Estimates proposals submitted by Finance Division after bilateral discussions with individual spending Divisions, and under the recently introduced system of Management Planning (described below) all plans are subject to scrutiny and approval by DMC. Financial management is currently the responsibility of a central Accounts Branch as

regards day to day accounting matters and of a central Management Finance Branch as regards the operation of internal and external financial information systems. Monthly comparisons of actual and budgeted expenditure are undertaken and heavy emphasis is placed on identifying, at the earliest opportunity, deviations from forecast outturn.

3. In the case of the larger executive functions (Government Training Centres, Consumer Protection Services, etc) the major administration costs are separately identified in the vote structure. Otherwise, administration costs are aggregated within a central vote under the control of Personnel Division which leads in the annual Rayner Scrutiny of Departmental Running Costs. All aspects of staff complementing throughout the Department fall under the control of Personnel Division.

#### Audit

4. The soundness and effectiveness in practice of the Department's financial control systems are monitored by a central Internal Audit Branch serving both Accounting Officers, working to a programme approved by DMC. The Internal Audit Branch's work is focused sharply on the examination of systems rather than on narrower financial objectives and it is expected that its areas of activity will, in due course, take in the Department's fringe bodies. High priority is being given to the training and development of internal audit staff.

#### Management Planning

5. The Management Planning system referred to above came into operation on 1 April 1983. Under the system, the Department is divided into a number of reporting units each under a designated manager who will be personally responsible for the planning, monitoring and efficient management of the discrete segment of Departmental business under his control. The reporting units, answering through Under Secretaries to the Permanent Secretary (or in the IDB, through Deputy Chief Executives to the Chief Executive), generally correspond to Assistant Secretary commands but it is an important feature of the system that it should promote within

management blocks, the clear definition of responsibilities and the allocation to subordinates of precise areas of authority and accountability.

6. Management Plans cover a period of 12 months ahead and are to be reviewed and rolled forward every 6 months. The prescribed format for plans concentrates attention on the following key points:-
  - a. the long term aim of the activity;
  - b. the major objectives to be achieved within the planning period, ranked in order of priority and whenever possible, concretely defined or quantified to provide a firm yard-stick against which performance can subsequently be measured;
  - c. the resources allocated to the area - programme expenditure, staff numbers and administration costs - with an analysis of any conflict between these provisions and the stated objectives;
  - d. the constraints within which the manager will have to work in seeking to achieve his objectives;
  - e. an appreciation of the linkages between the manager's area of activity and those of other managers within DED or in other Departments, to facilitate the harmonisation of objectives; and
  - f. an evaluation of how the area's activities might be adjusted if either marginally more resources should become available or a marginal reduction in resources should have to be absorbed.

#### MINIS

7. DED's MINIS will be built on the Management Planning system. The first document, completed at end-May provided Ministers and senior officers with a summary of the Department's organisation; 1983/84 main objectives; 1983/84 manpower allocations; 1983/84 financial allocations and provisional financial allocations for 1984/85 and 1985/86. When the cycle is established, the main (April) MINIS will include a summary of performance against objectives in the previous 12 months and the supplementary (October) issue will highlight major changes in plans or shortfalls in performance.



### Specific Initiatives

8. While many of the objectives set by managers in their 1983/84 Plans are relevant to the FMI, the following are particularly noteworthy:
- a. Sponsored Companies etc. A co-ordinated review by sponsoring Divisions of their arrangements for controlling the Non-Departmental Public Bodies (NDPB) for which they are responsible is currently nearing completion. Attention has been given particularly to arrangements for the preparation of Annual Reports and Accounts and to the need to ensure that proper systems of financial management are devised and effectively operated by each NDPB. In examining its relationship with its NDPBs in this way however, the Department will be concerned to ensure that within the controls necessary to secure the Department's position of accountability, Bodies are given maximum freedom to manage their own affairs.

In the case of Shorts and Harland & Wolff, arrangements have been made for the engagement by the Department of consultants to advise on the validity of corporate plan proposals by both companies, to monitor all aspects of performance, to assist with the development of future strategy on which subsequent plans would be based and to consider and advise on specific projects. Also in the context of nationalised industry policy, the Department is considering the drawing up of strategic objectives for both companies and defining the role of non-executive directors.

In the case of the Northern Ireland Electricity Service (NIES), DED is operating a comprehensive system of monitoring and financial control. The system has as its main elements, corporate planning; monitoring and performance aims; a review of the opportunities for reducing oil dependence; and an efficiency audit. Because the Monopolies and Mergers Commission was not able to undertake the work within the required timescale, the Department, with the approval of Ministers, arranged for consultants to carry out the efficiency audit and the consultants' report will be used as a basis for agreeing with NIES a set of medium-term objectives.

The policy framework within which the Local Enterprise Development Unit (LEDU) operates is determined by Directive and Letter of Interpretation issued by the Department. These documents are being reviewed with the object of achieving a consistency of industrial development policy between IDB and LEDU, while recognising in the operational procedures to be followed, the differences in structure of the two bodies.

- b. Computerisation Programme. An initial study by consultants of the opportunities for computerisation throughout the Department was commissioned. The study identified those areas which, for systems reasons, should be taken together and those which should be examined in more detail as a matter of priority. In the case of a number of high priority, stand-alone areas (including the IDB Industrial Estates, International Marketing and Corporate Finance functions; and Companies Registry records) detailed specification preparation work has already been started. The computerisation of the Department's accounting, grant payments and financial management information systems and the construction of a comprehensive database on companies assisted by the Department to cover their employment, the nature of their activity, and the assistance provided to them are also regarded as high priority requirements. At this stage the timescale for completing the various projects and the resource implications cannot be accurately estimated.

#### **FMI Development Programme**

9. The Management Planning scheme is expected to provide the principal vehicle for the development of the FMI within the Department. Although an effective management tool in its present form, the system leaves room for expansion and refinement, and successive management plans will make progress in areas such as the systematic review of policies and objectives; the measurement of outputs; the alignment of output objectives with expenditure estimates; the development of useful performance indicators; the identification of cost centres at lower levels and the delegation of responsibilities for these; and the development of better management information systems.

Senior Officers have been addressed by the Head of the FMI Central Unit on the general aims of the Initiative and have taken part in a series of seminars conducted by Central Unit staff on more detailed aspects of the Initiative. Since junior as well as senior staff have been involved in the preparation of plans, the introduction of Management Planning has served to stimulate a practical interest across a broad spectrum of the Department's staff in the principles underlying FMI. This will be reinforced in 1983/84 by a series of familiarisation courses for all staff down to Staff Officer level.

A number of senior officers have already attended the Senior Administrators Finance Course and other FMI-related courses conducted by the Civil Service College in GB and the Department will continue to make full use of this training resource.

It is envisaged that, within DED, FMI will continue to be led by Finance Division supported by Co-ordination Branch and that no additional staff resources will be required for this purpose although the position will be kept under review.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Main Activities, Sponsored Companies or Bodies and Elements of Expenditure

	<u>Sponsored Companies etc</u>	<u>1983/84 (rounded)</u> £m
Industrial Development Board		92
Small Business Development	LEDU	11
Shipbuilding & Aircraft	Short Brothers Harland & Wolff	50
Capital Grants		37
Tourism	NI Tourist Board	5
Gas		31
Electricity	NIES	66
Ports		1
Employment Services	Enterprise Ulster	29
Rehabilitation and Employment of Disabled Persons	Ulster Sheltered Employment	1
Industrial Training	Industrial Training Boards/NI Training Authority	37
Other Labour Market Services	Fair Employment Agency Labour Relations Agency Equal Opportunities Commission Health & Safety Agency	24
European Community Funds		
Trade Regulation and Consumer Protection Services		
Industrial Science Services		
Administration		
Salaries		15
Other Administration Costs		5

DEPARTMENT OF ECONOMIC DEVELOPMENT

FMI DEVELOPMENT PROGRAMME

AREA	ACTION	DATE
1. MINIS	First report issued	May 1983
	Review form and content of main and supplementary reports and incorporate improvements in April 1984 report	March 1984
2. Management Planning	Six month review of performance against management plans	September 1983
	Determine key FMI themes for inclusion in 1984/85 management plans	December 1983
3. Financial Monitoring	Revised monthly expenditure monitoring arrangements initiated	May 1983
	Review effectiveness of new arrangements and revise as necessary	September 1983
4. Control of Non-Departmental Public Bodies	Sponsoring branches complete negotiations with NDPBs for implementation of new control arrangements.	September 1983
	Review operation of new controls and revise as necessary.	March 1984
5. Staff Training	Complete FMI familiarisation training of all staff down to Staff Officer level	March 1984

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF AGRICULTURE****Introduction**

1. The Department of Agriculture is the third largest of the NI Departments in terms of staff, with a complement of approximately 4,800 (3,200 non-industrial and 1,600 industrial staff). In addition to administrative and clerical personnel the non-industrial staff include a wide range of technically qualified people including agriculturalists, veterinary surgeons, foresters, engineers, and scientists of various kinds. The industrial staff are employed mainly on forestry and arterial drainage work, together with the operation of agricultural colleges and experimental farms.
2. The Department has 3 broad aims:-
  - i. to help those engaged in the farming, fishing and forestry industries to achieve a standard of living comparable with that of other sections of the community;
  - ii. to help the agricultural, fishing and forestry industries to make the maximum contributions to the development of the economy;
  - iii. as far as possible to combine i. and ii. with the preservation of a pleasant rural environment.
3. Annual expenditure is in the region of £70m, about two-thirds of which could be classed as programme expenditure. The Department also plays a major role in the administration of schemes in NI for the Ministry of Agriculture, Fisheries and Food and the Intervention Board for Agricultural Produce.
4. The Department's financial management system is based on reviews carried out in the late 1960s and early 1970s and the cost centre concept which flowed from the Fulton Committee Report in particular has been fundamental to the methodology of the financial control systems developed since that time.

### Cost Centres

5. A network of cost centres/Divisions is already in existence and the overall Departmental Estimate is built up from input data gathered at grass roots level at these centres and aggregated centrally to Vote and Programme totals. As part of the Annual PES review each senior manager is required to consider bids for additional resources, options for reductions arising in all programmes under his control, and the establishment of priorities within the total cash ceiling available to him. Bids for additional resources and/or re-allocation of spare provision within programmes must have the concurrence of Finance Division which exercises central control over the Departmental Budget under the direction of the Principal Finance Officer. When priorities have been established and estimates approved, individual budgets are notified to centre managers who are then accountable for the financial resources which they use. Each centre is required to profile its approved budget, and monitoring of expenditure against profile is carried out both locally, by centre management, and centrally by Finance Division. Certain costs are still controlled centrally eg staff and accommodation, but in these cases details are notified to centres so that local management have a full appreciation of the total costs of their operations.
6. Where individual officers within a cost centre deal with a variety of schemes or services or where expenditure on a function relates almost entirely to staff costs, comprehensive arrangements exist for the costing of such schemes and services based on work returns by each officer. Costs are calculated centrally on a quarterly basis and are notified to line managers for monitoring action etc.
7. Establishment of policy objectives and quantitative targets towards achievement of these objectives is a matter for each senior policy manager in conjunction with the cost centre/Division Manager. In certain areas of the Department's activities targets can readily be established in precise quantitative terms, eg, area of land to be planted/harvested in the Forest Service, and this is a feature of the activities in such areas. In others, however, progress is more difficult, eg, research, and considerable work still remains to be done.

8. One of the major overall strengths of the present management system stems from the compactness of the Department which facilitates a ready flow of information from and to senior management and in addition enables matters affecting policy to be discussed by senior management as a whole. A senior management policy group meets weekly under the chairmanship of the Permanent Secretary and it is in this forum that the views and interests of all areas of the Department including Finance and Personnel are brought together for consideration and discussion.

#### Development of FMI

9. The Department's basic objectives under FMI are to extend and improve the existing management system on several fronts. There are however two key areas recognised as fundamental to the general thrust of FMI and incorporated as specific objectives in their own right in the Departmental Plan. These are:
  - A. Development of a Comprehensive System of Management Targets And Performance Indicators.
10. Commencing in 1983/84 the Department will be seeking to refine and extend the work already carried out in this area and this will entail a series of bilateral discussions between Finance Division and spending Divisions. In the first instance all Divisions and centres will be expected to have a formal statement of broad objectives, approved by their senior line management. Within these overall objectives, specific targets for the year ahead will then be set, in quantitative terms where possible, against which performance can be monitored and achievement recognised.
11. As already indicated, this type of quantitative monitoring is already carried out in those areas which most readily lend themselves to this approach but there remains a great deal of work to be done in the more difficult areas, eg, research and development, before any fully comprehensive system can be established.



B. Management Information System

12. Allied to the quantitative monitoring at paragraph 11 above will be the introduction of an improved financial management information system which will marry the detailed financial data on programme estimates, expenditure and overheads. Full benefits will be dependent on computerisation of all financial records and as a first step towards this end Finance Division has recently undergone a radical re-organisation along functional lines. Previously the Division was organised on a Vote basis and as a consequence of this there were common elements of work across all four Accounts Branches. The new Divisional structure took effect in April 1983 and will enable computerisation to follow over the next 2 years. The first stage in this process will be the computerisation of all book-keeping and accounts work and this will be achieved in phases (one Vote at a time) commencing in mid-1983. Normal manual book-keeping will continue "in tandem" until the operations have been fully tested. Financial monitoring will also be incorporated into the system in the shape of detailed monthly reports of expenditure against profiles, the latter built up from information received from cost centres/Divisions. Some detailed work will be necessary to format the output to suit central monitoring requirements. Computerisation of PES is also envisaged and development work on this will commence later in 1983.
13. By 1986 all financial records should be on computer and this will enable substantially more information to be produced on detailed costs (both programme and administrative) in all areas, with improved and faster feedback to centres and Divisions. Computerisation will also enable scheme costings to be extended and this will be done as far as is practicable, with all Departmental staff costs allocated to particular schemes or services within programmes.
14. The overall aim in A and B is to produce systems which will provide to all levels of management the fullest possible information (both physical and financial, having regard to the cost of collection relative to its value) which can be used to assess past performance and as a reliable basis for future decisions on programme priorities with optimum use of available resources. The FMI is also being taken forward on two other fronts:-

a. Further Extension of Cost Centre Approach

An investigation is presently being pursued to establish the practicability and possible advantages of delegating responsibility to centres for certain items still handled centrally, eg, telephones, electricity, printing and stationery, maintenance etc works on specialised buildings. Delegation will be exercised to the fullest possible extent but in areas where it does not prove to be viable the cost of centrally controlled services will always be notified to managers so that they will be aware of the full cost of their operations and can take account of their "on costs" in the decision making process. In the case of maintenance etc work on specialised buildings it will be necessary to carry out a pilot study to assess feasibility, cost-effectiveness and advantages of this approach before a final decision is taken. This pilot study will be initiated during the latter half of 1983/84 financial year.

b. In-Depth Policy Appraisals

A top management review of policy, priorities within programmes, resource management etc in specifically chosen areas of the Department's activities is planned to become a permanent feature of procedures and the first of these reviews was carried out in November 1982.

A timetable which illustrates in some detail the various development stages on all FMI fronts is appended.

Review of Progress

15. FMI is part of a process of continuing evolution of management practice within the Department. It is the intention to monitor progress on all FMI fronts, on the basis of the outline timetable, and other more general reviews will continue to take place at regular intervals. Changing circumstances and/or new initiatives (internal as well as external) will also influence progress.

### FMI Staffing/Training Implications

16. The overall direction on FMI will rest with the Principal Finance Officer under the guidance of the Department's senior management. It is clear that additional staffing resources will require to be committed to the work programme and precise requirements are presently being assessed within the Department.
17. Delegation of additional responsibilities to centres will in some areas necessitate additional audit presence, particularly where centres are being given fully devolved accounting responsibilities for the first time. This, together with the need to extend audit into the field of Value for Money work which in itself is complementary to the general thrust of FMI, will in due course necessitate strengthening of the Internal Audit Branch.
18. The selection and training of staff involved in financial management at centre/Division level, and in financial and accounting procedures in Finance Divisions will continue to receive priority within the Department, and staff will be encouraged to attend appropriate external courses as the opportunity arises. Internal courses, seminars etc - both formal and informal, are used to develop the general management skills of staff at all levels. The need for a specific course on Investment Appraisal has already been identified and nominations made.

DEPARTMENT OF AGRICULTURE  
FMI - TIMETABLE OF DEVELOPMENTS

Planned Improvements	Timetable	Development Stages
1. Development of a comprehensive system of management targets and performance indicators	May 1983	(i) Discuss with senior management the way forward, in the light of their reaction to the preliminary paper circulated by Finance Division on this subject.
		(ii) As part of the next PES round all centres/Divisions required to produce a statement of broad objectives cleared and approved by their senior management.
	Dec 1983	(iii) Assess progress, discuss problem areas with local management and report to senior management.
	Mar 1984	(iv) Initiate discussions with local management on target setting and development of progress indicators for the immediate period ahead, within the context of the broad objectives etc already approved.
		(v) Identify problem areas and consider pilot studies to assess feasibility of quantitative monitoring with particular reference to cost/benefits.
	Oct 1984	(vi) Assess progress and report to senior management. Agree the way ahead in all areas.
	Mar 1985	(vii) Implement agreed systems in all areas where this is possible. Continue follow-up work in difficult areas.
	Mar 1986	(viii) Full implementation of new monitoring systems.

Planned Improvements	Timetable	Development Stages
2. Improved Financial Information System through restructuring of Finance Division and eventual computerisation of all financial records, including an extension of the costings arrangements for all schemes and services.	April 1983	<u>A. Restructuring and Computerisation</u>
		(i) Restructuring of Finance Division on functional lines to facilitate planned computerisation of all financial records.  (ii) Continue preliminary development work on computerisation of book-keeping and accounts and associated financial monitoring systems.
	June 1983	(iii) Begin phase 1 of computerisation (Book-keeping etc Votes 1 and 2) (manual system to run in tandem). Link in computerised monitoring as soon as possible.
	Jan 1984	(iv) Evaluate Vote 1 and 2 computerisation trials and clear with E&AD.
	April 1984	(v) Votes 1 and 2 go "live". Initiate phase 2 trials (Vote 6) with manual system running in tandem.
	Jan 1985	(vi) Evaluate Vote 6 trials.
	April 1985	(vii) Vote 6 goes "live". Initiate phase 3 trials (all other Votes).
	April 1986	(viii) Full computerised system in operation.
		NOTE: In addition to the above, development work will begin on computerisation of PES during 1983 and on scheme costings early in 1984. It is not possible at this early stage to specify a detailed timetable for this work but completion by 1986 is envisaged.

Planned Improvements	Timetable	Development Stages
<u>B. FORMALISED MANAGEMENT INFORMATION SYSTEM</u>		
	April 1983	(i) Senior management to consider information requirements and costings relative to their own areas of activity.
	June 1983	(ii) Initiate bilateral discussions with senior management and Divisional/cost centre managers to define information needs precisely with a view to taking account of proposals in Finance computerisation plans.
	April 1984 to April 1986	(iii) Consider format for presentation of information on a regular basis to Senior Management Group and link in with phased computerisation of all financial records.
3. Further extension of cost centre approach through additional delegation of responsibility wherever feasible or, alternatively, dissemination of detailed information on costs.	May 1983	(i) Initiate review of all centrally controlled expenditure items (eg telephones, electricity etc).
		(ii) Discuss with Headquarters Divisions and cost centres the feasibility and logistics of delegation, or alternatively the dissemination of detailed information on costs.
	May 1984	(iii) Initiate pilot scheme(s) where necessary to test viability.
		(iv) Initiate (in conjunction with Works Services Division and an appropriate cost centre) a pilot scheme to examine viability of delegation of responsibility on specialised building works.
	March 1985	(v) Review progress on (ii) & (iii) and make final decisions on delegations.
	April 1985	(vi) Review progress on (iv) and agree the way forward.

Planned Improvements	Timetable	Development Stages
4. In-depth policy appraisals	August 1983 (& each year thereafter)	(i) Arrange consultations with Finance Division Senior Management and Accounting Officer to determine extent and coverage of 1983 review, refinements on 1982 exercise etc.
		(ii) Advise Heads of centres/Divisions whose areas of work are to be reviewed.
	Oct 1983	(iii) Provide all necessary information to enable review to be conducted.
	Nov 1983	(iv) Follow-up as required on financial matters.

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES****Introduction**

1. The Department administers two main programmes - health and personal social services, and social security. In respect of the former, the Department is responsible for policy, planning, resource allocation and monitoring, and for certain executive functions such as capital works and management services, while local planning and management of the services is delegated to four agent Health and Social Services Boards and associated central Bodies. The Social Security programme is administered directly by the Department.
  
2. The Department employs over 6,000 staff, mainly in social security, and has a budget of over £1,700 million in 1983-84, of which £642 million will be spent on health and personal social services, £1,026 million on social security and £65 million on administration. The Permanent Secretary is responsible as Accounting Officer for the Department's total expenditure. In practice overall financial control is exercised on his behalf at Under-Secretary level by the Principal Finance and Establishment Officer. Under Secretaries and chief professional officers form the Top of the Office Group which meets regularly under the chairmanship of the Permanent Secretary to deal with the planning and allocation of resources and to monitor progress.

**Current systems**

3. In constructing a programme of work under the Financial Management Initiative, the Department had a sound base on which to build:-
  - a. The existing system of Departmental budgetary control forms an integral part of the overall management of Departmental resources. Expenditure is allocated to budget holders who profile their planned spend on a monthly basis. Monthly budgetary control reports are issued to senior management, and periodic budgetary control meetings are held at which performance is reviewed and adjustments made as necessary.
  - b. Close co-operation between the Department and the Boards on the development of accounting and financial control systems covering expenditure on the Health and Personal Social Services.



- c. A well developed system of internal audit, covering expenditure on Departmental administration, social security benefits, and central health and personal social services expenditure, which is now principally systems-orientated.
  - d. The newly introduced MINIS system which links information on expenditure and manpower to Departmental objectives.
4. The Department recognised that its present manual systems for accounting and budgetary control did not enable administrative expenditure to be allocated to cost centres, and computerisation of its accounting system was a pre-requisite. Computerisation of Board financial systems was also needed to develop budgetary control to the level necessary. The audit resource applied to Boards needed to be re-assessed to put greater emphasis on systems audit and value for money concepts. The planning system for Health and Personal Social Services needed further development, with the use of performance indicators linking financial, manpower and activity data. Work had begun on a long-term strategy for Social Security operations. These are the areas of activity in which the Department has developed its programme of action.

#### Departmental systems

##### MINIS

5. A Management Information System for Ministers (MINIS) was introduced in the Department on a trial basis in September 1982, linking expenditure and manpower to Divisional objectives for a six-month period. The second MINIS report, published in April 1983, developed the system further, including statements from professional groups as well as administrative Divisions. Progress is shown on the achievement of the objectives set for the first period, and new objectives are set for the six months ahead. Objectives have been related to main functions within each Division, and staff costs and complements are attributed to these functions. The basic format now established will be used in future MINIS reports.

##### Accounting System

6. Following a feasibility study, work is now proceeding urgently in conjunction with Computer Services Division of DFP to computerise the Department's accounting system. The target date for implementation is April 1984, and the scheme is being used to pilot in Northern Ireland the PROMPT methodology for new computer systems.

### **Budgetary control of administrative costs**

7. The Department is introducing a new approach to budgetary control of administrative expenditure, similar to that being developed in DHSS (Great Britain). Administrative costs which consist of staff salaries, travelling and subsistence, postage, printing, telephones and general accommodation costs, etc, are at present carried by central Divisions. In future they will be charged to identified cost centres which will make managers conscious of the full costs of their operations and enable them to prepare their own budgets. It will also give better costing information to senior management through later MINIS reports. This new system is dependent on computerisation of the accounting system (paragraph 6 above) and will therefore be phased in from April 1984 so that budgetary control of administrative costs on the new basis can begin from April 1985.

### **The HPSS programme**

#### **Budgetary control and accounting systems in Boards**

8. All Boards have budgetary control systems, with varying use of external computer facilities. Work is now well advanced on developing an in-house system, based initially in the Southern Board. A Liaison Group has been established to ensure the acceptability of the system on a Province-wide basis. Agreement has been reached on the specification for salaries and wages, and work is proceeding on the other elements with a view to phased implementation of the system during 1984.
9. Private sector management consultants were engaged to examine financial systems in the North and West Belfast District of the Eastern Board, and recommend improvements to secure more effective financial control and management information. An initial study lasting two months has now been completed.

### **Audit Systems**

10. The Department is reviewing with Boards the respective roles of internal and Departmental auditors, with a view to securing a proper balance between the traditional and necessary audit for financial regularity and that aimed at securing efficiency and value for money. The findings of a working group reviewing audit arrangements in the NHS in England will be taken into account. A joint seminar in January for internal and

Departmental audit staff has been followed up by systems audit training by external trainers which has covered all the staff concerned.

11. Apart from the work outlined above on improving financial systems, the Department has in train some wider initiatives to improve resource management and secure effective performance, as follows.

#### **Structure and Management**

12. The current review of structure and management is designed to ensure that management is effectively delegated to units; that chief officers are freed to concentrate on strategic issues; and that clinicians become more involved in management. New management structures were partially introduced with effect from 1 April 1983.

#### **Planning System**

13. Under the planning system, introduced in 1980, Boards' strategic and operational plans have been received and the Department has prepared a Regional Strategic Plan on which consultations are taking place prior to formal publication. The planning system will be progressively developed as the key to the effective use of resources. An important aspect of this will be the linking of statistical data on activity and manpower to financial information, and the reports of the Steering Group on Health Service Information in the NHS in England are being taken as the basis of a local review of HPSS information systems now under way.

#### **Performance Indicators**

14. The Department proposes to institute in the current financial year a series of annual performance reviews with each Board. For this purpose, performance indicators have been developed to serve as background to the reviews, starting from the basis of similar English reviews and extending to include the personal social services.

#### **The drive for economy and efficiency**

15. Boards and associated Bodies have drawn up programmes of savings through greater efficiency in the services they provide so as to re-deploy resources saved into priority developments. The Department has issued a policy circular on this topic outlining a programme of action for the achievement of a minimum level of savings of 0.5% in each of the next two financial years.

### The Social Security Programme

16. Expenditure on social security benefits is demand-led, and not cash limited. The Department has, however, well-established procedures for the internal audit of benefit expenditure, covering both local Social Security Offices and central benefit Branches. In recent years, increasing emphasis has been put on systems audit, and the Department has participated in staff training courses, supplementing "desk training", under the guidance of private sector management consultants who will be carrying out a review of procedures during 1983. The administration of benefits accounts for the bulk of the Department's administration costs, and the work on the budgetary control of administration costs (paragraph 7 above) will contribute significantly to good financial management in this area of expenditure.
17. It is clearly important to secure efficient and effective operational systems for the delivery of social security benefits, which have tended to grow up piecemeal in response to changes in benefit rules and the introduction of new benefits. In parallel with DHSS (Great Britain), the Department has now therefore begun work on a strategy for Social Security operations. This is a long-term exercise designed to improve operational efficiency and flexibility, reduce administrative costs, and improve both the quality of service to the public and the work of the staff. It involves rationalising data and procedures, and investing heavily in computer and other new technology within the framework of an operational strategy covering the next ten to fifteen years. A Steering Group on this work is supported by a small new Branch, and project teams have been set up jointly with the Computer Services Division of DFP to complete a number of studies by 1 December 1983. The results of these studies will lay the foundation for the implementation of the strategy in phased stages.

### Conclusion

18. The initiatives outlined above are designed to strengthen internal financial management and to ensure effective management of programme expenditure within the Department of Health and Social Services.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

FINANCIAL MANAGEMENT INITIATIVE

ACTION PLAN

<u>Component</u>	<u>Action</u>	<u>Para</u>	<u>Progress to date</u>	<u>Timescale</u>
<u>Departmental Systems</u>				
1. MINIS	Roll forward in future reports	5	Second report published April 1983, reviewing achievement of objectives and setting new objectives for 6 months ahead	Further review due Sept/Oct 1983
2. Budgetary control	Develop budgetary control of administration costs by cost centres	7	Review of system and identification of revised cost centres is well under way	Implementation of new system planned for April 1985
3. Accounting system	Computerisation	6	Feasibility stage completed. Proceeding to implementation in conjunction with CSD, using PROMPT methodology	Target date for implementation April 1984
<u>The HPSS Programme</u>				
4. Board Financial systems	Computerise budgetary control	8	Specification for Salaries and Wages element of computerised budgetary control (3/4 of expenditure) complete. Work continuing on remainder of system	Target date for implementation Southern Board June 1984 Other Boards - June 1984 - March 1985
	Rationalise preparation of final accounts			
	Review of financial and allied systems in N&W Belfast District of Eastern Board by management consultants	9	Following initial study review commenced on 6 April 1983	Detailed report received June 1983

<u>Component</u>	<u>Action</u>	<u>Para</u>	<u>Progress to date</u>	<u>Timescale</u>
5. HPSS Audit	Review role of audit	10	Systems audit training for HS Audit Branch and Board internal auditors	Completed July 1983
			Review of audit arrangements following report of working group reviewing NHS audit in England	GB Report due for publication August 1983. Action thereon anticipated during following year. Action in NI should be broadly in step with GB
6. Review of structure and management	Complete remaining stages of review	12	New management structure partially introduced from April 1983	Complete introduction of new structure by April 1984
7. Planning system	Prepare and publish Regional Strategic Plan	13	Draft Regional Strategic Plan	To Boards May 1983. Assembly Committee - July 1983. General publication - December 1983
8. Performance indicators	Develop performance indicators	14	Development of performance indicators	Completed June 1983
9. Economy and efficiency	Prepare programme of action and issue circular	15	Performance reviews with Boards.	Initial round completed by April 1984
			Departmental policy circular	Issued July 1983
	Implement programmes		0.5% savings being sought in each of next 2 years	June 1983 - March 1985; monitoring of Boards' achievement of savings
	Studies of cost-effectiveness of community care		Finalise details of cost-effectiveness of community care (pilot projects)	Sept 1983
			Pilot studies	Oct 1983 - Dec 1984

<u>Component</u>	<u>Action</u>	<u>Para</u>	<u>Progress to date</u>	<u>Timescale</u>
<u>The Social Security Programme</u>				
10. Strategy for Social Security Operations	Issue progress report for consultation	17	Progress report to be issued for consultation	Final revisions made July 1983. Report to issue in September 1983
	Complete initial studies		Completion of various studies	December 1983
	Development of Systems		Ongoing tasks	1984/1988
	Implement strategy		Implementation of strategy	1984/1988

**DEVELOPMENT OF THE FMI IN THE DEPARTMENT OF EDUCATION****Introduction**

1. The Department of Education (DENI) is responsible for the central policy, legislation and financial control of all aspects of the education and library services (ie primary (including nursery), secondary, special, further education, higher education (including teacher training), community and adult education, libraries). It is responsible for the funding of the 5 Education and Library Boards, each of which is the local education authority and library authority for its area. The functions of the Department are however wider than this limited description, embracing as they do, leisure, recreation, culture, youth and entertainment as well as education and learning. Whilst the Department carries central responsibility for these functions, executive responsibility lies almost entirely in the hands of outside Bodies such as the Area Boards, District Councils, higher education institutions, Arts Council, Sports Council, museums etc and in addition, various voluntary Bodies. For administrative convenience and efficiency the Department exercises a major executive role in respect of the payment of most teachers' salaries, and associated payments, on behalf of the employing authorities.
2. The Department administers (1983/84) a total budget of some £555m, of which £340m is applied to schools (including support services), £150m to higher and further education (including student support), and £40m to the allied services of libraries, youth, community, sport, museums and the arts. Some £25m is expended on administration, of which some £6.7m relates to the costs of running the Department itself.
3. The DENI approach to FMI recognises the need to cover both administrative costs and programme expenditure. Paragraphs 4-10 below deal with the information systems and monitoring arrangements within DENI. Paragraphs 11-15 are concerned with the major programme expenditures which, with the exception of teachers' salaries, are in the hands of outside Bodies, particularly the Education and Library Boards. It is recognised that the various partners with DENI in the provision of the education service must be involved in FMI. Each has different requirements according to its particular responsibilities in the overall management of the programme.



To this end the Department continues to inform the Chief Officers of the Area Boards of the ongoing work on FMI and the nature of the Department's Work Programme.

#### **Management Structure**

4. Overall management of the Department lies with the Permanent Secretary, assisted by 2 Under Secretaries who each have a specific area of responsibility. A professional Inspectorate headed by a Senior Chief Inspector assisted by 2 Chief Inspectors provides advice on educational aspects to the Department and the Minister. The various functional responsibilities of the Department are allocated over 10 Divisions, each headed by an Assistant Secretary, and the total staffing complement is 560. The Education and Library Boards employ some 40,000 staff including teachers.

#### **Current Financial Management System**

5. The Department's arrangements for budget determination operate within the framework of the Government's overall public expenditure and estimates systems and in essence involve a continuous annual cycle leading to the determination of the broad balance of resources between programmes and services in the late Autumn of each year. Senior management, advised by Finance Division, makes recommendations in light of policy, costings and estimates for Ministerial determination of the broad structure of expenditure for the incoming year as between the sub-programmes. Once block expenditure allocations between the various sub-programmes have been determined for the incoming financial period, individual budget allocations are notified to the numerous spending authorities by the relevant executive Divisions within the Department.

#### **Approach to FMI**

6. There are considerable strengths in the present financial management of resources, in that the systems allow:-
  - a. relevant input to the decision-making process from all interests both within and without the Department;
  - b. determination of budget allocations in accordance with assessed priorities; and
  - c. the monitoring of expenditure against budgets to a high degree of sophistication.

Notwithstanding this the review conducted in the context of the FMI has identified areas where valuable benefits are to be gained from building on existing good practice, particularly in the general area of information systems development, including where practicable, performance indicators. The DENI work programme, which concentrates in the initial stages on improved management of expenditure classified to the schools sub-programme, has the overall objective of inculcating a greater cost-consciousness in managers at all levels in the system. Besides requiring a drive to encourage managers to examine costs critically and regularly, the work programme aims to make available to management, information on costs at a time and in a form which will allow for better financial management. Accordingly the programme of work set out below places emphasis on systems to provide reliable and useful management information on a formalised basis.

#### **Senior Management Information System**

7. The work programme will bring together and formalise in a MINIS-type system information reports on staffing, Departmental running costs and expenditure monitoring. This information is presently provided through various unrelated information systems such as regular Departmental staffing returns; staffing returns from Area Boards and other outside Bodies, together with running cost information; the ongoing expenditure monitoring system and Departmental running cost information.
8. A skeleton system for DENI, which will embrace the programme expenditure for which the Departmental unit has functional responsibility, is being prepared. A small planning team led by one of the Under Secretaries working with the Heads of Finance and Personnel Divisions is guiding this work. A system is expected to be available to assist with decisions in respect of expenditure allocations for 1984/85. In essence the system will be designed as an overall major management tool, into which progressive improvements and developments in other information systems will be fed.
9. The above system will allow for continuing review of administrative expenditure. Whilst such expenditure in DENI is relatively small in relation to expenditure on the programme as a whole, a major item within it is the costs related to the payment of teachers. As part of the FMI the Department is reviewing all stages of this function in which over 110

staff are currently involved and there are in excess of 20,000 files relating to individual teachers. This review is being conducted in conjunction with a Management Services Division (MSD) team from DFP and also involves other specialist disciplines, with the aim of improving the efficiency and effectiveness of the entire system.

#### **Computerisation of Expenditure Monitoring System**

10. In 1981 the Department introduced a revised monitoring system for ongoing expenditure. The objectives of the system are that each Departmental unit responsible for a budget should have available at the commencement of the period a profile of expected expenditure on that budget; that the actual expenditure should be regularly monitored against that profile; that the profile itself be updated as the year progresses; and that systems exist for the regular aggregation of individual profiles to allow rapid assessment at Branch, Divisional or Departmental level as may be required. The system has to embrace the wide range of spending authorities and types of expenditure as well as meeting central monitoring requirements. The Department's work programme provides for computerisation of this monitoring system, and a suitable software package has been selected. The intention is to run the computer system in tandem with the manual system until March 1984 when full computerisation will be introduced. It is envisaged that some 4 months work will be required to make the system operational and that further developments will be sought after initial introduction.

#### **Programme Expenditure - A Management Account System For Schools**

11. As a long-term objective for the better management of the resources the work programme envisages a full management accounting system for schools which will relate as far as possible the inputs to the programme at all levels - school, management authority, Department - to an assessment of output/performance in a form appropriate to the management level in receipt of the information. In the short-term there is a clear requirement to make further progress in the use and availability of resource input measures and to develop the existing data into a systemised flow to the relevant management authorities. Work has commenced on the examination of possible output/performance measures.
12. The study of input measures will be in two parts and the responsibility of two distinct groups within DENI.

### **Teaching Costs**

- a. One group will undertake an examination of all available information, statistical as well as accounting, available for improved monitoring of the costs of teachers. Preliminary studies are already under way following implementation of the 1982 revised Teachers Information System. It is estimated that some 6-9 months will be required to identify the needs of the Schools Divisions and school authorities.

### **Other Schools Costs**

- b. A second group within DENI is undertaking a full examination of all available data sources, statistical and accounting, considered of direct relevance to the management of other recurrent expenditure in schools. In this examination the aim will be to develop relevant qualitative as well as quantitative measures of the use of resources in order to allow broad comparison of performance to be made for example between school types, between areas, and between management authorities. The work will embrace the further development of both unit cost information and key ratios relating to such costs. A period of 6 months is envisaged for an initial report by the Working Group.

### **Output Performance Measures**

- c. As part of the Department's management accounting system for the schools programme, there will be an investigation of the feasibility of developing measures of school performance in those activities which may be susceptible to such objective analysis. The programme therefore includes a pilot study to be carried forward by a small inter-Departmental working group drawn from the professional and administrative sides of DENI and the Policy, Planning and Research Unit of DFP.

### **Planning and Co-Ordination Arrangements for Higher Education**

13. New arrangements have been worked out, with the University Grants Committee (UGC) and the institutions concerned, to improve the planning and co-ordination of higher education in Northern Ireland. Although these new arrangements have their origin outside the FMI they serve a similar purpose in that they will enable more detailed consideration to be given to the funding and development of the Northern Ireland universities. As such they will make it possible to form a comprehensive view of the provision for higher education and the role of each individual institution within the overall provision.

14. The new arrangements will also include the development of an appropriate statistical base, building on the framework of the normal UGC statistical returns which all UK universities already make but collating these along with other relevant indicators of Northern Ireland student trends.
15. The new UGC (NI) Working Party set up to operate the new arrangements, which will provide the basis for the planning of higher education from 1984/85 onwards, held its inaugural meeting in July.

**Monitoring and Resource Requirements**

16. Responsibility for overseeing work on the FMI will remain with senior management of the Department as advised by the PFO and PEO who will co-ordinate specific aspects of the work programme.
17. The work will clearly involve the development of computer technology and the Department, in conjunction with the Computer Services Division of DFP, has commissioned an outside computer consultant to undertake a review of possible computer applications within the Department.

DEPARTMENT OF EDUCATION ACTION PLAN

<u>Component</u>	<u>Action</u>	<u>Target Date</u>
1. <u>Senior Management Information System</u>	(a) Completion of skeleton system on a Divisional basis	
	(b) Final decisions on presentation and format	September 1983
	(c) Introduction of full system	October 1983
2. <u>Computerisation of Expenditure Monitoring System</u>	(a) Review and evaluation of existing manual system completed	
	(b) Selection of computer software	July 1983
	(c) Implementation of software system trial runs, dual system to end of current financial year	August 1983 to March 1984
	(d) Full implementation of computerised system	April 1984
3. <u>Management Accounting Systems for Schools</u>		
(i) Teaching Costs	(a) Analysis of 1982/83 salary trends	August 1983
	(b) Examination and assessment of statistical and accounting information available	November 1983
	(c) Finalisation of revised procedures and methodology for improved estimating and monitoring of teachers' salaries	February 1984
(ii) Non-teaching Costs	(a) Identification of all information sources, the degree of compatibility of records and computerised systems	September 1983

<u>Component</u>	<u>Action</u>	<u>Target Date</u>
	(b) Consultation internally and with Area Boards re type of analysis, detail and frequency of updating. Preparation of draft paper giving complete manual analysis of available information	December 1983
	(c) Implementation of detailed monitoring system/data bank	Mid-1984
4. <u>Review of Administrative Costs of Teachers' Salary Payments</u>	(a) Completion of MSD Report on Teachers Division	August 1983
	(b) Consideration of report and agreement in principle on implementation	December 1983
	(c) Detailed investigation and identification of computer systems required	September 1984
	(d) Installation of necessary equipment and commencement of test runs	April 1985
	(e) Full implementation of revised systems	January 1986
5. <u>Measurement of Output Performance</u>	Completion of pilot study to assess potential for measurement	July 1984
6. <u>Planning and Co-Ordination of Higher Education</u>	First meeting of UGC Northern Ireland Working Party, which will operate for a three year period in the first instance, after which the arrangements will be reviewed	July 1983

QUANTITATIVE MEASURES CURRENTLY TAKEN INTO CONSIDERATION

- DANI
- i. Number of places in agricultural colleges
  - ii. Number of post-graduate awards made by DANI
  - iii. Number of farmers participating in DANI advisory programme
  - iv. Number of inseminations by AI service
  - v. Farm income, output and employment for various sectors
  - vi. Number of development plans approved and assistance offered under various Capital Grant and Farm Structures Schemes
  - vii. Number of herds participating in various schemes eg milk and pig recording, sheep improvement
  - viii. Animal health - number of reactors/in-contact animals slaughtered
  - ix. Drainage - hectares improved
  - x. Forestry - area under afforestation and output.
- DENI
- i. School population by age (nursery, primary, secondary, grammar)
  - ii. Post-school population by age (H&FE)
  - iii. Population by age (Sport and Recreation)
  - iv. Population by age/area (demographic split)
  - v. Young unemployed (YTP etc)
  - vi. Population by earnings category (school meals)
  - vii. Number of teachers
  - viii. Pupil/Teacher Ratio
  - ix. Expenditure per pupil (historical) nursery /primary/secondary
  - x. Schools support (historical) nursery/primary/secondary
  - xi. School meal charges
  - xii. YTP places
  - xiii. Number and location of sport centres
  - xiv. Education and Library Board staff numbers
  - xv. Higher education academic staff numbers
  - xvi. Staff numbers in museums, Arts Council and other fringe bodies
  - xvii. DENI staff numbers
  - xviii. School participation rates (nursery, primary, secondary)
  - xix. Admissions in higher education
  - xx. Age participation rates in higher education
  - xxi. Numbers entitled to free school meals
  - xxii. GCE qualification rates



- xxiii. Qualified school leaver rates
- xxiv. Non-qualified school leaver rates
- xxv. School support costs
- xxvi. Expenditure (pupil/nursery/primary/secondary)

DED

- i. LEDU - jobs promoted
- ii. Number of tourists visiting NI
- iii. Number of new hotel bedrooms provided
- iv. Key Workers Scheme - number of persons assisted to fill key posts
- v. Enterprise Ulster
  - Number of manual operatives employed
  - Number of indirect employees
  - Number of directly recruited staff
  - Number of indirectly recruited staff
- vi. Job Release Scheme
  - Number of persons in receipt of all allowances
- vii. Temporary Short-Time Working Compensation Scheme
  - Number of redundancies avoided
- viii. Action for Community Employment
  - Number of persons provided with temporary employment
- ix. Young Workers Scheme
  - Number of grants paid in respect of wages under £40 pw
  - Number of grants paid in respect of wages £40-£45 pw
- x. Job Splitting Scheme
  - Number of jobs split
  - Number of additional part-time jobs
- xi. GTCs
  - Number of places provided for trainees/apprentices
  - Number of apprentices placed in employment
  - Number of jobs likely to be available in the industries
- xii. Training on Employers Premises
  - Number of persons benefiting
- xiii. Apprentice Training
  - Number of persons receiving skilled training
- xiv. Management Training
  - Number of persons receiving training
- xv. Employer Based Schemes
  - Number of young persons in training places with employers

- xvi. Youth Training Programme
  - Number of young people for whom provision has been made under the programme
- xvii. Shipbuilding Redundancy Payments Scheme
  - Number of H&W employees to be made redundant/transferred to less well paid work
- xviii. Redundancy and Maternity Funds
  - Number of recipients of payments
- xix. Employment Service
  - Number of persons placed in employment

DHSS

1. Health and Personal Social Services

- i. Number of H&PSS staff by main categories
- ii. In-patient services - by main categories, showing
  - a. available beds
  - b. average occupancy
  - c. number of cases
  - d. length of stay
- iii. Out-patient attendances - by main categories
- iv. Day Care places
- v. Primary care (family practitioner services) statistics
- vi. Waiting lists
- vii. Accommodation in residential homes for
  - a. Elderly
  - b. Mentally Ill
  - c. Mentally Handicapped
  - d. Children
- viii. Detailed financial analysis by main service heads, and by facility including unit costs

2. Social Security

- i. Numbers receiving benefits (at regular specified intervals throughout the financial year)
- ii. Benefit expenditure
- iii. Cost of Administration
- iv. iii. as a percentage of ii.

DOE

1. Roads

- i. Number of vehicles using NI roads
- ii. Cost of construction per mile of road by class
- iii. Cost of maintenance per mile of road by class
- iv. Additions to road mileages by class

2. Transport

- i. Number of passengers carried by road, rail and air services
- ii. Percentage of freight transported by air and rail services

3. Housing

- i. Number of public sector dwellings started and contracts let
- ii. Number of new public sector dwellings completed
- iii. Number of public sector dwellings rehabilitated and modernised
- iv. Number of dwellings assisted with improvement grants
- v. Number of dwellings assisted with repair grants
- vi. Number of dwellings assisted with intermediate grants
- vii. Number of sales of public sector houses
- viii. Number of houses purchased under co-ownership scheme

4. Other Environmental Services

- i. Quantity of water supplied and population

5. Law, Order and Protective Services

- i. Number of calls dealt with by Fire Service

Wood Service  
Long Term  
P713

