



10 DOWNING STREET

CF
CC DW.

From the Private Secretary

1 April 1986

The Prime Minister has seen the Chief Secretary's minute of 20 March about budgeting in Government Departments covering a report by the Government's Accountancy Adviser.

The Prime Minister has commented that the recommendations which are set out in paragraph 6 of the Chief Secretary's minute seem to be in essence a reiteration of the policy which the Government has been carrying out for some time. In particular, she is surprised that the proposition that "all managers from the top right through the management line, should be responsible for setting and reviewing budgets" is not already a part of the Financial Management Initiative. She is a little concerned that the Government should not set up yet another system to achieve the same objective but should instead concentrate on making the existing systems work.

||
Before agreeing to the promulgation of the report she would be grateful for any comments the Chief Secretary wishes to make on the points she has raised.

At this stage I am copying this letter no wider than to Sir Robert Armstrong and Sir Robin Ibbs.

(Timothy Flesher)

Ms. Jill Rutter,
Chief Secretary's Office,
HM Treasury

Bye