

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT

POLICY STATEMENT NO. 8

BUDGET PREPARATION AND CONTROL

REVISED APRIL 1992

1. OBJECTIVE

To prepare budgets which reflect Government and Departmental goals and priorities, and to manage revenue and expenditure according to approved budgets.

2. BACKGROUND

The preparation and efficient management of the annual budget and associated works programme is one of the most important of Departmental functions.

The budget is the one document which integrates decisions on Government policy and priority, and which brings together the broad decisions of management with detailed works programmes developed by field and specialist staff. It is a key part of the operational plan which is part of the Department's strategic plan.

When approved by Parliament as part of the annual appropriations bill, the budget becomes our authority for expenditure of public funds and is a statement of priorities for the implementation of Government policies.

The budget process can stimulate all staff to look critically at internal and traditional priorities. There are many pressing and expanding new tasks facing CALM. Since it is unlikely that major increases in funding will occur, existing activities must be constantly evaluated against new initiatives.

The Departmental budget is made up of many individual budgets for Divisions, Branches and Regions.

A basic principle is that every manager at every level is accountable for the management of a budget, just as the Executive Director is finally accountable to our Minister for overall financial management.

3. POLICIES

In order to achieve the Departmental objective, the following functions will be carried out:

- 3.1 Priorities for expenditure will be determined and promulgated.
- 3.2 Annual budgets and works programmes based on Government and Ministerial and Corporate Executive requirements will be prepared.
- 3.3 Management and financial control systems which ensure maximum effectiveness of expenditure will be developed and implemented.

- 3.4 Managers at every level in the Department will be informed of their financial responsibilities and will be provided with the necessary information, tools and training to allow them to manage budgets effectively.

4. BUDGET PREPARATION TO SUPPORT PROGRAM MANAGEMENT

- 4.1 The annual budget process will conform to the format and time schedule prescribed each year by the General Manager.
- 4.2 Funds approved by Corporate Executive will be distributed to Directorates. Directors will then allocate to Regions and Branches (or Research programs in the case of Research Division) who will allocate the budget to jobs and work centres.

Allocations will be in accordance with Departmental priorities.

- 4.3 A report will be provided by Finance Branch to Program Managers and Corporate Executive showing the amount budgeted by each section and District for each program with summaries for Regions, Branches, Directorates and the Department. Corporate Executive will consider these allocations and make amendments as required.

5. MONITORING OF EXPENDITURE

Directors, Regions, District, Branch and Section Managers will be responsible for:

- * Control of all expenditure within their area of responsibility.
- * Progressive review of expenditure trends against budget.
- * Action, or recommendations to the relevant Director or Corporate Executive for action, to prevent over-expenditure.
- * Efficient management to ensure maximum economy in operations.

The Finance and Budget Management Committee will meet monthly to consider progress of expenditure against budget and re-allocation of savings. The General Manager will coordinate the requirements of Directors with cross program responsibilities.

6. REVENUE

All sources of revenue associated with Departmental operations will be reviewed in detail annually. The aim is to ensure fair remuneration for the supply of goods and services, and to maximise dollars received and dollars retained within CALM.

Every Officer in the Department has a responsibility to assist in meeting this aim. Revenue targets will be established for each cost centre and revenue monitored against target.

7. ADMINISTRATIVE RESPONSIBILITIES FOR FINANCIAL MANAGEMENT

7.1 The Executive Director

The Executive Director is the Accountable Officer for CALM under the Financial Administration and Audit Act. Responsibilities are:

- efficiency and economy of operations and the avoidance of waste and extravagance;
- regular reviews at least once a year of fees and charges and the proper collection of all moneys due;
- controls over expenditure ensuring that such expenditure is in accordance with legal requirements;
- the custody, control, management and accounting of all public property and other property of or under the control of the Department;
- the effectiveness of accounting and financial management information systems;
- the development and maintenance of an effective internal audit function;
- maintaining and monitoring the effective delivery of programmes to achieve objectives;
- ensuring that due regard is paid to financial considerations at all stages in framing and reaching policy decisions, and in their execution;
- the appointment of certifying officers; and,
- the maintenance of an effective accounting manual.

7.2 Corporate Executive and The General Manager

On advice from the Corporate Executive, the General Manager will set guidelines for overall Departmental priorities for new work, and the order of priority of increases or reductions in budgets, and transfer of budgets between programs, and arrange coordination across directorates.

7.3 Program Managers

Nominated managers of CALM's programs are:

Corporate Services - General Manager
Nature Conservation and Wildlife Management - Director Nature Conservation
Recreation Management - Director National Parks
Forest Resources Management - Director Forests
Emergency Services - General Manager

Program managers are responsible for review of the amount budgeted by each Region and Directorate for their program and for the Corporate Services Program and negotiation with the accountable manager and other program managers to effect any changes required.

7.4 The Director Corporate Services

Is CALM's Principal Accounting Officer, responsible to the Executive Director as Accountable Officer for the adequacy of financial information systems, to confirm that all revenue and expenditure has been accounted for, and for the day to day supervision of CALM's accounting function and system. Each three months reviews the budget and trends and briefs Corporate Executive.

7.5 Finance Branch

The mission of Finance Branch is to:

Provide quality services to internal and external users of CALM's finance function, while maintaining sound financial control and steadily improving productivity.

The role of Finance Branch is as follows:

- Provide leadership in financial management.
- Manage the annual budget cycle in conjunction with the Finance and Budget Management Committee.
- Manage and develop the Department's accounting procedures, policies, financial systems and accounting manual.
- Assist staff throughout CALM to identify revenue opportunities and maximise CALM revenue.
- Co-ordinate the annual review of fees and charges.
- Co-ordinate the appointment of certifying officer.
- Solve problems referred by Directors and Managers of other Branches.
- Make recommendations to the Finance and Budget Management Committee that will strengthen the overall financial position of the Department.
- Liaise with Treasury and the Office of the Auditor General on behalf of the Department.

7.6 Internal Audit

Internal Audit is a function established to assist the accountable officer and CALM as an organisation to effectively, efficiently and economically fulfil its role and carry out its responsibilities.

Specific roles are:

- (i) To review and appraise the soundness, adequacy, and application of account, financial and other operating controls, in accordance with approved internal audit programmes.
- (ii) To ascertain the extent of compliance with established policies, plans and procedures.
- (iii) To ascertain the extent to which Departmental assets are accounted for and safeguarded from losses of all kinds.
- (iv) To recommend on operating improvements.
- (v) To maintain close liaison with the office of the Auditor General and Branch and Regional Managers within the Department.

Internal Audit Reports directly to the General Manager via the Internal Audit Committee.

7.7 Economics Branch

- Advise and assist the Executive Director in maximising effectiveness of expenditures, optimising revenues and optimising natural resources management.
- Develop and maintain an integrated economics planning framework for meeting short term and long term goals.
- Economic analysis, provision of economic data and advice.
- Maintaining a relevant economic database.
- Develop economic performance standards and assist program management by monitoring unit costs, work quality and methods.
- Liaison with and supply of economic data to State and Commonwealth agencies, institutions, and private bodies.

7.8 Cost Centre Managers (Regional, Branch, District, Section Managers)

- Accountable for the management of their own budget, within limits defined by the managers above them and by Program Managers.
- Control all expenditure by their cost centres.
- Ensure that expenditure is correctly allocated to programs and activities specified in the chart of accounts.
- Progressively review expenditure trend against budget.

- Actions or recommendations to the relevant Manager, Director and Program Manager for action, to prevent over-expenditure.
- Advice to the Director of inability to complete part of the works program.
- Responsible for efficient management to ensure maximum economy of operations.



Syd Shea
EXECUTIVE DIRECTOR

8 April, 1992