

Financial management in government: reporting for decision-making



Good practice guidance September 2025

This guide aims to provide insights and good practice on how information can be reported to make better financial management decisions.

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Communications Team
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Insights

Our insights products provide valuable and practical insights on how public services can be improved. We draw these from our extensive work focused on the issues that are a priority for government, where we observe both innovations and recurring issues. Our good practice guides make it easier for others to understand and apply the lessons from our work.

We are the UK's independent public spending watchdog. We support Parliament in holding government to account and we help improve public services through our high-quality audits.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services. The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent. In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion. This represents around £17 for every pound of our net expenditure.

Contents

Overview	2
Reporting for decision-making	4
Key takeaways	5
Understand the purpose of reporting	8
Set the standard for quality data	12
Modernise reporting systems and processes	16
Encourage positive behaviours	19
Methodology appendix	22

Overview

Reporting for
decision-making

Key takeaways

Understand
the purpose of
reportingSet the standard
for quality dataModernise
reporting systems
and processesEncourage positive
behaviours

Overview



How to use our guidance

Our financial management good practice guides:

- set out why **finance teams** have a crucial role in helping their organisations navigate future challenges – from promoting accountability and realism, to providing trusted and timely information, and working across boundaries to deliver efficiencies and greater value;
- provide a number of actions across the entire financial management lifecycle that enable **senior finance leaders** to assess the health of their finance function at regular intervals; and
- can also be used by **Audit and Risk Assurance Committees** to assess how well organisations are equipped to deal with financial management challenges.

Our guides draw on the insights from the National Audit Office's (NAO's) back catalogue of work, the experiences of our audit teams, and the thoughts of a range of senior finance decision-makers across and beyond government.

Our actions and practical tips do not represent mandatory guidance. Our illustrative case studies are intended to be examples that showcase how organisations have developed approaches to overcome some of the challenges identified in this guide.

Our good practice guide series complements existing guidance provided to finance teams across government by the Government Finance Function through its [One Finance](#) platform. Particularly relevant for this guide is its [finance board pack reporting project](#) and the [NOVA functional reference model](#), which supports data standardisation across the finance, HR grants management and commercial functions in government.

Our good practice guides are primarily written for senior finance leaders within central government. However, the actions and practical tips in this guidance may also be useful for other areas of the public sector and beyond.



Why is financial management important to government organisations?

[The NAO's strategy](#) identifies better financial management and reporting in government as a central ambition. Strong financial management provides the foundation for government organisations to make informed decisions about budgeting and resource allocation, helping ensure that public services provide good value for money. Financial management is central to helping accounting officers exercise their responsibilities to the taxpayer as set out in [Managing Public Money](#).

Government organisations face the ongoing challenge of maximising the use of limited resources to deliver services efficiently, while ensuring value for money for taxpayers. In today's complex public service landscape, this represents both a significant test and a strategic opportunity for finance leaders. Departments have committed to efficiency targets over the spending review period, underpinned by a greater

focus on improving outcomes – not just reducing costs¹. Embedding a culture of strong financial management will prove to be crucial for departments and arm's-length bodies (ALBs) as they deliver public services.

[The Government Finance Function's mission](#) is to put finance at the heart of decision-making. The NAO's work on financial management reinforces the importance of this message. Finance teams can control and interpret information, and they can be a crucial support and enabler to the business. They are uniquely placed to help balance priorities not just within their own organisation, but across government more widely.

¹ HM Treasury, Spending Review 2025: Departmental Efficiency Plans, June 2025, para 1.2.

Overview *continued*



Our financial management good practice series



Reporting for decision-making is the fifth guide in our series on financial management in government. Our guides span the full financial management lifecycle.

- [Enablers of success](#) explores the fundamental themes that underpin each stage of the financial management lifecycle, and how finance leaders can make the most of our guides.
- [Strategic planning and budgeting](#) outlines how finance leaders can plan strategically and realistically in the face of an uncertain landscape – whether in terms of policy direction or funding.
- [Allocating resources](#) shows how finance leaders can help decision-makers prioritise and deploy their scarce resources to secure the best outcomes and value for money.
- [Monitoring and forecasting](#) explains how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective.

Reporting for decision-making

For the final guide in our financial management series, we are highlighting the vital role that finance teams play when it comes to reporting for decision-making.

What do we mean by reporting for decision-making?

Reporting of information is the lifeblood of organisations. This guide focuses on how financial – and in some cases non-financial – information is reported within organisations. It can cover everything from reporting on spend to date, through project performance measurement, risk and opportunity management, to periodic updates on delivery and quality.

Our guide focusses on how finance leaders can help their teams – and their organisations – develop the quality of reporting so that decision-making can be enhanced. Whether it is budget-setting, routine in-year financial management or making a difficult trade-off, decision-makers require reporting processes that give them the confidence to act.

In writing this guide we heard from finance leaders across government who not only explained the challenges around reporting information – but also argued a clear case for change based on the impact that better reporting can have on decision-making.

Why is reporting for decision-making so important?

Central government organisations operate in an environment that demands real-time information. Decision-makers are increasingly responding to unexpected events – for example the past five years have seen global pandemics, geopolitical

issues and significant rises in inflation and energy costs. As a result, decision-makers require a level of financial and non-financial information that considers not just what *has* happened, but what *might* happen.

These challenges present opportunities for finance leaders to truly understand the value of the information they report. It is ever-more important that reporting is aligned to the current goals and objectives the organisation is working towards – and that leaders critically think about whether the way they have reported previously is suitable for the decisions that need to be made now and in future.

Technological advances provide opportunities for workforces to engage and interact with information that is truly fit for purpose – to drill into the level of detail and interest relevant to their role and position. Good-quality and timely data can be used to model scenarios and potential outcomes to assist decision-makers in choosing the most effective course of action. The current landscape encourages innovative thinking and is an environment where finance professionals with the right skills and capabilities can thrive.

How you can use our guide

Reporting for decision-making outlines the challenges facing central government when it comes to reporting and provides some important actions for finance leaders to take. It also showcases examples where central government organisations are responding to these challenges in innovative ways to enhance their reporting capabilities and improve decision-making.

We explore four key principles:



Understand the purpose of reporting.



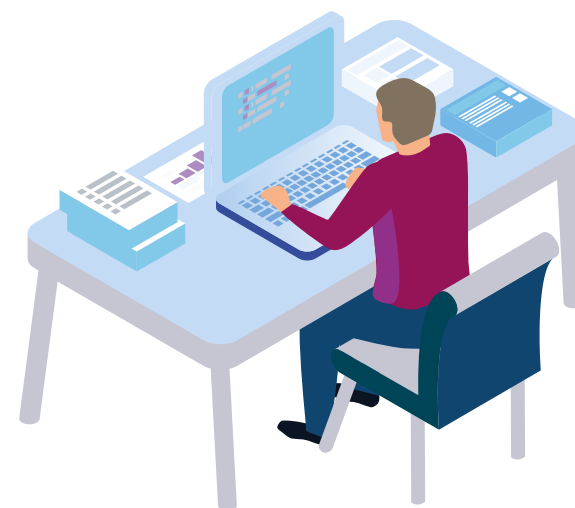
Set the standard for quality data.



Modernise reporting systems and processes.



Encourage positive behaviours.





Key takeaways

This table outlines the four principles that finance leaders can focus on when it comes to reporting for decision-making. For each principle, we describe what good looks like, and the key actions and practical tips finance leaders can take to enhance how effectively they report for decision-making in their organisations. We go into more detail on each of these principles on pages 8 to 21.



Principle	What good looks like	How finance leaders can drive improvement	Practical tips
 Understand the purpose of reporting	A well-designed reporting system should be focused on objectives and outcomes, aligned with the organisation's strategic priorities and suitable for the requirements of decision-makers.	Define the value and purpose of reporting and ensure it links to strategic and operational priorities.	Identify the financial and non-financial drivers that define your organisation's performance.
		Collaborate with users across the organisation to understand their reporting needs.	Run workshops with teams across the organisation to better understand their reporting requirements.
		Develop analyses consistent with the organisation's strategic objectives.	Strip back less relevant data from important reports and replace with key risk and performance indicators that are linked to strategic objectives.
		Standardise reporting templates and frameworks for all users and functions.	Create different ways of demonstrating how users can interact with financial information to build confidence – for example, showcase sessions and frequently asked questions.

Key takeaways *continued*

Principle	What good looks like	How finance leaders can drive improvement	Practical tips
 <p>Set the standard for quality data</p>	<p>Leaders help the organisation focus on relevant and timely financial and non-financial data to deliver a reliable and comprehensive view of organisational performance, enabling informed decisions aligned with strategic and operational priorities.</p>	<p>Standardise data collection by unifying formats, storage and access systems guided by consistent reporting standards.</p>	<p>Create a data dictionary to standardise definitions across functions – for example, what constitutes a 'data owner'. The NOVA functional reference model provides guidance.</p>
		<p>Set data assurance procedures for periodic review of non-audited data.</p>	<p>Conduct regular data reviews to assess compliance with governance policies and identify areas for improvement.</p>
		<p>Define ownership of data for functions across the organisation, ensuring responsibilities and accountabilities are understood.</p>	<p>Incentivise individual stakeholders to take ownership of their data by building this into role objectives.</p>
 <p>Modernise reporting systems and processes</p>	<p>Leaders champion the integration of financial, operational, and performance systems that deliver real-time, accurate insights tailored to user needs, and enable effective data-driven decisions across the organisation.</p>	<p>Establish data governance and management frameworks to monitor and address data-related matters effectively.</p>	<p>Use data governance software to help monitor, control and maintain data quality.</p>
		<p>Assess current reporting systems and processes to identify issues and inefficiencies.</p>	<p>Create system architecture diagrams and process flow maps to understand how systems integrate with each other.</p>
		<p>Identify opportunities for automation to minimise time-consuming manual processes.</p>	<p>When considering which processes can be automated, identify clear and practical examples that will save time and cost.</p>
		<p>Optimise systems and processes for real-time reporting.</p>	<p>Provide learning opportunities to upskill finance teams in data analytics – this will increase overall capability to generate more effective reporting options.</p>
		<p>Influence system design early to increase the chance of better outcomes.</p>	<p>Whether in a department or an ALB, actively seek opportunities to contribute to shared service consultations or other system design discussions.</p>

Key takeaways *continued*

Principle	What good looks like	How finance leaders can drive improvement	Practical tips
 <p>Encourage positive behaviours</p>	Leaders build a culture where individuals across the organisation routinely interact with financial information and make informed, data-driven decisions.	Strengthen relationships and improve reporting by integrating finance into day-to-day operations.	Offer short-term secondments or rotations between finance and business teams to strengthen collaboration and build cross-functional skills.
		Support proactive management of long-term financial reporting.	Incorporate regular assessment of balance sheet impacts into financial reporting processes throughout the year, rather than limiting evaluations to year-end reviews.
		Communicate clear and consistent messages that connect reporting initiatives to shared goals.	Use storytelling and trends in data to show how changes in approaches to reporting solve real problems and help the organisation meet its objectives.
		Create an environment where innovation is encouraged and rewarded.	Provide users with access to resources such as training in business intelligence and data visualisation tools to build confidence and encourage innovation in reporting.





Understand the purpose of reporting



What good looks like

A well-designed reporting system should be focused on objectives and outcomes, aligned with the organisation's strategic priorities and suitable for the requirements of decision-makers.



Why this is important

The success of decision-making relies on the quality of the information on which those decisions are based. To increase productivity and the quality of decision-making, leaders will want to regularly assess the value, purpose and intended audience of the information being reported – to ensure it meets the needs of decision-makers at different levels.

Finance leaders have told us that reporting can be commonly misaligned with organisational strategy, lack clear objectives, and fail to present a comprehensive view of business performance. This can be a by-product of legacy IT systems or historic ways of working which default to processes that no longer work well for decision-makers.

It can prove difficult for some organisations to measure or prove the benefits of reporting in a more effective way. For example, organisations may lack the data and evidence to easily integrate performance with their strategic

objectives. Failing to confront this challenge, however, is likely to continue a cycle of reporting information that fails to be truly useful to the modern needs of an organisation – information that is not timely, or that is not attuned to the needs of decision-makers.

Finance professionals we spoke with emphasised the importance of intuitive design in reporting platforms. When platforms are easy to navigate, users – whether budget holders, departmental heads, or executives – can efficiently access and interact with the data and analyses they need.

The challenge for finance leaders is therefore to move their organisation towards reporting for different audiences at the same time – encouraging a self-service approach. Accounting officers and executives may value high-level data visualisations that look across the organisation. Budget holders and departmental heads may want to drill down in greater detail into projects to identify specific performance issues.

Regardless of the level of detail, if there isn't an alignment to strategic objectives, the value of the information being reported could be compromised. Without a strong foundation where the organisation is comfortable with information which is linked to its strategic goals, it is difficult to build a case to assess whether the quality of reporting used for decision-making is good enough.

“Alignment with value drivers is critical to ensuring you have a fit-for-purpose set of internal reports to support effective decision-making.”

Martin Wheatcroft, External advisor on public finances to the Institute of Chartered Accountants in England and Wales

Where can I find out more from the NAO?

[Lessons learned: a planning and spending framework that enables long-term value for money](#)


We identify eight lessons to maximise value for money for government on planning and spending. The lessons on transparency, joined-up planning and governance and taking a long-term view in particular are relevant when thinking about the value and purpose of reporting for decision making.



Understand the purpose of reporting *continued*



How finance leaders can drive improvement

- **Define the value and purpose of reporting and ensure it links to strategic and operational priorities.** Start by identifying the key outcomes and business questions that leaders need to prioritise – this will help determine the focus and scope of reporting. A strong reporting framework should be built around both strategic objectives and day-to-day operational needs, ensuring that reports are not only aligned with long-term goals but also useful for immediate decision-making.
 **Practical tip:** Identify the financial and non-financial drivers that define your organisation's performance.
- **Collaborate with users across the organisation to understand their reporting needs.** Senior leaders should align the reporting framework with these requirements in an inclusive and practical way. Seeking regular feedback from users ensures leaders can enhance the effectiveness and relevance of reporting.
 **Practical tip:** Run workshops with teams across the organisation to better understand their reporting requirements.
- **Develop analyses consistent with the organisation's strategic objectives.** By zoning in on strategic objectives, finance teams can more easily identify and exclude information that is – and is not – critical to decision-making. Leaders should also ensure that data is presented in a clear, compelling and user-friendly format to maximise its impact and accessibility.
 **Practical tip:** Strip back less relevant data from important reports and replace with key risk and performance indicators that are linked to strategic objectives.
- **Standardise reporting templates and frameworks for all users and functions.** Senior leaders and finance teams should work towards a standardised reporting framework and platform, that delivers consistent data and analyses – a single source of truth. This consistency makes it easier for users across all functions to engage with and act on the information confidently.
 **Practical tip:** Create different ways of demonstrating how users can interact with financial information to build confidence – for example, showcase sessions and frequently asked questions.



Understand the purpose of reporting *continued*

Case study

Using dashboards to increase transparency and collaboration – Advanced Research and Invention Agency (ARIA)

Background: The Advanced Research and Invention Agency (ARIA) is a new UK R&D funding agency built to unlock scientific and technological breakthroughs that benefit everyone. Programme directors design and lead multi-year programmes by funding and overseeing a portfolio of projects aimed at achieving transformative outcomes, working closely with project teams and providing technical and programmatic support. The finance team's objective is to provide programme teams with transparent, timely access to financial and performance data, supporting better decision-making at both the project and portfolio level. This is crucial for programme directors to fulfil their remit as active project managers of their portfolio.

Approach: To provide up-to-the-minute data access, ARIA's finance team identified the need for a shared platform where the programme and finance teams could access a broad range of project, financial and portfolio-level information. The brief was to create something tailored to programme users' practical needs and ways of operating, to enable proactive programme management. The team chose to invest in a data visualisation tool to produce a platform that draws in key real-time data from the organisation's various systems to showcase all project information in one place.

They began by defining the core design principles that would guide the system, which included:

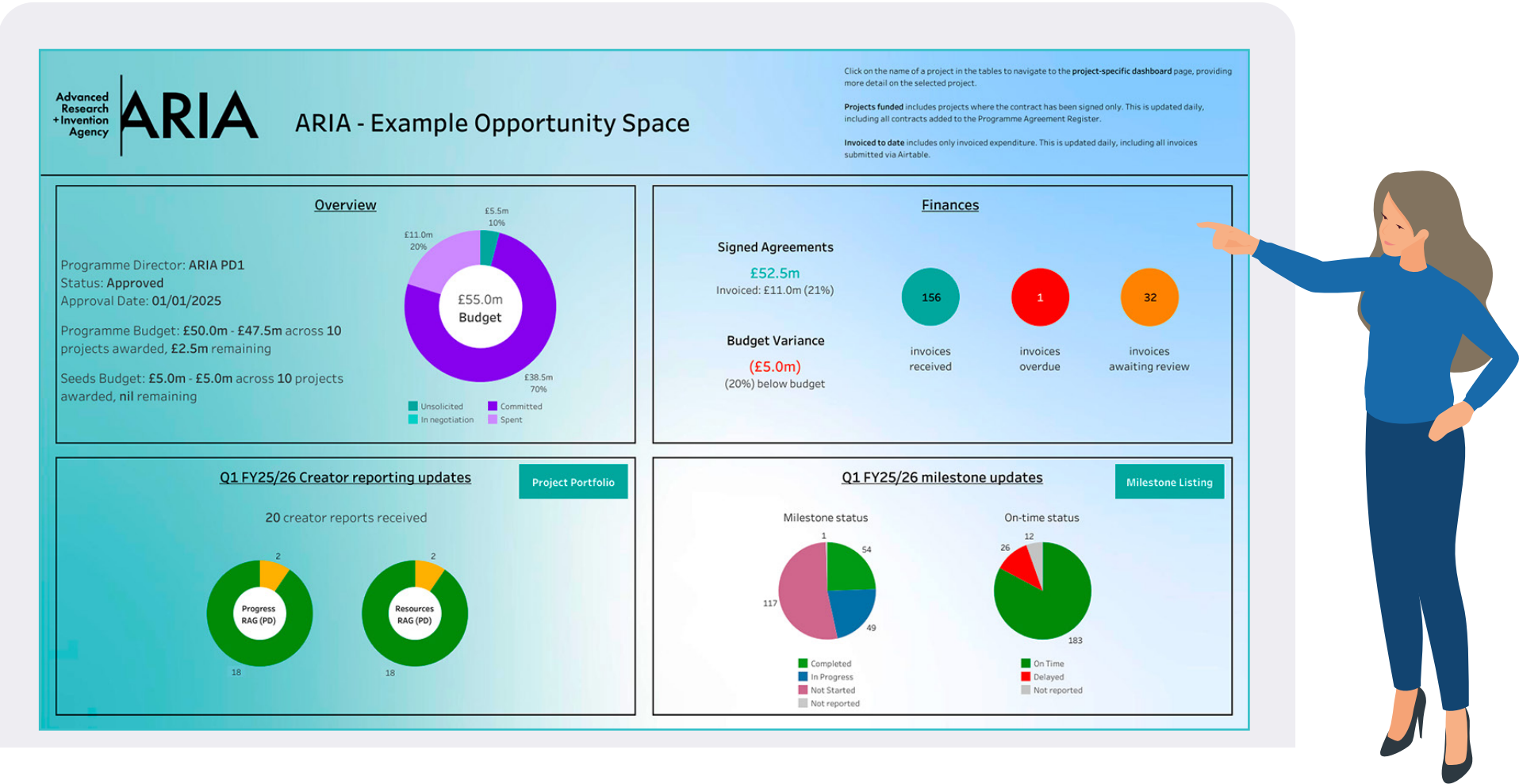
- 1 prioritising programme user needs by designing dashboards tailored to specific user types, using language and structures familiar to programme teams;
- 2 integrating a data architecture that aligns system data to ensure consistency across dashboards; and
- 3 providing self-service access to the portal for all users across the organisation.

Guided by these key principles, the team defined the desired look, feel and analytical focus of the dashboard. They then identified the data they required for these dashboards and developed the systems required to capture this data. They collaborated with teams through multiple iteration cycles to refine the content and ensure it met users' needs. Once a working product was developed, the data visualisation tool was embedded into several core processes, including monthly and quarterly project reviews, programme analysis, and invoice validation (**Figure 1**).

Benefit: This approach has transformed data from a 'finance-owned asset' into a shared organisational resource, fostering better accountability and collaboration between programme and finance teams. Teams can now easily access high-level, real-time programme information and drill down into the details – giving them quick visibility of key insights and enabling timely course correction. This tool has provided the programme teams with the insight they need to intervene early and keep projects on track, supporting ARIA's active funder model and enabling proactive programme management.

Figure 1
Advanced Research and Invention Agency (ARIA) dashboard

An illustration of the dashboard ARIA uses to provide programme and finance teams with a broad range of real-time information



Note: this is for illustrative purposes only and does not contain any actual data.



Set the standard for quality data



What good looks like

Leaders help the organisation focus on relevant and timely financial and non-financial data to deliver a reliable and comprehensive view of organisational performance, enabling informed decisions aligned with strategic and operational priorities.



Why this is important

Better decisions start with better quality data. Without access to high-quality, well-managed data, even the best technologies or most advanced systems will fail to deliver meaningful insights. We have reported on challenges with data many times, for example in our report [Progress in improving mental health services in England](#), where we noted that only five out of the 29 integrated care boards – responsible for commissioning mental health services – felt they had all or most of the data they needed to assess the actual costs of providing services.

It is in finance leaders' interest to prioritise data quality: it provides a base for different functions to collaborate more effectively and present information to decision-makers that is joined-up and enables risks and opportunities to be presented more strategically. The [Government Data Quality Hub](#) consider the key dimensions of quality data to be accuracy, completeness, uniqueness, consistency, timeliness and validity (**Figure 2**).

To manage data consistently and responsibly across the organisation, finance leaders can help promote effective data governance. Data governance establishes clear standards, defines ownership, and ensures that all teams operate under shared expectations. Without this governance, accountability can be unclear – leaving finance teams to carry the burden of inaccurate or incomplete data from elsewhere in the organisation.

To make further positive steps, leaders should assess how accessible good data is across the organisation. If data is difficult to locate and interpret, or varies across functions, it risks being underused – or worse, misused. Silos of information reduce visibility and make it harder to derive reliable business insights.

Finally, an additional challenge for finance leaders is that non-financial datasets may not be of the same standard or quality as audited financial information. Developing robust governance and assurance frameworks and carefully deploying data governance software can enhance compliance and audit readiness by creating structured processes for monitoring, controlling and maintaining data quality across the organisation.

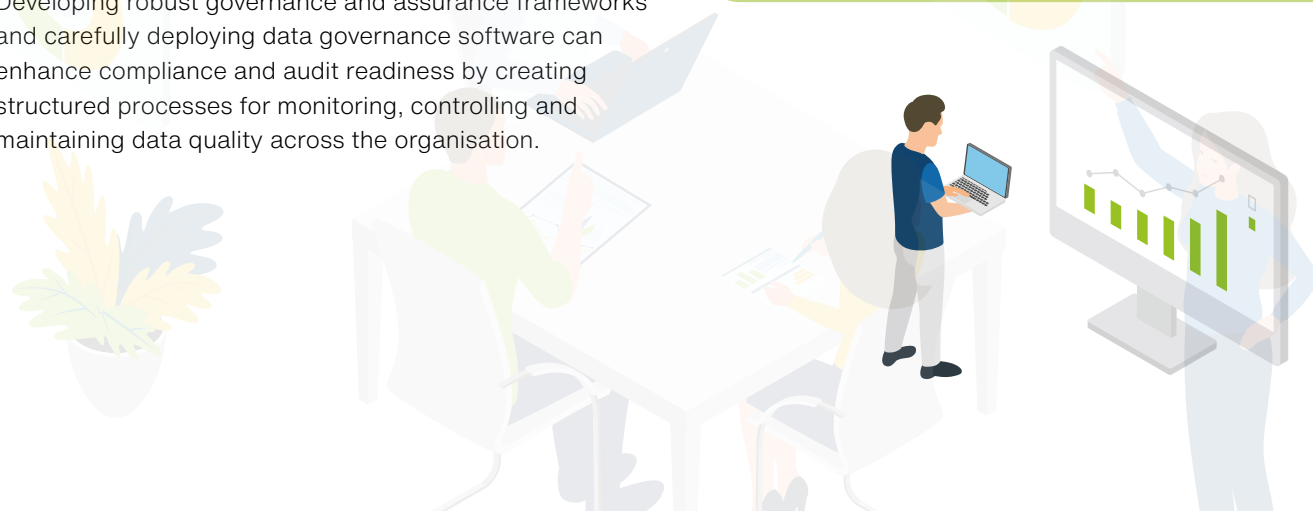
“There is a huge disconnect between data generation and usage. It’s important to find opportunities to recycle and use data for other products and business areas.”

Kevin Pertaub, Deputy Director, Government Finance Function

Where can I find out more from the NAO?

[Improving government data: A guide for senior leaders](#)

This report outlines a way forward for leaders in a number of areas, including embedding data standards, improving data quality and enabling data-sharing.





Set the standard for quality data *continued*



How finance leaders can drive improvement

- Standardise data collection by unifying formats, storage and access systems, guided by consistent reporting standards.** Leaders should establish agreed-upon criteria for what constitutes good quality data, and apply them across the organisation. This enables data to be classified and easily retrieved and creates synergies with reporting and processes across and within departments and ALBs.
- Set data assurance procedures for periodic review of non-audited data.** Some non-financial information – for example, aspects of sustainability data – may not be subject to the same degree of assurance as audited financial information. Leaders should be clear on the quality assurance arrangements for all data that contributes to decision-making so that users are confident there is a consistent level of quality.
- Define ownership of data for functions across the organisation, ensuring responsibilities and accountabilities are understood.** When directorates across the organisation fail to have a clear accountability for their data ownership it can often default to finance teams to correct issues around data accuracy and completeness – taking away time which could be used for more value-adding activity.
- Establish data governance and management frameworks to monitor and address data-related matters effectively.** Robust governance structures are essential for embedding digital and data priorities into strategic decision-making, while also enforcing data quality standards and system ownership and integration across the organisation. This is a crucial foundation for better reporting and will help ensure reporting is integrated with governance structures.



Practical tip: Create a data dictionary to standardise definitions across functions – for example, what constitutes a 'data owner'. The NOVA functional reference model provides guidance.



Practical tip: Conduct regular data reviews to assess compliance with governance policies and identify areas for improvement.



Practical tip: Incentivise individual stakeholders to take ownership of their data by building this into role objectives.



Practical tip: Use data governance software to help monitor, control and maintain data quality.



Set the standard for quality data *continued*

Figure 2

The characteristics for measuring data quality

The Government Data Quality Hub outlines six dimensions against which data quality can be measured.

Dimension	Explanation
Accuracy	Accuracy describes the degree to which data matches reality. Bias in data may impact accuracy. When data is biased, it means it is not representative of the entire population. Account for bias in your measurements if possible, and make sure that data bias is communicated to your users. In a dataset, individual records can be measured for accuracy, or the whole dataset can be measured. Which you choose to do should depend on the purpose of the data and your business needs.
Completeness	Completeness describes the degree to which records are present. For a dataset to be complete, all records are included, and the most important data is present in those records. This means that the dataset contains all the records that it should and all essential values in a record are populated. It is important not to confuse the completeness of data with its accuracy. A complete dataset may have incorrect values in fields, making it less accurate.
Uniqueness	Uniqueness describes the degree to which there is no duplication in records. This means that the data contains only one record for each entity it represents, and each value is stored once. Some fields, such as National Insurance number, should be unique. Some data is less likely to be unique – for example, geographical data such as town of birth.
Consistency	Consistency describes the degree to which values in a dataset do not contradict other values representing the same entity. For example, a mother's date of birth should be before her child's. Data is consistent if it doesn't contradict data in another dataset. For example, if the date of birth recorded for the same person in two different datasets is the same.
Timeliness	Timeliness describes the degree to which the data is an accurate reflection of the period that they represent, and that the data and its values are up to date. Some data, such as date of birth, may stay the same, whereas some, such as income, may not. Data is timely if the time lag between collection and availability is appropriate for the intended use.
Validity	Validity describes the degree to which the data is in the range and format expected. For example, date of birth does not exceed the present day and is within a reasonable range. Valid data is stored in a data set in the appropriate format for that type of data. For example, a date of birth is stored in a date format rather than in plain text.

Source: Government Data Quality Hub, Government Data Quality Framework, December 2020 (available at: <https://www.gov.uk/government/publications/the-government-data-quality-framework/the-government-data-quality-framework#Data-quality-dimensions>), link accessed 22 August 2025



Set the standard for quality data *continued*

Case study

Promoting data governance and ownership – UK Export Finance

Background: UK Export Finance's (UKEF) business plan is underpinned by a goal of using quality data and meaningful insights to drive decisions. In addition, UKEF's analysis had revealed that significant time was being spent by their finance and other teams correcting errors arising from issues relating to poor quality data. UKEF decided to launch a data initiative to embed data governance and ownership practices across the organisation.

Approach: UKEF's initiative aimed to drive efficiency and enable data-driven decision-making through improved data management. They started by establishing support from the Chief Executive Officer, which allowed them to create formal governance processes and set the 'tone from the top'. Central to this is a senior-level Data Governance Board that reports to the Executive Committee, co-chaired by the Chief Risk Officer and the Head of Digital, Data and Technology. The Board plays a critical role in helping to drive accountability and ownership of core data across the organisation.

All core data types are assigned owners in each directorate. This ensures clear accountability and means issues can be resolved quickly. UKEF created a data governance framework that defines the roles and responsibilities of data owners and the processes for addressing data quality issues.

To make the processes understandable across the organisation, UKEF set up intranet pages to provide information on data governance and support education and training. This offers links to helpful resources like data dictionaries and provides a way to escalate issues so they can be resolved. Training programmes have been delivered to staff to build data literacy and to ensure data owners understand and can fulfil their responsibilities.

Data issues meetings are held monthly and increase in frequency towards year-end. This is a space where key stakeholders – including the Chief Risk Officer, Chief Financial Officer, and departmental heads – can work together to identify and work through data issues that ultimately impact decision-making and reporting.

Benefit: The implementation of data governance structures has helped to improve identification and resolution of data issues, especially ahead of key deliverables like the annual report. Clear ownership of critical data has enabled more effective problem-solving by involving the right people. Regular meetings support timely decision-making, while the framework has strengthened understanding of data roles and increased accountability, leading to more efficient data management across the organisation. Work is ongoing to continually improve these processes.



Modernise reporting systems and processes



What good looks like

Leaders champion the integration of financial, operational, and performance systems that deliver real-time, accurate insights tailored to user needs, and enable effective data-driven decisions across the organisation.



Why this is important

In our report [Digital transformation in government](#) we stated that “government cannot achieve real transformation without reshaping the business of government and understanding the challenges presented by legacy systems and data.” While finance leaders can initiate quick-wins and workarounds to enhance current processes, real transformation will be achieved by addressing the root cause issues stemming from legacy systems.

Many of the leaders we have spoken to faced challenges with non-interoperable legacy systems causing issues with duplication, inefficiency and costly workarounds. Government services underpinned by inefficient legacy systems and processes are expensive to run and become increasingly costly as changes are layered on top. Our previous work has shown that poor data often leaves departments unaware of the underlying cost drivers – and hence the opportunities for improvement from better processes, data and technology. For instance, in our 2019 report [Challenges in using data across government](#), we found that organisations do not monitor the time

or costs involved in sorting poor-quality or disorganised data. In some cases, cleaning and merging data took between 60% and 80% of people’s time. We said that understanding the time and costs spent on working around discrepancies in systems could provide valuable information for the government on how and where to focus resources.

This backdrop inevitably has an impact on how organisations report financial information. In our discussions with finance leaders, many noted that their teams spend significant time producing bespoke reports for different users – a resource-intensive process that often results in conflicting versions of the truth. They also told us that they still rely on manual reporting processes, which are time-consuming, error-prone and inefficient. Poorly configured and slow dataflows further complicate timely, accurate reporting.

Legacy systems also create a barrier for organisations to overcome if they want to realise the benefits of artificial intelligence (AI). AI can have a transformational impact on how financial information is reported across organisations. As noted in our report [Use of artificial intelligence in government](#), achieving large-scale benefits is likely to require not just adoption of new technology but significant changes in business processes and corresponding workforce changes.

Cabinet Office’s Shared Services Strategy for Government aims to modernise government back-office functions like HR, finance, recruitment and payroll. The government estimates this will result in over £115 million per year in efficiency and productivity benefits across government by 2028-29.

“Reconfiguring information can take up a lot of time, so try wherever possible to produce reports which can be used many times rather than bespoke reports for lots of different users.”

Liz Bushell, Director of Corporate Services, Historic England

Where can I find out more from the NAO?

[Digital transformation in government: a guide for senior leaders and audit and risk committees](#)

This report helps leaders understand large-scale digital change, focussing on the core issues to be addressed and pitfalls to avoid.

[Improving government’s productivity through better cost information](#)

This report considers how government can address limitations in its understanding of service costs.



Modernise reporting systems and processes *continued*



How finance leaders can drive improvement

- **Assess current reporting systems and processes to identify issues and inefficiencies.** This clarity is essential for designing integrated solutions that deliver timely, relevant outputs across functions. The assessment should cover all processes that inform decision-making, ensuring they remain effective and aligned with organisational goals.
- **Identify opportunities for automation to minimise time-consuming manual processes.** Technology upgrades or process redesigns could reduce manual effort and improve outcomes. This step helps leaders prioritise areas where automation can deliver the greatest impact – freeing up resources, enhancing transparency and supporting a system that evolves with business needs.
- **Optimise systems and processes for real-time reporting.** Look for opportunities to make monthly reporting cycles more efficient by simplifying processes, improving dataflows, reducing the number of times financial data needs to be manipulated, and enhancing system responsiveness to move closer to real-time insights.
- **Influence system design early to increase the chance of better outcomes.** Senior leaders should actively engage in change projects from the outset – sharing knowledge and insights to ensure systems will be fit for purpose. Early involvement helps shape solutions that meet the organisation's needs – and reduces the risk of costly redesigns later.



Practical tip: Create system architecture diagrams and process flow maps to understand how systems integrate with each other.



Practical tip: When considering which processes can be automated, identify clear and practical examples that will save time and cost.



Practical tip: Provide learning opportunities to upskill finance teams in data analytics – this will increase overall capability to generate more effective reporting options.



Practical tip: Whether in a department or an ALB, actively seek opportunities to contribute to shared service consultations or other system design discussions.



Modernise reporting systems and processes *continued*

Case study

Integrating systems to an effective central platform – Network Rail (Wales and Western region)

Background: Network Rail's role is to “run a safe, reliable and efficient rail network and deliver a simpler, better, greener railway for [their] customers and communities”. They are organised into five geographical regions, with each region sub-divided into routes – one of which is Wales and Western. Wales and Western's in-house Advanced Analytics Team have been working on how they can integrate key systems for better access to data.

Approach: The team identified five systems as key sources of project data – covering risk, safety, finance, scheduling and commercial. As these systems did not integrate with each other, project teams across the region had to log into each system separately and assess the project's performance without clear reference to the other four datasets. To address this, the team developed small component systems to integrate the datasets from these five systems together.

This platform now collates over 750 million data points from across the five systems, allowing all of this data to be accessed by everyone in the region. The platform has various sections that provide insight into project performance, enabling project professionals to view a complete data picture of all projects in one place. For example, by combining datasets it allows project teams to assess costs alongside risk and schedules at the same time.

The team worked with individuals across a variety of functions to understand their data and visualisation needs. The team also made extensive efforts to understand the underlying processes of the five systems, and to ensure the data is accurately consolidated. This iterative approach has resulted in a user-friendly visualisation tool that efficiently provides data to support decision-making.

Benefit: The platform has been widely adopted by project teams. By providing important data and analyses in a single, accessible location it has not only freed up time for users to spend on more complex tasks, but has optimised the use of data to support the decision-making process. In addition, by consolidating data into a read-only reporting and visualisation tool, manual report editing is no longer an option. This means data inconsistencies or inaccuracies are now addressed and rectified directly within the original systems, improving data quality across the five key systems.



Encourage positive behaviours



What good looks like

Leaders build a culture where individuals across the organisation routinely interact with financial information and make informed, data-driven decisions.



Why this is important

Without a culture where individuals buy in to the value and purpose of reporting, organisations will fail to make substantial progress in improving reporting. The most effective outcomes are achieved when organisations focus on ways of working rather than systems alone, and when finance and other functions are united by a shared commitment to outcomes and accountability.

Finance leaders we spoke to said that one of the challenges they faced was bridging the gap in understanding between finance and non-finance staff – especially if the latter feel disconnected from financial processes or are unsure how to engage with financial information. This represents a cultural barrier to a self-service model and places an ongoing burden of responsibility on finance teams for how information is accessed to make decisions.

In our previous guide [Monitoring and Forecasting](#), we emphasised the importance of budget holders being accountable for monitoring financial performance and ensuring their data and analyses are realistic. There are a few areas where finance leaders can shift mindsets. Firstly, building a data literacy culture across finance and non-finance users to make more progress towards more

self-service reporting: if users don't understand the data they are working with, they risk misinterpreting it or using it inappropriately. Secondly, encouraging a focus beyond just income and expenditure and towards longer-term balance sheet management: HM Treasury's [Balance Sheet Review Report \(2020\)](#) highlights a number of benefits of greater balance sheet management, for example, being better positioned to identify and account for potential assets and liabilities.

Effective communication strategies can make a huge difference to how information is reported across the organisation. By consistently publishing performance data, organisations can build trust and engagement. When people are involved in shaping changes and understand how their work contributes to wider outcomes, they are more likely to support new ways of working and take ownership of results.

Finally, when barriers and issues are hidden away, it limits the ability of decision-makers to take timely action. Transparency ensures that challenges are surfaced early, and decisions are based on data that truly reflects what is happening across the organisation. Developing an open and honest culture will incentivise truthful and early reporting and create an inclusive, no-blame environment.

“If you have the business trusting finance, and finance trusting the business, that’s an absolute winner.”

Joan Lewis, Deputy Director, Management Accounting and Synergy Finance Programme Director, Ministry of Justice

“Having good-quality information is essential for judgement. In terms of awareness, we need to be aware of the quality of the information we are getting, so we can use it with confidence.”

Sir Andrew Likierman (former Chair of the NAO),
Judgement at work: making better choices

Where can I find out more from the NAO?

[Smarter delivery – improving operational capability to provide better public services](#)

This report offers four capabilities for the government to focus on to improve operational capability. ‘Embedding systematic innovation and improvement’ shows how an effective environment encourages openness, innovation and challenge of current thinking.



Encourage positive behaviours *continued*



How finance leaders can drive improvement

- Strengthen relationships and improve reporting by integrating finance into day-to-day operations.** For example, finance leaders could pair finance business partners with specific business units or departments, ensuring they attend regular meetings to provide financial insight and build relationships. This enables finance to better understand the business, speeds up reporting processes, and helps other functions appreciate the value of finance.
- Support proactive management of long-term financial reporting.** Leaders should champion balance sheet management to ensure long-term financial stability and resilience. Leaders should reassess utilisation of public assets, evaluate major investments or divestments by their impact on the balance sheet and ensure consideration is taken over 'potential' fiscal opportunities and risks. Better oversight of assets and liabilities can unlock value, reduce risk and identify underutilised assets.
- Communicate clear and consistent messages that connect reporting initiatives to shared goals.** This enables leaders to involve the whole business at the same time and help achieve buy-in. Leaders should offer clarity through assuredly communicating the purpose and benefits of new initiatives. Leaders should continually repeat communications beyond implementation as new issues and concerns will inevitably arise.
- Create an environment where innovation is encouraged and rewarded.** Leaders can showcase the benefits of self-service and greater engagement with financial information. One option is identifying skilled and enthusiastic users of dashboards and data visualisations to act as 'champions' to support and encourage individuals towards greater innovation.



Practical tip: Offer short-term secondments or rotations between finance and business teams to strengthen collaboration and build cross-functional skills.



Practical tip: Incorporate regular assessment of balance sheet impacts into financial reporting processes throughout the year, rather than limiting evaluations to year-end reviews.



Practical tip: Use storytelling and trends in data to show how changes in approaches to reporting solve real problems and help the organisation meet its objectives.



Practical tip: Provide users with access to resources such as training in business intelligence and data visualisation tools to build confidence and encourage innovation in reporting.



Encourage positive behaviours *continued*

Case study

Encouraging engagement with sustainability data – The Pensions Regulator

Background: Like many organisations in central government, The Pensions Regulator (TPR) is integrating sustainability into its operations as part of its climate change strategy. As well as aiming to ensure pension schemes manage climate-related risks and opportunities, it is committed to reducing its own operational emissions, targeting operational net zero by 2030 for its offices and business travel, and 2050 for all other emissions. In support of this, TPR aims to build a climate and sustainability-literate workforce and encourage active participation and engagement with climate and sustainability data.

Approach: To improve visibility and engagement with sustainability data, TPR's sustainability and finance teams collaborated with their data colleagues to develop an intranet platform featuring a business intelligence dashboard. This platform presents key metrics, such as carbon emissions per product and travel and waste data, in an engaging and interactive format. By focusing on climate change impacts, the team made the content more relatable and relevant to people's daily responsibilities. This approach has proven effective in sparking interest and action.

The approach to internal data sharing has been iterative and transparent. The dashboard includes disclaimers to clearly outline any data limitations. Rather than waiting for perfectly polished data, TPR thought it was important to allow people to engage early and grow their understanding. To assist with this, TPR rolled out carbon literacy training to more than 70 employees, deepening understanding and encouraging conversations.

TPR's communications, sustainability and finance teams actively promoted the dashboard by showcasing it to different directorates across the organisation. These in-person opportunities helped generate conversations, encourage questions, and invite feedback, which has enabled them to refine the dashboard and continue to drive engagement with people across TPR on the topic of sustainability.

Benefit: The dashboard has increased engagement around sustainability, initiating more conversations and raising awareness across the organisation, such as the impact of artificial intelligence and paper usage on their sustainability goals. Although TPR's sustainability team is small, the dashboard has helped embed sustainability considerations into decision-making across various departments. For example, using sustainability data to make the successful case for a change in policy to reduce air travel. The platform enables people to make informed decisions: for instance, the data can be used to inform the sustainability impact process as part of purchasing decisions – this is particularly impactful in tackling supply chain emissions, the organisation's largest emissions source.

Methodology appendix

We have used the following methods to generate our insights:

- a** We have used the following methods to generate our insights.

We conducted four focus groups with senior finance leaders from a range of our audited bodies.

We met with a range of Chief Financial Officers, Finance Directors, Directors of Corporate Services, Deputy Finance Directors, Senior Finance Business Partners, Heads of Finance and Heads of Accounting from:

- four ministerial departments;
- two non-ministerial departments;
- two executive non-departmental public bodies; and
- two agencies or other public bodies.

We included organisations of different sizes and complexity and participants from a range of senior finance roles, to capture a diversity of perspectives. The findings from the focus groups and interviews were used to inform our themes and identify examples of good practice. We carried out our focus groups and interviews in May 2025.

We chose to use focus groups to capture a range of perspectives from finance leaders across government and give participants the opportunity to present their views and experiences while listening and reflecting on what the others had to say. This helped us to collect insightful data on the main challenges for reporting for decision-making and ways to address these challenges.

- b** We held discussions with senior officials from academia, professional bodies and one of the private sector consultancies to discuss our findings, test our themes and hear their views on the contents of this guide.
- c** We shared and discussed our findings with officials from the Government Finance Function.
- d** We interviewed members of the NAO's financial reporting team to understand the NAO's approach to internal reporting, and representatives from the NAO's insights teams to discuss their perspectives based on their specialist areas.
- e** We reviewed our back catalogue of financial audits, value-for-money reports, investigations and good practice guides for relevant insights relating to reporting for decision-making.

- f** We conducted external research on internal reporting and its importance for financial management. This largely comprised desktop research of financial management materials and documentation from central government and the private sector.

- g** We combined all of our research from (a) to (f) into an Excel spreadsheet of individual insights. We used this to determine the four principles that form this good practice guide, and themed our insights accordingly.

