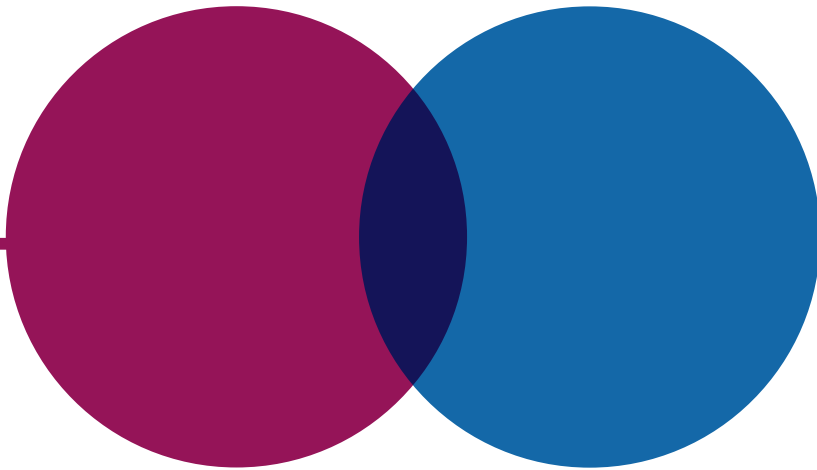




National Audit Office



REPORT

# The Government Finance Function's strategy to 2030

HM Treasury

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# Summary

## Introduction

**1** Strong financial management is fundamental to effective government. Timely and accurate financial information is essential not for its own sake, but because it underpins accountability, supports better decisions and helps deliver value for money for the public. The Government Finance Function's (GFF's) strategy to 2030 responds directly to this challenge.<sup>1</sup>

**2** The GFF is a cross-government community of over 9,000 people in finance-related roles across government. Its small central team is based in HM Treasury and led jointly by the Director General of Public Spending in HM Treasury and a chief operating officer from a major government department. Its responsibilities include publishing finance functional standards, providing training to staff through the Government Finance Academy and supporting the cross-government Finance Leadership Group. More generally, it supports finance capability across the civil service, by sharing good practice and providing advice and support.

**3** In July 2025, the GFF published its strategy to 2030. It builds on many years of work and recent progress, particularly on supporting finance skills and career development. In its new strategy, the GFF set out a mission to “put finance at the heart of decision-making, delivering value for money, strengthening public trust”. It aims to do so through a finance function that is skilled and talented, insightful and data-driven, innovative and delivery-focused, and underpinned by improved finance foundations.

### Scope

**4** This report examines how well the GFF is set up to deliver on its strategic objectives and drive a step change in financial management. We carried out our examination at an early stage, and we publish this report as the strategy is approaching its first anniversary. Our work provides an independent check on progress, and recommendations that can be actioned in good time to help optimise the outcome.

<sup>1</sup> Government Finance Function and HM Treasury, *Strategy 2030*, July 2025.

**5** The report covers:

- why the GFF's strategy is important (Part One);
- progress with the strategy so far (Part Two); and
- opportunities and challenges (Part Three).

This report does not question the strategy's objectives, with which we are in broad agreement, or evaluate the impact of its individual activities. Our overall approach and methodology is at Appendix One.

## **Key findings**

How the GFF is delivering its strategy

**6 In relaunching its strategy, the GFF consulted extensively with its members, considered the wider context and learned from previous strategies.** The GFF sought the views of finance leaders, GFF members across departments, government organisations and accounting experts. It used this feedback to inform both its objectives and its approach to delivering the strategy. The GFF leadership and central team has also set out for members how the strategy fits within the current context of efficiency targets, technology change and reforms to HM Treasury's public spending controls (paragraphs 1.11 and 2.9).

**7 The GFF has visible leadership for each of its objectives and is maturing the governance arrangements for delivering the strategy.** There is clear leadership and advocacy from senior finance leaders for each strand of the strategy. The GFF created or repurposed committees to lead on strands of the strategy, including a refocused finance foundations group. There remains some work to be done to clarify who is responsible for what at the working level, and what is currently being done in areas where the objectives overlap, because of the lack of reporting under a single central implementation plan (paragraphs 2.2 to 2.7 and 2.18 to 2.19).

**8 To effect change and deliver its objectives, the GFF draws on voluntary support, engagement and the goodwill it has built up with its members.** The GFF has built up a strong sense of community over time. Engagement among finance staff, as assessed annually by the GFF, increased for most central departments from 2023-24 to 2024-25. Senior GFF members told us they value the peer support from the GFF community very highly. As a result, the GFF benefits from good engagement on working groups or when seeking volunteers for specific tasks (paragraphs 1.4, 2.2 and 2.16).

**9 The GFF is strengthening and broadening its engagement and influence with finance staff across government.** The GFF has been nominated for several awards for its OneFinance website, which brings together all its resources for members. The GFF is focusing on engaging more with staff in arm's-length bodies, recognising that these bodies account for around 40% of government spending on public services. It has also moved from holding a single in-person annual conference to a series of regional 'roadshows'. This supports the development of active regional networks, allows for regionally tailored content, and represents more efficient use of its resources (paragraphs 2.10 to 2.12).

**10 The GFF is improving its understanding of its members to help tailor its training and development.** There has been good take-up of the GFF's online Skills Capture Tool, which allows members to self-assess their skills and provides the central team with useful data on finance skills across government. Through the Government Finance Academy, the GFF is using this insight to develop new training, including on using artificial intelligence (AI). All finance staff in the Department for Work & Pensions have used the Skills Capture Tool and the Department has used it to tailor its own training and development offer (paragraphs 2.5 to 2.7 and 3.12).

**11 The GFF is implementing a new approach to assessing departments' performance in financial management, aimed at driving improvement more effectively.** The GFF and the centre of government have tried different approaches over the years to both measure and improve departments' financial management, but these have not delivered consistent impact. The GFF rates and ranks departments' performance on a range of quantitative measures but does not publish the data as it considers that would be inconsistent with its role as a provider of support and improvement. The GFF has now launched a 'balanced scorecard' to give a more holistic view of how departments are performing. It draws on data and insights from finance staff and senior civil servants who use finance services, as well as HM Treasury's view of performance. Although it is yet to be tested, the GFF has carefully designed this approach with improvement across all the strategic objectives in mind and agreed it with finance leaders across government (paragraphs 2.13 to 2.16).

## Opportunities and challenges to manage

**12 The changes to spending controls and accountability through Project RESET present an opportunity for the GFF and its members to raise the profile of sound financial management in departments.** Project RESET, which is being jointly delivered by HM Treasury and the Cabinet Office, strips back central controls and gives departments greater responsibility and accountability for financial management. It is intended to create a more proportionate framework of controls and oversight, and to strengthen the role of the Accounting Officer as the ultimate manager of the department's budget. Finance functions can potentially build on these changes to increase their influence. They could help shift the behaviour of non-finance colleagues to support better value for money, using their position to convene other functional experts where necessary. The GFF is working closely with HM Treasury to support Project RESET but it is too early to judge its impact (paragraphs 1.8 and 3.4).

**13 The GFF is at an early stage in understanding what the finance function across government will look like in 2030, including what that means for skills and headcount.** The vision of a mature finance function set out in the strategy will demand higher-level finance skills, with the expectation that AI and automation will eliminate some routine administrative tasks. The GFF's Innovation Committee is at a very early stage of piloting a transformation assessment approach that departments could use to determine their finance functions' future operating model. There is a tension for the GFF to manage in pursuing this necessary work, while retaining the goodwill and commitment of its members in the uncertain period of transition (paragraphs 1.11, 2.7 and 3.11 to 3.16).

**14 Legacy systems, poor quality data and a lack of fundamental cost information remain significant challenges.** The GFF is well ahead of other functions in its efforts to standardise data to support the adoption of shared services across government through moving departments in groups onto Enterprise Resource Planning (ERP) systems. The aim of shared services is to unlock efficiency savings and enable analysis and insight through standardising back-office processes and data. But progress is being held back by other government functions' lack of readiness and different rates of adoption by departments. More fundamentally, the quality of data that supports decisions in government, including on costs, will need to improve dramatically if the full benefits of ERP systems and the embedded AI capabilities are to be realised (paragraphs 1.6 and 3.5 to 3.10).

**15 The GFF is still developing its approach to measuring the impact of its strategy.**

The GFF has developed, or begun to develop, key performance indicators for each of its strategic objectives, to define what success would look like. It is also analysing the high-level risks to delivering the strategy. But achieving its aim of a step change in financial management depends on a range of external factors and changing behaviour in both members and non-members. Continuing to develop its theory of change would help support discussions across government about how best to achieve change, and within the GFF about where it can focus the efforts of its small central team for greatest impact (paragraphs 2.8, 2.17 to 2.19 and 3.2).

## **Conclusion**

**16** Strong financial management is critical to enabling the government to steer the best course through the challenges it is facing and improve productivity and value for money. The GFF is leading efforts to put finance at the heart of decision-making in government. Through its 2030 strategy, the GFF recognises the need for a step change in how financial management supports decision-making across government, and sets out a clear ambition to strengthen capability, improve the use of data and insight, and make finance professionals more active partners in the delivery of vital public services. The GFF has strong, visible leadership and an engaged and active membership and is putting in place the elements necessary to measure progress against its strategic aims. Successfully delivering its strategy will ultimately depend on the extent to which it can overcome enduring structural and cultural barriers such as the poor quality of cost data in government, and the lack of incentives for non-finance staff to prioritise good financial management.

**17** Getting this right matters. If delivered effectively, the strategy has the potential to support the step change in financial management that the government needs, and to strengthen the management of public money in support of better outcomes for the public. The changes expected under Project RESET will place even greater emphasis on the expertise and influence of the government finance profession. At the same time, the rapid development of AI presents significant opportunities as well as risks. The GFF needs to be at the forefront of these changes so that it can lead the government to seize the potential benefits. To achieve this within the constraints of its capacity, it will need to adopt an agile and flexible approach, informed by a thorough understanding of the impact of its work so that it is focusing its attention where it is most needed.

## Recommendations

**18** The GFF has rightly determined that it needs finance staff to be influential outside the finance function and help drive wider change. To support that aim, the GFF should:

- a** refine, publish and maintain its theory of change showing how the activities under its strategy contribute to improving the government's financial management. It should use the theory of change to: help develop success measures; identify and manage risks to delivery; prioritise its central resources; and support discussions across government about how the wider civil service can contribute to improving financial management;
- b** coordinate with departments, shared service providers and other central partners to define and implement a consistent, cross-government approach to Senior Civil Service budget holder financial management capability, to strengthen demand for finance insight and support better decision-making. This should include: (i) agreeing a baseline of knowledge and behaviours expected of Senior Civil Service budget holders; (ii) mapping and learning from existing departmental schemes (for example, budget-holder "licence" models); and (iii) updating and promoting a coherent training offer that complements the GFF's work on strengthening the finance business partner role; and
- c** engage senior government non-executive directors with a non-government background and relevant skills to provide independent challenge over the life of the strategy.

**19** The pace and potential of AI use in government presents a significant opportunity for the GFF to transform the impact of the finance function. The GFF, through its Innovation Committee, should:

- d** support structured experimentation in AI use across the finance profession by: (i) defining priority problem areas where AI could improve productivity and quality; (ii) capturing and sharing learning on opportunities and risks from pilots; and (iii) championing the most effective use cases so that departments can adopt them with confidence. The GFF should set out how it will identify, assess and disseminate "what works" so that experimentation leads to adoption, not just isolated pilots; and
- e** use its influence to coordinate action to remove the barriers to scaling up appropriate AI use across government, such as through its work to support the standardisation of financial data.

**20** As it takes forward its new approach to assessing departments' performance, the GFF should:

- f** provide greater action-orientated insight to departments on their strengths and development areas relative to other departments, to support peer learning; and
- g** use the results of annual departmental assessments and the balanced scorecard to provide HM Treasury with structured insights into how Project RESET is affecting departments' financial management maturity, in a way that supports evaluation, learning and targeted support.

**21** HM Treasury should:

- h** develop an evaluation plan for Project RESET, to support learning and understand the extent to which it is improving the control and accountability framework and supporting better value for money; in doing so it should draw on the discussions facilitated across government by the GFF.