National Academy for Finance and Economics
Ministry of Finance

Management and control on a decentralised level

The Dutch case

Twinning Project Zagreb

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Dutch Central State

Decentralized responsibilities

Ministry of Finance

I. Budget at the State level

II. Budget at the organizational level

III. The Case of the National Academy

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I. State level: Queen / King and cabinet (ministers)

Structure of the State Budget

Begrotingswetten

I	De Koning
IIA	Staten Generaal
IIB	Overige Hoge Colleges van Staat en Kabinetten
III	Algemene Zaken
IV	Koninkrijksrelaties
V	Buitenlandse Zaken
VI	Veiligheid en Justitie
VII	Binnenlandse Zaken en Koninkrijksrelaties
VIII	Onderwijs, Cultuur en Wetenschap
IXA	Nationale Schuld
IXB	Financiën
X	Defensie
XII	Infrastructuur en Milieu
XIII	Economische Zaken
XV	Sociale Zaken en Werkgelegenheid
XVI	Volksgezondheid, Welzijn en Sport
XVII	Buitenlandse Handel en Ontwikkelingssamenwerking
XVIII	Wonen en Rijksdienst
A	Infrastructuurfonds
B	Gemeentefonds
C	Provinciefonds

Responsibilities of the ministers

- Each minister is fully responsible for his/her own budget:

  politically accountable

- Role of Ministry of Finance: co-ordination and oversight (supervision)
  - Special powers in case of budget change:

- Each minister has to organise internal checks and balances according to the organic budget law

Role of Minister of Finance

In Parliament; Budget Day: minister of Finance
Approval of budgets: Line ministers

II. The organizational level: Organisational structure of a ministry

Overview
Ministry of Finance

Ministry of Finance

Minister

State secretary

Secretary-General

- **General Treasurer**
- **DG Fiscal Affairs**
- **DG Tax/customs administration**
- **DG State Budget**
  - **Inspectorate of the Budget**
    - **7 Sections and 2 Bureaus**
  - **Directorate of Budgetary Affairs**
    - **4 departments**
    - **National Academy**

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Structure of the Budget

State Budget

Ministry (Chapter)

Policy Agenda (incl. indicators)
Policy articles (incl. financial instruments)
Non-policy articles (nominal/unforeseen; administrative)
Agencies (with accrual accounting)
Annexes

➔ The budget structure often (but not always) reflects the organizational structure of a ministry

Budgeting - Financial administration – systems – accounts – Reporting

Line ministries: FEA directorates Financial and Economic Affairs

- Independent positioning (next to the secretary general)
- Countervailing power
- Quantity and quality
- The “right” to review all policy proposals

Task:

- Advice about budgetary complications of proposals
- Ministerial budget
- Monitoring implementation of the budget
- Financial management

Government Accounts Act (organic budget law)

- Responsibilities of Line Ministers:
  - Sound financial management
  - Legality/compliance

- Responsibilities and powers of the Minister of Finance

- Budget and accountability cycle

- Organization of internal control and internal audit

- Responsibilities and powers of the Court of Audit

Management and control within organizations

Every ministry: Register of Organization structure and Mandates (tasks and budget responsibilities)

- Directorate-General: budget in general approved by Parliament
- Directorate: budget sometimes approved by parliament
- Division / Department: more detailed budgets, controlled by FEAD
- A mandated director can sometimes mandate specific section heads of their department

Mandates register:

Contains all signitures and initials of managers with a budget mandate

Digital: authorization mandates incorporated in the systems

III.
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Zeestraat 86-90

Ministry of Finance

Training courses for civil servants: Financial Management Control, Economics, Audit, Operational Management, Traineeships

Conferences / seminars

Annual report: 3128 people trained in courses;

2218 participants in seminars and conferences

International projects

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National Academy Operations

- Cost effective / break-even basis; not for profit
- Costs of trainers, training rooms, training materials, meals, backoffice

Key performance indicators used are:

- trained people
- trained people / dayly period
- scores on evaluations
- cost-effectiveness

Training impact analysis

- only soft controls: feedback in account meetings

Tasks of the decentralized manager

- Responsible for the development of yearly action / working plans
- Development of the corresponding budgets
- Within their responsibility: approval of invoices, bills and reimbursements
- Signing contracts with limitations
- Reporting about spending

- Also responsible for:
  - Description of procedures and administrative organization
  - Reporting to principles
  - Providing FEAD, Internal Audit Service and (when applicable Court of Audit) with the required information

International department in practice

- Management of the department: 2 project leaders, 2 supporting staff
- Development in cooperation with the financing department the annual work plan for bilateral technical assistance in constituency countries
- Preparing other cooperation contracts (EU, Foreign Affairs, Antilles)
- Developing specific programs together with project leaders and experts for countries on request and parallel programs
- Responsible for implementation (contracting experts, booking flights and accommodation, etc.)
- Approval of reimbursements, invoices etc. for payment
- Looking after the balance of receipts and spending on a yearly basis

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Questions?

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