



Australian Government

**Office of the Australian Building and
Construction Commissioner**

Finance Direction 8

Budget Management

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Change History

Update the following table as necessary when this document is changed:

| Date | Nature of Change |
|---------------|--|
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| December 2007 | Approved version |
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1. Commissioner’s Instruction (CI)

1.1 External Budget

The Chief Financial Officer is responsible for ensuring that the ABCC’s budget is prepared in accordance with the Government’s budgetary guidelines and timeframes as issued by the Department of Finance and Deregulation.

1.2 Internal Budget

The ABCC’s delegated Budget Managers are responsible for developing the budget for their group (Field Operations Group, Legal Group, Public Affairs, Education and Industry Development Group, Finance and Business Services Group, Governance Group and People, Learning and Culture Group) and submitting the Budget to the Executive for approval.

The Executive is responsible for determining overall spending priorities and approving the ABCC’s internal budget.

Budget Managers are expected to operate within their approved budget allocation.

The Chief Financial Officer is responsible for providing Budget Managers with monthly budget reports.

2. Introduction & Objectives

Key budget controls include the preparation of reliable financial budgets and monitoring actual versus planned results.

3. Supporting Information

3.1 Related References & Pronouncements

| | |
|------------------------------------|--|
| FMA Act 1997: | <ul style="list-style-type: none"> ■ Section 44 |
| FMA Regulations: | <ul style="list-style-type: none"> ■ N/A |
| Related Finance Directions: | <ul style="list-style-type: none"> ■ Finance Direction 7 – Accounts, Records & Accountable Forms |
| Other References: | <ul style="list-style-type: none"> ■ ANAO Better Practice Guide: Performance Information in Portfolio Budget Statements, 2002 |

3.2 Responsible Officers and Contacts

| Position/Title | Responsibility |
|-------------------------|--|
| Accountant | <ul style="list-style-type: none"> ■ Input of budget figures into CBMS |
| Director, Finance | <ul style="list-style-type: none"> ■ Update budget figures for external reporting |
| Chief Financial Officer | <ul style="list-style-type: none"> ■ Production of internal operating budget |
| Budget Managers | <ul style="list-style-type: none"> ■ Develop and review Cost Centre budgets ■ Monitor expenditure against budget |

4. Guidelines

4.1 Guidelines (External Budgeting)

- 4.1.1 Generally, the budget and forward estimates are required to be reviewed and updated 3 times per year at Pre-ERC, Portfolio Budget Statements and Portfolio Additional Estimates Statements.
- 4.1.2 The Accounting Services Team is responsible for the preparation of budget estimates in accordance with the budgetary guidelines issued by the Department of Finance and Deregulation.

4.2 Guidelines (Internal Budgeting)

- 4.2.1 ABCC 'Budget Managers' are responsible for the management of specified budget items including contributing to the development of budgets, approving expenditure, and monitoring and managing expenditure against approved budgets.
- 4.2.2 The development of the ABCC internal budget is a "bottom up" process. Budgets are discussed with relevant Budget Managers, consolidated and presented to Executive for approval. The Executive may make subsequent changes to Cost Centre/account budgets in line with ABCC strategic priorities.
- 4.2.3 Budget Managers may use budget savings in one account/cost centre under their control to manage over expenditure in other account(s)/cost centres under their control.
- 4.2.4 Budget Managers are not permitted to transfer budgets between Cost Centres not under their control without the prior approval of the Commissioner, Chief Financial Officer and Executive Board.
- 4.2.5 Budget Managers are expected to closely monitor their expenditure against the approved budget and provide a monthly report to the Chief Financial Officer on any significant budget variations.
- 4.2.6 It is the responsibility of Budget Managers to ensure their Group's actual expenditure is managed in line with their Group's approved budget. Budget Managers are not permitted to exceed their approved annual Group budget unless offsetting savings and/or budget transfers are identified from within other Groups, following prior approval of the Commissioner, Chief Financial Officer and Executive Board.

4.2.6 The ABCC's Budget Managers are:

- Deputy ABC Commissioner, Legal (for Legal Group)
- Deputy ABC Commissioner, Field Operations (for Field Operations Group)
- Executive Director Public Affairs, Education and Industry Development (for Public Affairs, Education and Industry Development Group)
- Chief Financial Officer (for Finance and Business Services Group)
- Executive Director People, Learning and Culture (for People, Learning and Culture Group)
- Executive Director, Governance (for Governance Group).