

**OXFORDSHIRE COUNTY COUNCIL**  
**FINANCIAL PROCEDURE RULES**

# Financial Procedure Rules

## Introduction

1. To conduct its business efficiently, Oxfordshire County Council needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Collectively, these policies comprise the council's financial management standards.
2. Part 3.2 of this Constitution sets out the Budget and Policy Framework Procedure Rules for the council. This describes how the council's business plans and associated budget proposals should be developed, approved and implemented. The responsibilities of Council, Cabinet and officers have been summarised below.
3. Part 7.1 of the Constitution sets out the Financial Scheme of Delegation, which authorises relevant officers to exercise the functions of the council, including financial functions. Within the Scheme of Delegation, section 6.5 specifies those functions which the Director of Finance is authorised to undertake, including the administration of the council's financial affairs.
4. In Part 2, Article 13 of the Constitution section 4(b) states that "the Director of Finance will have responsibility for the administration of the financial affairs of the council" under s.151 of the Local Government Act 1972. Article 15 section 1 then states that "the management of the council's financial affairs will be conducted in accordance with the Financial Procedure rules set out at Part 8.2 of this Constitution and any guidance made under those rules". The following sections expand on these two statements.

## Financial control

5. The key controls and control objectives for the council's financial management standards are:
  - their promotion throughout the council;
  - administration of financial management systems in support of the standards;
  - a monitoring system to review compliance with financial standards;
  - a system enabling regular comparisons of performance indicators that are reported to the Cabinet and other audiences.
6. The financial control framework is maintained and implemented by the Director of Finance and is defined in the following documents:
  - Financial Procedure Rules (this document)
  - Financial Regulations
  - Other Financial Instructions issued by the Director of Finance

7. The **Financial Procedure Rules** provide the framework for managing the council's financial affairs. They apply to every member and officer of the authority and anyone working at the council or acting on its behalf. As part of the Constitution, the Procedure Rules are maintained on the council's public website.
8. The Procedure Rules identify the key financial responsibilities of the Full Council, the Cabinet, Chief Executive, Director of Finance, Directors and anyone working for or at the council. They are linked to other regulatory documents forming part of the council's Constitution, for example, contract regulation procedures.
9. **Financial Regulations** set out the council's financial policies and the framework for managing the council's financial affairs. They provide more detailed guidance on how the Financial Procedure Rules should be implemented in practice. They also identify the high-level financial controls within which all members and staff must operate. Regulations are maintained on the council's intranet. Note that schools within the county (with very few exceptions) should operate within the Finance Regulations for Schools, which closely reflect the council's Financial Regulations.
10. The Director of Finance is the Council's Responsible Officer under section 151 of the Local Government Act 1972 and is responsible for maintaining continuous review of the Financial Regulations and updating them, where necessary, for Council to approve.
11. The Director of Finance is also responsible for issuing **further instructions** as necessary to give detailed guidance on the operation of financial systems. Additionally, officers may create **templates or guidance** to provide other support for particular financial topics. All such materials are maintained on the council's intranet.
12. All financial and accounting procedures must be carried out in accordance with the Financial Regulations and with any instructions, notes and other guidance issued by, or on behalf of, the Director of Finance.

### **Roles and responsibilities**

13. All officers and councillors have a duty to abide by the highest standards of probity in dealing with financial issues. The Council is required by law to follow proper accounting practices and to secure best value.
14. An overview of the high-level financial responsibilities of the Council, the Cabinet, various Committees, the Chief Executive, Directors and the Monitoring Officer is provided below. Further details of the responsibilities of these bodies and individuals are set out in the Financial Regulations where necessary.

## Responsibilities of the Council

15. The Council is responsible for adopting and changing the Constitution, which sets out how the council works, how decisions are made, and the procedures which are required to ensure efficiency, transparency and accountability. This includes the Financial Procedure Rules and Financial Regulations. In terms of financial responsibility, the Council also:
- approves or adopts the policy framework which sets out the council's service delivery plans, including the Corporate Plan.
  - approves or adopts the annual budget, as set out in Part 3.2 of the Constitution
  - makes arrangements for the proper administration of the council's financial affairs, ensuring that an officer has the responsibility for this administration
  - makes arrangements for approving the statutory annual statement of accounts by dates specified in various regulations.

## Responsibilities of the Cabinet

16. The Cabinet is responsible for making sure that there is effective financial planning within the council. This includes preparing proposals for the budget, which should take account of the views of the public, local stakeholders and the council's Performance Scrutiny Committee. This process is set out in detail in Part 3.2 of the Constitution.
17. The Cabinet is responsible for agreeing any strategic partnerships for the County, monitoring the performance and governance and ensuring that partnerships are improving the well being and outcomes for residents of Oxfordshire.

## Responsibilities of Councillors

18. Councillors are required to act in accordance with the Councillor's Code of Conduct in Part 9.1 of the Constitution.
19. All councillors must operate within the required accounting standards and timetables to ensure that all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

## Responsibilities of the Chief Executive

20. The Chief Executive has overarching responsibility for the effective co-operation of councillors and officers in pursuit of the council's business. The Chief Executive acts as the Head of Paid Service. The council has to provide the Head of Paid Service with staff, accommodation and other resources as in

their opinion are sufficient to allow their duties to be performed. The Chief Executive can act in the capacity of any of the directors but more usually observes the delegated boundaries of the junior roles.

## Responsibilities of the Director of Finance

21. The Director of Finance is authorised to undertake the administration of the financial affairs of the council. This includes the responsibility to:
- ensure the proper administration of the financial affairs of the Council, to set the financial management standards and to monitor compliance with them;
  - issue and keep under review Financial Regulations under these Rules which councillors, officers and agents of the council are required to follow;
  - ensure that financial systems and procedures are in place to provide financial information to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators;
  - ensure the preparation of the council's statement of accounts, in accordance with proper practices, for each financial year ending 31 March
  - put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with the law.
  - establish a Head of Profession and Section 151 matrix which details delegation of responsibility and support for the proper administration of financial affairs.

## Responsibilities of Directors

22. For the purposes of these Rules the title Director includes Corporate Directors, Directors, Deputy Directors, Heads of Service and any officer or agent of the Council acting as, or for, a Director, unless otherwise stated.
23. Directors are required to:
- comply with Financial Regulations and procedures and other financial instructions issued by the Director of Finance;
  - promote the financial management standards set by the Director of Finance in their business areas and to monitor adherence to the standards and practices, liaising as necessary with the Director of Finance;
  - promote sound financial practices in relation to the standards, performance and development of staff in their directorates. This includes a clear delegation framework to Deputy Directors, Heads of Service and Budget holders;
  - operate the Budget Management Arrangements as detailed by the Director of Finance and in accordance with guidelines approved by Full Council;

- maintain budgetary control within their services;
- manage processes to check that established controls are being adhered to and to evaluate their effectiveness.

### **Responsibilities of officers**

24. All officers have a duty to be familiar with, and to follow, relevant Financial Regulations and instructions in undertaking council business. If in doubt, all officers must seek advice from relevant Finance officers before proceeding with work.
25. Officers in the Finance team who have lead responsibility for matters in the Financial Regulations must undertake regular reviews of the relevant Regulations, engaging with other officers as relevant, to ensure their accuracy, currency and consistency with other Regulations and instructions.

### **Responsibilities of the Performance Scrutiny committee**

26. In terms of financial control, the role of the Performance Scrutiny Committee is primarily to consider and advise Cabinet on its proposals for an annual budget and any strategies or plans to which the council's resources may be dedicated. This is set out in the Constitution in Part 3.2(2).

### **Responsibilities of the Audit & Governance Committee**

27. The committee's functions are broad, including promotion of high standards of conduct for members and officers and assurance of the council's risk, control and governance arrangements (see Part 2 Article 9 of the Constitution). The committee's roles as regards the council's finances are:
  - exercising the duty to approve the council's annual statement of accounts
  - monitoring the performance and effectiveness of Internal Audit Services including making recommendations on resourcing and budget for the service
  - systematic monitoring of the council's systems for Treasury Management

### **Scheme of Delegation**

28. The Scheme of Delegation set out in part 7.1 (section 6.5) of this Constitution authorises the Director of Finance to exercise the functions of the council as set out in that section. Further delegations for financial management are set out in the Financial Regulations where necessary and in the supporting schemes of delegation:

- Scheme of delegation – powers
- Scheme of delegation – financial
- Schedule to the Scheme of delegation - financial
- Scheme of delegation Financial Management

### **Financial management during emergencies**

29. The principles of good financial management should be adhered to by all members, officers and agents of the council during emergencies just as during normal business. Particular care should be taken to ensure that accountability and control measures can be readily ascertained in retrospect, for example to support claims under the Bellwin Scheme for reimbursement of relevant funds spent during emergency response activities.
30. The Constitution Part 7.1 states that the Head of Paid Service and the Directors are empowered to take all necessary decisions in case of emergency. All the financial standards set out in these Procedure Rules and associated Regulations continue to apply equally in times of emergency unless explicitly stated in Regulations or instructions by the Director of Finance.

### **Financial Regulations**

31. These Financial Procedure Rules set out the high-level principles and responsibilities which apply to all financial matters in the council. Regulations setting out the activities which should be undertaken in support of these financial standards are maintained on the council's intranet. The contents list of Regulations is at Annex 1 below.

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# Financial Regulations

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