

Financial Accountability Framework

Essential Guide for All Officers

Version 1.0

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Section 1 - Introduction

1. Scope

- 1.1. Responsibility for financial accountability rests with a number of post holders and groups within a public sector organisation. These post holders and groups include Elected Members, the Chief Finance Officer (Section 151 Officer), Corporate Leadership Team, Budget Managers and Finance Officers.
- 1.2. The Financial Accountabilities Framework defines the key roles and responsibilities of key officer groups within the Council and focuses on key elements of the financial management process, namely:
 - Plan
 - Decide
 - Manage
 - Monitor and report
- 1.3. The Council operates a devolved financial management process, and Corporate Directors are ultimately responsible for the delivery of financial management within their Directorates. Responsibility can be delegated to individual budget holders, but accountability remains with the Corporate Directors.
- 1.4. The Financial Accountabilities Framework applies to all council officers with budget management responsibility.
- 1.5. The Financial Accountabilities Framework does not seek to replace the Council's Constitution or Financial Regulations. The Council's Constitution, Financial Regulations are the detailed description of the way the Council operates in relation to financial management and financial administration. They should be read by everyone who has a responsibility for a budget, in conjunction with the Financial Accountabilities Framework.

2. Aim

- 2.1. The aim of the Financial Accountabilities Framework is to:
 - Act as a guide to officers with budget responsibilities with regards to their role and responsibilities in supporting and delivering excellent financial management at the Council.
 - Help officers including Finance to understand their roles in terms of financial management.
 - To complement the Council's Constitution and Financial Regulations in relation to financial management and financial administration responsibilities.

3. Purpose

- 3.1. Accountability entails an individual understanding of one's own role and responsibilities, individual performance goals, including standards for measuring success and the needs and means required in successfully performing one's duties.
- 3.2. The Financial Accountabilities Framework has been developed to ensure that the appropriate level of accountability allows to instil the key roles and responsibilities that support excellent financial management at Nottingham City Council.
- 3.3. Each person is responsible for the activities undertaken by them therefore, the Financial Accountabilities Framework has been designed to help everyone with the responsibilities for budget management to understand their own roles and responsibilities, and how the Finance Team support them in delivery their roles.
- 3.4. As set out above the Financial Accountabilities Framework should be read in conjunction with the Council's Constitution and/or Financial Regulations.

4. Background

- 4.1. Improvements to the Council's financial governance, financial management and control and reporting framework are at the heart of the Council's finance improvement agenda and are a high corporate priority for the Council. The organisation is starting from a very low base albeit it is starting to make demonstrable improvements that will have a positive and lasting impact on improving control and stewardship of its finances. However, it continues to face a number of fundamental challenges as it seeks to achieve wholesale improvement within a reasonable but ambitious timeframe. Given that financial management underpins the delivery of all services and enabling functions, the organisation is mindful of the fact that in establishing strong and robust financial management arrangements will require cross-cutting and deep-rooted cultural changes for all service areas.

4.2. Financial Improvement Plan

- 4.2.1. Improvement Assurance Board (IAB) had originally issued eight finance instructions, of which instruction six asked the Council to:

Deliver the Financial Improvement Plan covering the key elements identified by the IAB to provide assurance in respect of finance and accounting

- 4.2.2. The Finance Improvement Plan (FIP) was mapped to the Chartered Institute of Finance and Accountancy (CIPFA) Financial Management Code to establish how the financial control environment develops through the life of the FIP, with the outcomes from the FIP deliverables providing the

professional standards expected of a council.

4.2.3. The Financial Accountabilities Framework is a key deliverable of the FIP.

5. CIPFA Financial Management Model

5.1. Learning from the CIPFA Financial Management Model – Public bodies are expected to use public funds and deliver their services within high standards of transparency and accountability. To achieve this, organisations need to establish and maintain effective frameworks for financial management and managerial control.

6. Council's Vision

6.1. Our vision is that Nottingham will be known as a healthy, aspirational, thriving city, where people feel safe to live and work whatever their age, an exciting, clean, and welcoming place to play, study and visit. A city that is green and environmentally sustainable, with strong commitment to fairness, equality, and inclusivity.

6.2. An ambitious city where people and businesses have a reputation for regeneration and building a growing economy with a skilled workforce. A city that is creative and culturally vibrant, where local people are proud of their city, their place, neighbourhood, and their local community

7. Finance Service

7.1. Finance Service's Vision

7.1.1. At NCC the Finance Team vision is to demonstrate that “We are a highly effective, resilient and competent Finance function that enables the Council to transform and thrive whilst ensuring sector leading compliance and accountability”

7.1.2. To realise this vision requires everyone within the Council to play a role in supporting this vision.

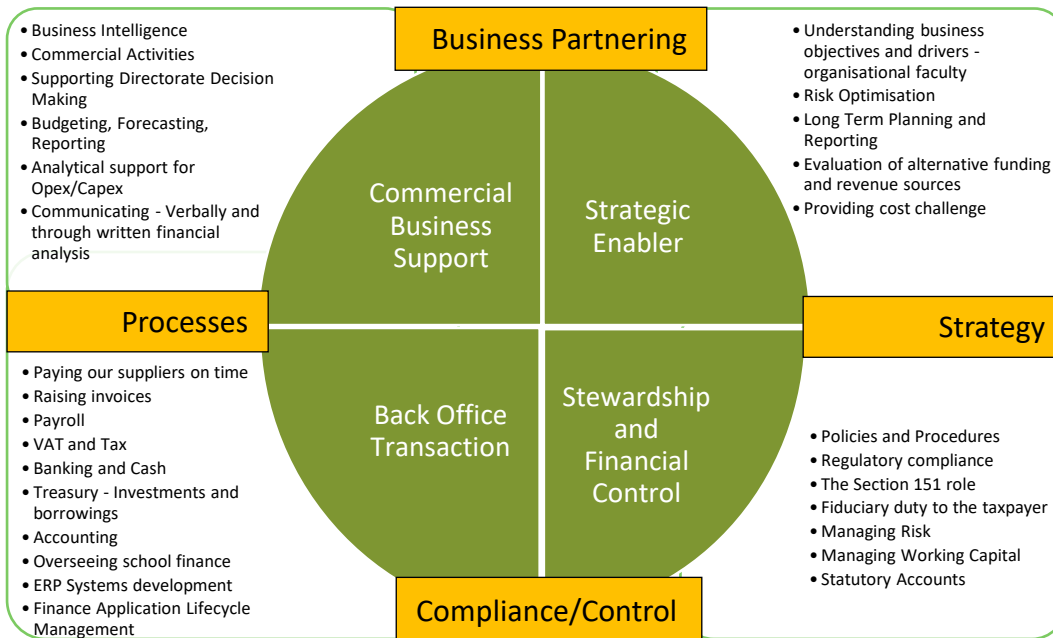
7.2. Finance Team

7.2.1. NCC Finance Team provides a diverse range of professional advisory, accountancy, reporting and transactional services to the wider organisation and is required to represent and fulfil the duties of the statutory Chief Financial Officer (Section 151 Officer) in establishing and maintaining robust financial governance and the overall financial framework within which the Council operates.

7.2.2. The diagram below reflects the core elements of our broad ranging role incorporating the building blocks of securing financial stewardship of public funds and maintaining a robust internal control environment, processing

financial transactions and management of financial systems, through to commercial business partnering and adding value as a strategic enabler through financial advice, challenge, and insight.

Figure 1: Core elements of Finance broad ranging role



Section 2 – Financial Management

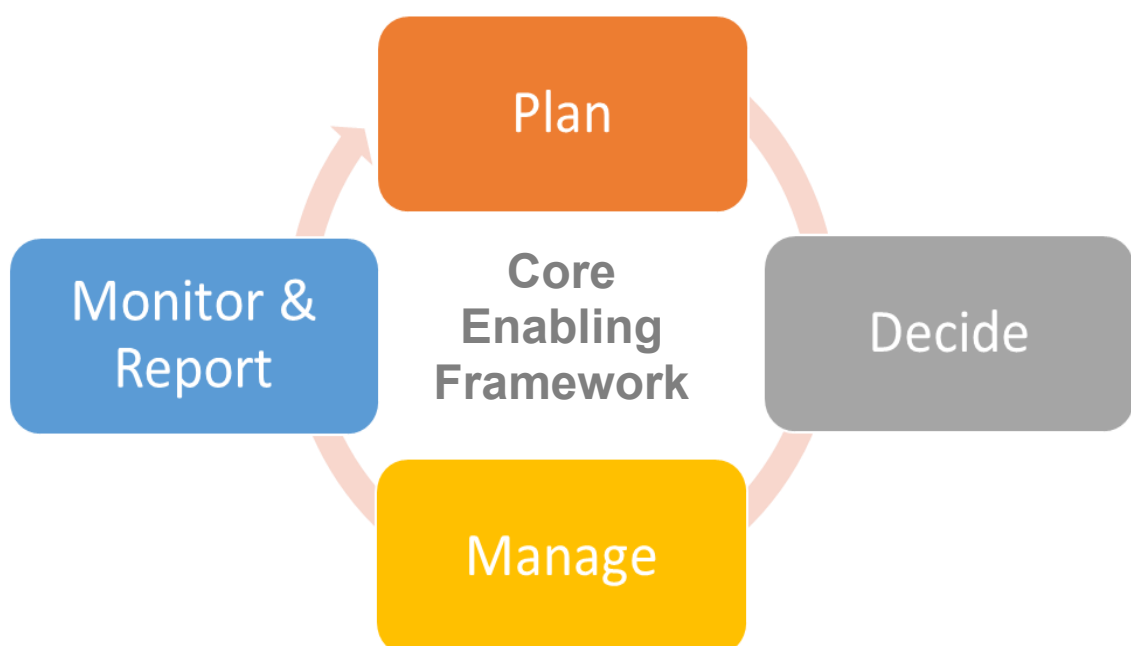
8. Why Excellent Financial Management?

- 8.1. Excellent financial management is at the heart of everything we do and is the responsibility of all of everyone.
- 8.2. There are many enablers of excellent financial management, but of central importance is the partnership between Finance and the Directorates. Finance is an enabling service which provides expert advice, support, insight, and challenge, working jointly with the service knowledge and experience of Budget Managers. The Partnership is underpinned by:
- A strong and positive culture that values the importance of financial management in delivering great service outcomes.
 - Mutually understood roles and responsibilities.
 - Openness, trust and mutual respect for each other's skills, experience, and perspective.
 - Robust systems and processes generating reliable and comprehensive data.
 - Engagement, visibility, and clear and transparent two-way communications.
 - Proactive problem-solving.

9. The Financial Management Cycle

- 9.1. Excellent financial management is achieved through a cycle of four sets of activities, bound together by a core enabling framework.

Figure 2: The Financial Management Cycle



9.2. A diagram showing the activities included within the financial management cycle is shown in Appendix 1 and in section 3 below.

Section 3 – Financial Accountabilities Framework

10. Approach

10.1. The Framework is based on a **RACI** methodology (**R**esponsible, **A**ccountable, **C**onsulted, **I**nformed) which is a widely used methodology that is especially useful in clarifying roles and responsibilities in cross-organisational processes, but has been adapted to better suit our thinking in NCC.

10.2. The terms used are:

- **Responsible:** the *person* who performs or takes the lead on an activity. This is the key “doing” role, and the person who is responsible will either do the task or activity themselves, or delegate it to someone else within their team. If delegated, the person retains the responsibility and must ensure that it has been completed satisfactorily.
- **Accountable:** the *person* who is expected to justify actions taken or decisions made to deliver the completed task or activity. This person will “sign off” on a piece of work or process.
- **Consulted/Contributes:** the *person* that must be consulted on the activity in order for there to be a successful outcome. This is a proactive role that offers support, advice, and insight to contribute to the activity.
- **Informed:** the *person* that needs to know of the decision or action.

10.3. The Financial Accountabilities Framework defines the key roles and responsibilities of the following four key officer groups within the Council.

- **Chief Executive (Head of Paid Service) and Corporate Directors** – a member of the Corporate Leadership Team (CLT) and has responsibility for the overall financial management of their Directorate.
- **Budget Manager** – this includes anyone with responsibility for managing a budget, as recorded on ORACLE. Senior Managers, such as Chief Executive Officer, Corporate Directors, Directors, or Heads of Service, who have responsibility for a group of budgets and will oversee the work of cost-centre Budget Managers.
- **The Finance Team** – NCC operates a “business partner” model for finance and each Directorate has a dedicated finance team that provides financial advice, information, insight, and challenge to that directorate. The teams work closely with the Strategic Finance Team and the Technical Finance team.
- **Chief Finance Officer** – who is also known as the “Section 151 Officer” reflecting the statutory nature of the role.

10.4. The design of this Framework around these four roles is intended to maximise its simplicity and useability. There may be specific issues relating to its

application in individual Directorates, and staff should consult with their Finance Business Partner or members of their finance team in case of any queries. The Council's Financial Regulations provide the final say on how financial management is to be operated at NCC.

- 10.5. None of the four roles can individually manage the Council's finances successfully. All make contributions to support each other's roles. Finance works together in partnership with all Directorates to achieve excellent financial management.

11. The Core Enabling Framework

- 11.1. Before describing individual roles within the financial management cycle, the following sets out the core enabling framework which underpins excellent financial management. This is about fundamental governance processes which are central to the way the city council operates.
- 11.2. The Chief Finance Officer (Section 151 Officer) is the statutory finance post within NCC, a role held by the Corporate Director of Finance and Resources and is **Accountable** for:
 - Ensuring that NCC complies with all statutory requirements for accounting and internal audit, for example preparing the annual accounts
 - Drafting financial regulations for approval by the Council
 - Advising councillors when formulating budgets and assessing the robustness of proposed budgets
 - Ensuring that budget management roles and responsibilities are clear
 - Ensuring that budget managers at all levels are properly supported, with access to advice, information, insight, and challenge from a skilled Finance team
 - Ensuring a robust system of internal control
 - Ensuring that financial systems are adequate to support financial management and financial administration
- 11.3. The Chief Finance Officer (Section 151 Officer) is a member of the Corporate Leadership Team (CLT) and works with other members of the Team to advise councillors and to provide leadership to the organisation.
- 11.4. The **contributions** of Corporate Directors and other senior managers help the Chief Finance Officer (Section 151 Officer) to ensure that the core enabling framework is appropriate to the needs of the organisation and has a good fit with the wider corporate governance framework.
- 11.5. Corporate Directors and Directors are **Accountable** for ensuring that their staff act in accordance with the Council's financial regulations and for ensuring that excellent financial management is at the heart of their Directorate's operation. They are supported by the **contributions** of their Finance Business Partners.

- 11.6. All Budget Managers are **Accountable** for acting in accordance with the Council's financial regulations.
- 11.7. Each of the four roles is now described in detail below with a summary provided at Appendix 2

Role: Chief Executive Officer and Corporate Director (CLT)

A member of the Corporate Leadership Team (CLT) and has responsibility for the overall financial management of their Directorate.

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Plan and Decide

Devise NCC financial strategy and Medium-Term Financial Plan (MTFP)

The Chief Executive / Corporate Director will **Contribute** as a member of CLT and as an advisor to members, to the development of the financial strategy and MTFP which is led by the Chief Finance Officer (Section 151 Officer) and approved by members.

Set MTFP targets and MTFP timetables

The Chief Executive / Corporate Director will **Contribute** to the setting of MTFP targets and timetables, advising on the options, opportunities and consequences from a service perspective. The process of setting targets and timetables is led by the Chief Finance Officer (Section 151 Officer), but the choices over savings targets are approved by members.

Devise Directorate financial strategy in line with MTFP targets (including working up savings proposals)

Once the MTFP has been approved and planning targets set, the Chief Executive and respective Corporate Director are **Accountable** for ensuring that the Organisation / Directorate has a strategy for meeting its financial targets. This will involve directing senior managers within that Directorate to work up savings (or investment) proposals, with the strong support of the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) who will provide advice and challenge.

Analyse trends and cost drivers to inform budget-planning within the Directorate

As part of the MTFP and budget-setting process, the Corporate Director is **Accountable** for ensuring that financial and service data is used to inform, through trend analysis and so on. This ensures that budget proposals are robust and insightful. The work will be led by Director of Finance who works in partnership with Budget Managers to use insight and analysis to understand and predict trends, to inform budget planning.

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Plan and Decide

Decide how best to use allocated cost-centre budget

Once budgets have been set, decisions will be made on how best to use the budgets allocated. These decisions will be made by budget managers (Directors, Heads of service etc) and the Corporate Director will **Contribute** to this activity by setting relevant guidance about the objectives of the Directorate.

Appraise investment options

Usually this refers to a capital project, invest to save or a scheme with a financial payback. Options will be considered to test if they are affordable and will achieve the target return. Budget Managers and the Director of Finance (Deputy Section 151 Officer) will work closely together on proposals and the Corporate Director is **Accountable** for whether the scheme is put forward for approval.

Advise on external financial best practice

As a learning organisation, we want to understand what works well elsewhere. Finance staff will use their networks to bring back relevant best practice and advise on how this can be applied in NCC. The Corporate Director will be **Informed** of financial best practice.

Identification and application of external funding, including government grants

There is often small print restricting the financial use of external funding including government grants and other 3rd party contributions (e.g., NHS or developers) and it is important that there is guidance¹ to ensure that money is spent appropriately. The Chief Finance Officer (Section 151 Officer) will lead this process and the Corporate Director will **Contribute** from a service perspective.

¹ *this mainly applies where funding agreement requires sign-off from the Section 151 Officer*

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Plan and Decide

Devise commissioning strategy to realise savings

Many of our services are delivered through external contracts, and commissioning (or procurement) strategies are required to plan how we engage with the market to achieve a desired outcome. The Corporate Director is **Accountable** for the development of commissioning strategies for their Directorate. The Procurement and Finance teams will **Contribute** to this activity.

Set prices for sale of services

Pricing decisions are required to ensure that costs are recovered, or that statutory guidance has been followed. The Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) actively support this activity, and the Corporate Director is **Accountable** for decisions made (or proposals made to members).

Consult with service stakeholders re a budget proposal, including undertaking an Equalities Impact Assessment

Many budget proposals require formal consultation with residents and/or service users. The Corporate Director is **Accountable** for ensuring that proper consultation has been undertaken.

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Manage and Monitor

Produce accurate and timely financial information

The provision of financial information via ORACLE is linked to the Core Enabling Framework and the responsibility of Finance. However much of the information that feeds ORACLE comes directly from Directorate systems and processes, and therefore all roles must work together to achieve accurate financial information. The Corporate Director will **Contribute** to this activity at Corporate Level but **Responsible** for this at Directorate Level.

Monitor expenditure and income against budget

On a regular basis (at least monthly) all expenditure and income should be monitored against budget expectations. Within the Directorate, the Corporate Director is **Accountable** for this activity, and will **Contribute** to it at a corporate level.

Prepare forecasts

As part of budget monitoring, forecasts of expenditure and income are made and kept updated for the year ahead, taking account of risks and opportunities. Within the Directorate, the Corporate Director is **Accountable** for this activity. Some budgets will require specialist support and modelling from the Chief Finance Officer (Section 151 Officer), Director of Finance (Deputy Section 151 Officer) and/or the Finance team.

Identify need for, and make plans for, corrective financial action

If a budget is heading off track the budget manager should take the initiative for corrective action. The Chief Finance Officer (Section 151 Officer), Director of Finance (Deputy Section 151 Officer) and/or the Finance team should be engaged at the earliest point to provide active support, and the Corporate Director is **Accountable** for ensuring this corrective action is taken within the Directorates.

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Manage and Monitor

Transfer funds between budget headings

There is flexibility within Financial Regulations for funds to be moved between budget headings (sometimes known as virements). At Directorate level, the Corporate Director is **Accountable** for significant transfers of funds. There are limits, and certain approvals may be needed. The Director of Finance (Deputy Section 151 Officer) and/or the Finance Team can advise.

Ensure access to relevant financial information and appropriate financial support

This is linked to the Core Enabling Framework and the Chief Finance Officer (Section 151 Officer) and the Director of Finance (Deputy Section 151 Officer) ensure that Finance provides the information, advice, support, and challenge to enable excellent financial management. This will include training tools and materials. The Corporate Directors **Contribute** by reinforcing the importance of financial management within their Directorates.

Ensure Budget holders are appropriately skilled

Through the appraisal process, Directors will assess the financial skills of their managers and identify any skills gaps, and Corporate Directors are **Accountable** for ensuring that skills needs are identified. Training and support will be provided by Chief Finance Officer (Section 151 Officer) and/or Director of Finance (Deputy Section 151 Officer).

Manage external contracts within budget

Many of our services are delivered through external contracts, and the Corporate Director is **Accountable** for ensuring that the commissioned services are within budget.

Role: Chief Executive Officer and Corporate Director (CLT)

Financial Accountability Activity: Manage and Monitor

Report the overall City Council financial position to CLT and to the Executive Board

The Chief Finance Officer (Section 151 Officer) is **Accountable** for reporting the Council's overall financial performance,. Excellence is achieved where reporting is through a partnership approach where Corporate Directors actively **Contribute** to improve the accuracy and insight of the corporate reporting.

Report Directorate financial position to DLTs

Each Directorate has a DLT comprising the relevant Directors. The DLT oversees the financial performance of the Directorate. The Corporate Director is **Accountable** for the overall reported position for their directorate, but will actively also **Contribute** into department position (led by respective DLT leads) to ensure that the overall reported position is fully reflective of the issues and information within the Directorate.

Corporate Directors are **Responsible** for briefing members on their directorate financial position via Portfolio Holder briefing and/or Budget Review and Overview Group (BROGs) meetings.

Authorise expenditure

Orders and payments can be authorised if there is sufficient budget available. Limits apply, and Corporate Directors are **Accountable** and **Responsible** for very high-value payments and advocating compliance with all procurement and purchasing procedures/processes within their Directorate

Collect Income

This is where fees, charges or other 3rd party contributions are due. Corporate Directors **Contribute** to this activity by reinforcing its importance within their Directorates and advocating compliance with all income recovery procedures and processes to ensure the efficient collection of income in their Directorate

Role: Budget Managers/Directors/Heads of Service

This role includes anyone with responsibility for managing a budget, as recorded on ORACLE. Directors or Heads of Service, have responsibility for a group of budgets and will oversee the work of cost-centre Budget Managers.

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| Role: Budget Managers/Directors/Heads of Service |
| Financial Accountability Activity: Plan and Decide |
| Devise NCC financial strategy and Medium-Term Financial Plan (MTFP) |
| The development of the financial strategy and MTFP is led by the Chief Finance Officer (Section 151 Officer) jointly with CLT and approved by members. Budget Managers are Informed of decisions made. |
| Set MTFP targets and MTFP timetables |
| The process of setting targets and timetables is led by the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy S151 Officer), but the choices over savings targets are approved by members. Budget Managers are Informed of decisions made. |
| Devise Directorate financial strategy in line with MTFP targets (including working up savings proposals) |
| Once the MTFP has been approved and planning targets set, Directors and Heads of Service are Responsible for meeting its financial targets and will involve directing staff within that Directorates to work up savings (or investment) proposals, with the strong support of the Director of Finance (Deputy S151 Office) and the Finance team who will provide advice and challenge. Other budget managers Contribute to this activity through their ideas and options. |
| Analyse trends and cost drivers to inform budget-planning within the Directorate |
| As part of the MTFP and budget-setting process, the budget manager is jointly Responsible with the Director of Finance (Deputy Section 151 Officer) for ensuring that financial and service data is used to inform, through trend analysis and so on. This ensures that budget proposals are robust and insightful. By working in partnership insight and analysis is used to understand and predict trends, to inform budget planning. |

Role: Budget Managers/Directors/Heads of Service

Financial Accountability Activity: Plan and Decide

Decide how best to use allocated cost-centre budget

Once budgets have been set, decisions will be made on how best to use the budgets allocated. These decisions will be made by budget managers, who are **Accountable** and **Responsible** for determining the way that budgets are used and should act in line with the priorities of the Directorate and seek to secure value for money.

Appraise investment options

Usually this refers to a capital project, invest to save or a scheme with a financial payback. Options will be considered to test if they are affordable and will achieve the target return. Budget Managers and the Director of Finance (Deputy Section 151 Officer) will work closely together on proposals, with the Budget Manager having overall **responsibility**. Other budget managers and officers may also **Contribute** to this activity through development of the options and the appraisal process.

Advise on external financial best practice

As a learning organisation, we want to understand what works well elsewhere. Finance staff will use their networks to bring back relevant best practice and advise on how this can be applied in NCC. The budget manager will be **Informed** of financial best practice.

Identification and application of external funding, including government grants

There is often small print restricting the financial use of external funding including government grants and other 3rd party contributions (e.g., NHS or developers) and it is important that there is guidance¹ to ensure that money is spent appropriately. The Director of Finance (Deputy Section 151 Officer) will lead this process and the budget manager is **Responsible** for ensuring that external funding is properly spent.

¹ *this mainly applies where funding agreement requires sign-off from the Section 151 Officer*

Role: Budget Managers/Directors/Heads of Service

Financial Accountability Activity: Plan and Decide

Devise commissioning strategy to realise savings

Many of our services are delivered through external contracts, and commissioning (or procurement) strategies are required to plan how we engage with the market to achieve a desired outcome. The budget manager is **Responsible** for the development of savings strategies and is required to work with both commissioning and contacting colleagues to ensure strategies are robust. The Procurement and Finance teams will **Contribute** to this activity.

Set prices for sale of services

Pricing decisions are required to ensure that costs are recovered, or that statutory guidance has been followed. The Director of Finance (Deputy Section 151 Officer) and their deputies will actively support this activity and the budget manager is **Responsible** for decisions made (or proposals made to members).

Consult with service stakeholders re a budget proposal, including undertaking an Equalities Impact Assessment

Many budget proposals require formal consultation with residents and/or service users. The budget manager is **Responsible** for undertaking the consultation and ensuring that it is in accordance with guidance and so on.

Role: Budget Managers/Directors/Heads of Service

Financial Accountability Activity: Manage and Monitor

Produce accurate and timely financial information

The provision of financial information via ORACLE is linked to the Core Enabling Framework and the responsibility of Finance. However much of the information that feeds ORACLE comes directly from Directorate systems and processes, and therefore all roles must work together to achieve accurate financial information. At a cost-centre level the budget manager is both **Accountable** and **Responsible** for this activity.

Monitor expenditure and income against budget

On a regular basis (at least monthly) all expenditure and income should be monitored against budget expectations. At the cost-centre level, the budget manager is **Responsible** for this activity, and will **Contribute** to it at a Directorate level.

Prepare forecasts

As part of budget monitoring, forecasts of expenditure and income are made and kept updated for the year ahead, taking account of risks and opportunities. At a cost-centre level, the budget manager is both **Accountable** and **Responsible** for this activity. Some budgets will require specialist support and modelling from the Chief Finance Officer (Section 151 Officer), Director of Finance (Deputy Section 151 Officer) and/or the Finance team.

Identify need for, and make plans for, corrective financial action

If a budget is heading off track the budget manager should take the initiative for corrective action. The Chief Finance Officer (Section 151 Officer), Director of Finance (Deputy Section 151 Officer) and the Finance team should be engaged at the earliest point in order to provide active support, and, at a cost-centre level, the budget manager is **Accountable** and **Responsible** for ensuring this corrective action is taken. The budget manager may also be required to **Contribute** to corrective action(s) because of wider issues across the Directorate and/or Organisation.

Role: Budget Managers/Directors/Heads of Service

Financial Accountability Activity: Manage and Monitor

Transfer funds between budget headings

There is flexibility within Financial Regulations for funds to be moved between budget headings (sometimes known as virements). The budget manager is **Responsible** for transfers of funds across budgets within their control. There are limits, and certain approvals may be needed as stated in the Council journal approval guidance. The Director of Finance (Deputy Section 151 Officer) and/or the Finance team can advise.

Ensure access to relevant financial information and appropriate financial support

This is linked to the Core Enabling Framework and the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) ensure that the Finance service provide the information, advice, support, and challenge to enable excellent financial management. This will include training tools and materials. The budget manager is **Informed** but can **Contribute** ideas on how to improve the support provided.

Ensure Budget holders are appropriately skilled

Through the appraisal process, Corporate Directors will assess the financial skills of their managers and identify any skills gaps, and budget managers therefore **Contribute** by highlighting relevant skills requirements and gaps. Training and support will be provided by Chief Finance Officer (Section 151 Officer) / Director of Finance (Deputy Section 151 Officer).

Manage external contracts within budget

Many of our services are delivered through external contracts, and the contract manager, as budget manager, is **Responsible** for ensuring that the commissioned services are within budget.

Role: Budget Managers/Directors/Heads of Service

Financial Accountability Activity: Manage and Monitor

Report the overall City Council financial position to CLT and to the Executive Board

The Chief Finance Officer (Section 151 Officer) is **Accountable** for reporting the Council's overall financial performance, and the Director of Finance (Deputy Section 151 Officer) is **Responsible** for collating the reporting of the Council's overall financial performance. Budget managers are **Informed** of the position via CLT and DLT briefings and are responsible for communicating this to members via Portfolio Holder briefing and/or Budget Review and Overview Group (BROGs) meetings.

Report Directorate financial position to DLTs

Each Directorate has a DLT comprising the relevant Directors. The DLT oversees the financial performance of the Directorate. The Directors have **accountability** for reporting and Corporate Directors actively **Contribute** to ensure that the reported position is fully reflective of the issues and information within the Directorate.

Authorise expenditure

Orders and payments can be authorised if there is sufficient budget available. Limits apply, and budget managers are **Accountable** and **Responsible** for payments up to specified limits, using ORACLE or other approved systems and processes and ensuring their staff comply with all procedures and best practice through effective monitoring and corrective action where necessary.

Collect Income

This is where fees, charges or other 3rd party contributions are due. Budget managers are **Accountable** and **Responsible** for this activity using ORACLE or other approved systems and processes and ensuring their staff comply with all procedures and best practice and actively pursue the efficient collection of income through effective monitoring and corrective action where necessary.

Role: Finance Team

NCC operates a “business partner” model for finance, and in each Directorate, there is a finance team that provides financial advice, information, insight, and challenge to that Unit. The teams work closely with the Technical Finance team and the Strategic Finance team

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|---|
| Role: Finance Team |
| Financial Accountability Activity: Plan and Decide |
| Devise NCC financial strategy and Medium-Term Financial Plan (MTFP) |
| The development of the financial strategy and MTFP is led by the Chief Finance Officer (Section 151 Officer) in collaboration with CLT and approved by members. The Strategic Finance Team is Responsible for this work, Finance Business Partners (FBPs) Contribute towards it. |
| Set MTFP targets and MTFP timetables |
| The process of setting targets and timetables is led by the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer), but the choices over savings targets are approved by members. The Director of Finance (Deputy Section 151 Officer) and the Finance team are Responsible for this work, and Chief Finance Officer (Section 151 Officer) Contribute towards it. |
| Devise Directorate financial strategy in line with MTFP targets (including working up savings proposals) |
| Once the MTFP has been approved and planning targets set, the Directorate will devise a strategy for meeting its financial targets. This will involve senior managers within that Directorate to work up savings (or investment) proposals, with the strong support of the FBPs and Finance team who Contribute by providing advice and challenge and may co-ordinate the process on behalf of the Corporate Director. |

Role: Finance Team

Financial Accountability Activity: Plan and Decide

Analyse trends and cost drivers to inform budget-planning within the Directorate

As part of the MTFP and budget-setting process, the Finance Director (Deputy Section 151 Officer) is jointly **Responsible** with the budget manager for ensuring that financial and service data is used to inform, through trend analysis and so on. This ensures that budget proposals are robust and insightful. By working in partnership, insight and analysis is used to understand and predict trends, to inform budget planning.

Decide how best to use allocated cost-centre budget

Once budgets have been set, decisions will be made on how best to use the budgets allocated. These decisions will be made by budget managers, and the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) will **Contribute** to this activity by advising on how to secure value for money.

Appraise investment options

Usually this refers to a capital project, invest to save or a scheme with a financial payback. Options will be considered to test if they are affordable and will achieve the target return. Budget Managers and the Director of Finance (Deputy Section 151 Officer) and the Finance team will work closely together on proposals and are jointly **Responsible**.

Advise on external financial best practice

As a learning organisation, we want to understand what works well elsewhere. Finance staff will use their networks to bring back relevant best practice and advise on how this can be applied in NCC. The Director of Finance (Deputy Section 151 Officer) is therefore **Responsible** for this activity at a corporate level and the FBPs and their team are **Responsible** at the service and directorate level.

Role: Finance Team

Financial Accountability Activity: Plan and Decide

Identification and application of external funding, including government grants

There is often small print restricting the financial use of external funding including government grants and other 3rd party contributions (e.g., NHS or developers) and it is important that there is guidance¹ to ensure that money is spent appropriately. The respective FBP will lead this process and is **Accountable** for ensuring this, and therefore has the ability to direct how budget managers use such funds.

¹ this mainly applies where funding agreement requires sign-off from the Section 151 Officer

Devise commissioning strategy to realise savings

Many of our services are delivered through external contracts, and commissioning (or procurement) strategies are required to plan how we engage with the market to achieve a desired outcome. The Procurement team and the FBPs will **Contribute** to the development of commissioning strategies for their Directorate.

Set prices for sale of services

Pricing decisions are required to ensure that costs are recovered, or that statutory guidance has been followed. FBPs will actively support and **Contribute** to this activity for decisions made (or proposals made to members).

Consult with service stakeholders re a budget proposal, including undertaking an Equalities Impact Assessment

Many budget proposals require formal consultation with residents and/or service users. The FBPs will **Contribute** to this activity by providing financial information etc.

Role: Finance Team

Financial Accountability Activity: Manage and Monitor

Produce accurate and timely financial information

The provision of financial information via ORACLE is linked to the Core Enabling Framework and the responsibility of Finance. However much of the information that feeds ORACLE comes directly from Directorate systems and processes, and therefore all roles must work together to achieve accurate financial information. Finance Teams have crucial roles in this activity. At a corporate level, the Technical Finance team and the Strategic Finance team are **Responsible** for compiling the data and ensuring integrity. At a Directorate level the FBPs is **Accountable**, and at a cost-centre level the finance team will **Contribute** to the work undertaken by budget managers.

Monitor expenditure and income against budget

On a regular basis (at least monthly) all expenditure and income should be monitored against budget expectations. Within the Directorate, the FBP is **Responsible** for actively supporting and challenging budget managers.

Prepare forecasts

As part of budget monitoring, forecasts of expenditure and income are made and kept updated for the year ahead, taking account of risks and opportunities. Within the Directorate, the FBPs **Contribute** to this activity which is led by budget managers. Some budgets will require specialist support and modelling from the FBPs, and the FBPs is **Responsible** for ensuring the overall integrity of the forecasts being used.

Identify need for, and make plans for, corrective financial action

If a budget is heading off track the budget manager should take the initiative for corrective action. The FBPs and team should be engaged and will **Contribute** active support. At the Directorate level the FBPs is **Responsible** for co-ordinating overall Directorate budget correction action, and at a corporate level the Technical Finance team and the Strategic Finance team are **Responsible** for undertaken this activity.

Role: Finance Team

Financial Accountability Activity: Manage and Monitor

Transfer funds between budget headings

There is flexibility within Financial Regulations for funds to be moved between budget headings (sometimes known as virements). There are limits, and certain approvals may be needed. The FBPs can advise. In general, the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) **Contribute** to this activity through advice and challenge and the Chief Finance Officer (Section 151 Officer) is also **Accountable** for ensuring that any budget transfers made are in accordance with the rules.

Ensure access to relevant financial information and appropriate financial support

This is linked to the Core Enabling Framework and the Chief Finance Officer (Section 151 Officer) and Director of Finance (Deputy Section 151 Officer) ensure that the Finance Service provides the information, advice, support, and challenge to enable excellent financial management. This will include training tools and materials. The FBP is **Responsible** for this activity for their Directorate.

Ensure Budget holders are appropriately skilled

Through the appraisal process, Directors will assess the financial skills of their managers and identify any skills gaps, and the FBP will be **Responsible** for the training and support.

Manage external contracts within budget

Many of our services are delivered through external contracts, and the Finance Director (Deputy Section 151 Officer) and/or their deputies will **Contribute** by providing advice and support to the budget manager for ensuring that the commissioned services are within budget.

Role: Finance Team

Financial Accountability Activity: Manage and Monitor

Report the overall City Council financial position to CLT and to the Executive Board

The Chief Finance Officer (Section 151 Officer) has accountability for reporting the Council's overall financial performance, . Excellence is achieved where reporting is through a partnership approach where Directors actively **Contribute** to improve the accuracy and insight of the corporate reporting. The Strategic Finance team are **Responsible** for co-ordinating the reporting and the Finance Director (Deputy Section 151 Officer) **Contributes** .

Report Directorate financial position to DLTs

Each Directorate has a DLT comprising the relevant Directors. The DLT oversees the financial performance of the Directorate. The FBP is **Accountable** and **Responsible** for reporting with the active contribution of Corporate Director and budget managers to ensure that the reported position is fully reflective of the issues and information within the directorate.

Authorise expenditure

Orders and payments can be authorised if there is sufficient budget available. Limits apply, and FBPs **Contribute** by providing advice and guidance.

Collect Income

This is where fees, charges or other 3rd party contributions are due. The Finance Director (Deputy Section 151 Officer) **Contribute** by providing advice and guidance through the Technical Finance team, the Finance Business Partnering team and the Transactional Finance team.

Role: Chief Finance Officer (Section 151 Officer)

The Chief Finance Officer has overall **accountability** and **responsibility** for the Core Enabling Framework which is described above. In addition, the Chief Finance Officer has the following roles in relation to individual activities.

| |
|---|
| Role: Chief Finance Officer (Section 151 Officer) |
| Financial Accountability Activity: Plan and Decide |
| Devise NCC financial strategy and Medium-Term Financial Plan (MTFP) |
| The Chief Finance Officer (Section 151 Officer) is Accountable for the development of the financial strategy and MTFP, to which members of CLT actively Contributes . The MTFP is approved by members at Full Council. |
| Set MTFP targets and MTFP timetables |
| The process of setting targets and timetables is led by the Chief Finance Officer (Section 151 Officer) who is Accountable , but the choices over savings targets are approved by members. The process is informed by the active contributions of CLT members, advising on the options, opportunities, and consequences from a service perspective. |
| Devise Directorate financial strategy in line with MTFP targets (including working up savings proposals) |
| Once the MTFP has been approved and planning targets set, the Chief Finance Officer (Section 151 Officer) Contributes to the work of Corporate Directors and their management teams in ensuring that the Directorate has a strategy for meeting its financial targets. |
| Analyse trends and cost drivers to inform budget-planning within the Directorate |
| As part of the MTFP and budget-setting process, financial and service data is used to inform, through trend analysis and so on. This ensures that budget proposals are robust and insightful. The work will be led by FBPs who work in partnership with Budget Managers to use insight and analysis to understand and predict trends, to inform budget planning. The Chief Finance Officer (Section 151 Officer) is Informed . |

Role: Chief Finance Officer (Section 151 Officer)

Financial Accountability Activity: Plan and Decide

Decide how best to use allocated cost-centre budget

Once budgets have been set, decisions will be made on how best to use the budgets allocated. These decisions will be made by budget managers, and the Chief Finance Officer (Section 151 Officer) is **Informed** .

Appraise investment options

Usually this refers to a capital project, invest to save or a scheme with a financial payback. Options will be considered to test if they are affordable and will achieve the target return. Budget Managers, Corporate Directors, Heads of Service and Finance Director (Deputy Section 151 Officer) will work closely together on proposals and the Chief Finance Officer (Section 151 Officer) will **Contribute** to the appraisal of more significant schemes.

Advise on external financial best practice

As a learning organisation, we want to understand what works well elsewhere. Finance staff will use their networks to bring back relevant best practice and advise on how this can be applied in NCC. Whilst the Chief Finance Officer (Section 151 Officer) is **Accountable** the Director of Finance (Deputy Section 151 Officer) is **Responsible** for ensuring that the finance team perform this role and advise members and senior managers accordingly.

Identification and application of external funding, including government grants

There is often small print restricting the financial use of external funding including government grants and other 3rd party contributions (e.g., NHS or developers) and it is important that there is guidance to ensure that money is spent appropriately. The Finance Director (Deputy Section 151 Officer) will lead this process and the Chief Finance Officer (Section 151 Officer) will be **Informed** .

Role: Chief Finance Officer (Section 151 Officer)

Financial Accountability Activity: Plan and Decide

Devise commissioning strategy to realise savings

Many of our services are delivered through external contracts, and commissioning (or procurement) strategies are required to plan how we engage with the market to achieve a desired outcome. The Chief Finance Officer (Section 151 Officer) will be **Informed**.

Set prices for sale of services

Pricing decisions are required to ensure that costs are recovered, or that statutory guidance has been followed. The Chief Finance Officer (Section 151 Officer) will be **Informed**.

Consult with service stakeholders re a budget proposal, including undertaking an Equalities Impact Assessment

Many budget proposals require formal consultation with residents and/or service users. The Chief Finance Officer (Section 151 Officer) will be **Informed**.

Role: Chief Finance Officer (Section 151 Officer)

Financial Accountability Activity: Manage and Monitor

Produce accurate and timely financial information

The provision of financial information via ORACLE is linked to the Core Enabling Framework and the responsibility of Finance. However much of the information that feeds ORACLE comes directly from Directorate systems and processes, and therefore all roles must work together to achieve accurate financial information. At a corporate level, the Chief Finance Officer (Section 151 Officer) is **Accountable** for this activity. At Directorate level, the Chief Finance Officer (Section 151 Officer) will **Contribute**, thus promoting the importance of accurate and timely financial information.

Monitor expenditure and income against budget

On a regular basis (at least monthly) all expenditure and income should be monitored against budget expectations. At a corporate level, the Chief Finance Officer (Section 151 Officer) is **Accountable** for this activity. At Directorate level, the Chief Finance Officer (Section 151 Officer) will **Contribute**.

Prepare forecasts

As part of budget monitoring, forecasts of expenditure and income are made and kept updated for the year ahead, taking account of risks and opportunities. At a corporate level, the Chief Finance Officer (Section 151 Officer) is **Accountable** for this activity,. At Directorate level, the Chief Finance Officer (Section 151 Officer) will **Contribute**.

Identify need for, and make plans for, corrective financial action

If a budget is heading off track the budget manager should take the initiative for corrective action. At a corporate level, the Chief Finance Officer (Section 151 Officer) is jointly **Accountable** for this activity with CLT. At Directorate level, the Chief Finance Officer (Section 151 Officer) will **Contribute** to the work led by Directors and FBPs.

Role: Chief Finance Officer (Section 151 Officer)

Financial Accountability Activity: Manage and Monitor

Transfer funds between budget headings

There is flexibility within Financial Regulations for funds to be moved between budget headings (sometimes known as virements). At a corporate level, the Chief Finance Officer (Section 151 Officer) is **Accountable** for this activity. At Directorate level, the Chief Finance Officer (Section 151 Officer) will **Contribute**. There are limits, and certain approvals may be needed.

Ensure access to relevant financial information and appropriate financial support

This is linked to the Core Enabling Framework and the Chief Finance Officer (Section 151 Officer) ensures that the Finance Service provides the information, advice, support, and challenge to enable excellent financial management. This will include training tools and materials. This is a key **accountability** of the Chief Finance Officer (Section 151 Officer).

Ensure Budget holders are appropriately skilled

Through the appraisal process, Directors will assess the financial skills of their managers and identify any skills gaps, and training and support will be provided by FBPs. The Chief Finance Officer (Section 151 Officer) will be **Informed** of significant skills gaps.

Manage external contracts within budget

Many of our services are delivered through external contracts, and managers will ensure that the commissioned services are within budget. The Chief Finance Officer (Section 151 Officer) will be **Informed** of significant issues.

Report the overall City Council financial position to CLT and to the Executive Board

Role: Chief Finance Officer (Section 151 Officer)

Financial Accountability Activity: Manage and Monitor

The Chief Finance Officer (Section 151 Officer) has **accountability** for reporting the Council's overall financial performance. Excellence is achieved where reporting is through a partnership approach where Corporate Directors actively **Contribute** to improve the accuracy and insight of the corporate reporting.

Report Directorate financial position to DLTs

Each Directorate has a DLT comprising the relevant Directors. The DLT oversees the financial performance of the Directorate. The FBP is **Accountable** for reporting and the Chief Finance Officer (Section 151 Officer) will **Contribute** to ensure that the reported position is fully reflective of the issues and information across the organisation.

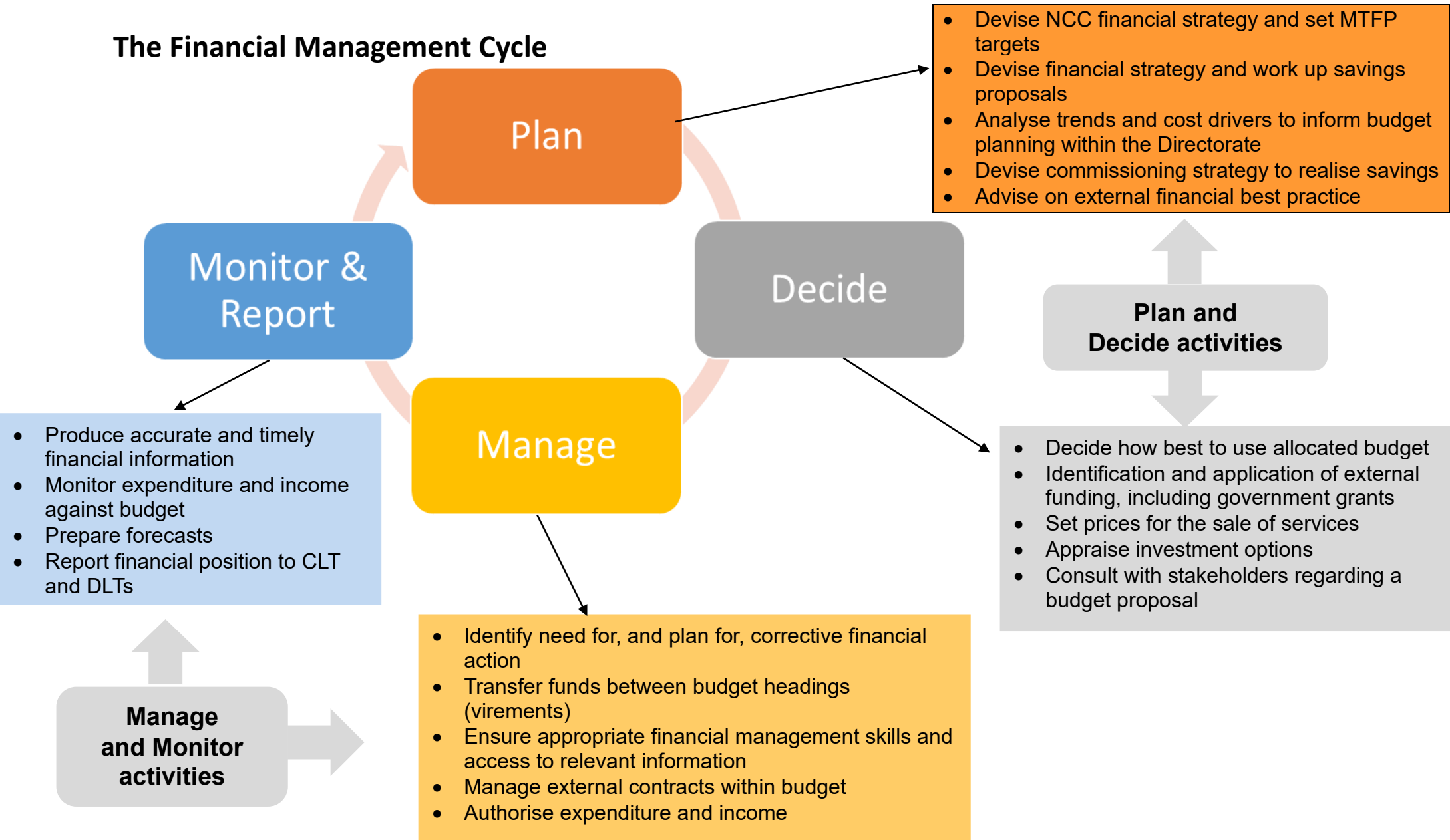
Authorise expenditure

Orders and payments can be authorised if there is sufficient budget available. Limits apply, and the Chief Finance Officer (Section 151 Officer) is **Informed** as required on exceptional items.

Collect Income

This is where fees, charges or other 3rd party contributions are due. The Chief Finance Officer (Section 151 Officer) is **Informed** only of exceptional items.

The Financial Management Cycle



Summary

| Financial Accountabilities: Plan and Decide | | | | |
|--|--|---|---|---|
| Activity | Chief Executive Corporate Directors/CLT | Budget Manager – Directors, Heads of Service etc | Director of Finance and the Finance team | Chief Finance Officer (s151 Officer) |
| Devise NCC financial strategy | Consulted/ Contributes | Informed | Responsible | Accountable |
| Devise Directorate financial strategy in line with MTFP targets (including working up savings proposals) | Accountable | Responsible (Service Directors & Heads of Service) | Consulted/ Contributes | Consulted/ Contributes |
| | | Consulted/ Contributes (other Budget Managers) | | |
| Set MTFP targets and MTFP timetables | Consulted/ Contributes | Informed | Responsible | Accountable |
| Decide how best to use allocated cost-centre budget | Consulted/ Contributes | Accountable | Consulted/ Contributes | Informed |
| | | Responsible | | |

| Financial Accountabilities: Plan and Decide | | | | |
|--|--|---|---|---|
| Activity | Chief Executive Corporate Directors/CLT | Budget Manager – Directors, Heads of Service etc | Director of Finance and the Finance team | Chief Finance Officer (s151 Officer) |
| Analyse trends and cost drivers to inform budget-planning within the Directorate | Accountable | Responsible | Responsible | Informed |
| Appraise investment options | Accountable | Responsible | Responsible | Consulted/ Contributes |
| Advise on external financial best practice | Informed | Informed | Responsible | Accountable |
| Identification and application of external funding, including government grants | Consulted/ Contributes | Responsible | Accountable | Informed |
| Devise commissioning strategy to realise savings | Accountable | Responsible | Consulted/ Contributes | Informed |
| Set prices for sale of services | Accountable | Responsible | Consulted/ Contributes | Informed |
| Consult with service stakeholders re: a budget proposal, including undertaking an Equalities Impact Assessment | Accountable | Responsible | Consulted/ Contributes | Informed |

| Financial Accountabilities: Manage and Monitor Activities | | | | | |
|---|--------------|--|---|--|---|
| Some of these activities are sub-divided into corporate, Directorate and cost-centre levels | | | | | |
| Activity | Level | Chief Executive Corporate Directors/CLT | Budget Manager - Directors, Heads of Service etc | Finance Director and The Finance Team | Chief Finance Officer (s151 Officer) |
| Produce accurate and timely financial information | Corporate | Consulted/ Contributes | Consulted/ Contributes | Responsible | Accountable |
| | Directorate | Consulted/ Contributes | Responsible | Accountable | Consulted/ Contributes |
| | Cost Centre | Consulted/ Contributes | Accountable | Responsible | Consulted/ Contributes |
| Responsible | | | | | |
| Monitor expenditure and income against budget | Corporate | Consulted/ Contributes | Consulted/ Contributes | Responsible | Accountable |
| | Directorate | Accountable | Consulted/ Contributes | Responsible | Consulted/ Contributes |
| | Cost Centre | Consulted/ Contributes | Responsible | Accountable | Informed |

| Financial Accountabilities: Manage and Monitor Activities | | | | | |
|---|--------------|--|---|---|---|
| Some of these activities are sub-divided into corporate, Directorate and cost-centre levels | | | | | |
| Activity | Level | Chief Executive Corporate Directors/CLT | Budget Manager - Directors, Heads of Service etc | Finance Director and The Finance Team | Chief Finance Officer (s151 Officer) |
| Prepare forecasts | Corporate | Consulted/ Contributes | Consulted/ Contributes | Responsible (Director of Finance responsible for the Integrity of forecasts) | Accountable |
| | Directorate | Accountable | Responsible | Consulted/ Contributes | Consulted/ Contributes |
| | Cost Centre | Consulted/ Contributes | Accountable | Responsible | Consulted/ Contributes |
| Responsible | | | Responsible (FBP responsible for the Integrity of forecasts) | | |
| Identify need for, and make plans for, corrective financial action | Corporate | Consulted/ Contributes | Informed | Responsible | Accountable |

| Financial Accountabilities: Manage and Monitor Activities | | | | | |
|--|--------------|--|---|--|---|
| Some of these activities are sub-divided into corporate, Directorate and cost-centre levels | | | | | |
| Activity | Level | Chief Executive Corporate Directors/CLT | Budget Manager - Directors, Heads of Service etc | Finance Director and The Finance Team | Chief Finance Officer (s151 Officer) |
| | Directorate | Accountable | Consulted/ Contributes | Responsible | Consulted/ Contributes |
| | Cost Centre | Consulted/ Contributes | Accountable Responsible | Consulted/ Contributes | Informed |
| Transfer funds between budget headings | Corporate | Responsible | Consulted/ Contributes | Consulted/ Contributes | Accountable |
| | Directorate | Accountable | Responsible | Responsible | Consulted/ Contributes |
| | Cost Centre | Consulted/ Contributes | Responsible | Accountable | Informed |
| Ensure access to relevant financial information and appropriate financial support | N/A | Consulted/ Contributes | Informed | Responsible | Accountable |

| Financial Accountabilities: Manage and Monitor Activities | | | | | |
|--|-----------------------------------|---|--|---|--------------------------------------|
| Some of these activities are sub-divided into corporate, Directorate and cost-centre levels | | | | | |
| Activity | Level | Chief Executive Corporate Directors/CLT | Budget Manager - Directors, Heads of Service etc | Finance Director and The Finance Team | Chief Finance Officer (s151 Officer) |
| Ensure Budget holders are appropriately skilled | N/A | Accountable | Consulted/Contributes | Responsible | Informed |
| Manage external contracts within budget | N/A | Accountable | Responsible | Consulted/Contributes | Informed |
| Report the overall City Council financial position to CLT and to the Executive Board | N/A | Consulted/Contributes | Informed | Responsible (Strategic Finance team Team) | Accountable |
| Report Directorate financial position to DLT | N/A | Consulted/Contributes | Consulted/Contributes | Accountable Responsible | Consulted/Contributes |
| Authorise expenditure In line with the Council decision making guidance (ncc-concise-decision-making-guidance-002.pdf (nottinghamcity.gov.uk)) | High-value payments (Above £100k) | Accountable | Accountable | Consulted/Contributes | Informed |
| | | Responsible | Responsible | | |
| | Low-value Payments (Below £100k) | Accountable | Accountable | | |
| | | Responsible | Responsible | | |
| Collect income | N/A | Consulted/Contributes | Accountable Responsible | Consulted/Contributes | Informed |