

Accountability Statements

The Council's Financial Procedure Rules provide a framework within which all staff can carry out their responsibilities in an open and consistent manner. They outline the financial responsibilities of all officers and members of the Council, and have been designed to promote and maintain the high standards expected of the public sector in dealing with financial and other resources financed from their taxation by:

- placing clear accountability with officers appointed to manage resources;
- establishing key principles and processes which they should follow, supported by detailed operating arrangements approved by the Section 151 Officer.

This is essential in order to promote the highest standards of management with public resources and is a part of what is needed to respond to the CIPFA report and improve financial accountability.

Whilst responsibility for the administration of the council's financial affairs lies with the Section 151 Officer, all individuals engaged in council activities have a responsibility for ensuring that their actions comply with Financial Procedure Rules. Cabinet Members and Executive Directors hold a dual role to ensure that strategic policies and priorities are delivered within resources and meet all fiduciary responsibilities, recommendations to Council are deliverable and that they support Budget Managers to spend within the agreed cash limits.

The accountable Budget Holders (starting at Executive Directors level, Directors, Heads of Service and other officers deemed to be Senior Officers or Budget Managers) possess overall accountability for their budget or group of budgets. Each Budget Holder is ultimately accountable for ensuring effective planning and management of their budgets to deliver their service priorities within the agreed budget envelope.

It is proposed any staff managing a budget, signs an annual Budget Accountability Statement. Their key responsibility is to make best use of financial resources through good planning and management, taking corrective action where required. An example of such a statement is attached.

This will be introduced from 1 April 2024, but will be done so in a supportive way, with all budget holders invited to financial training sessions held by Finance to ensure they are equipped to carry out their responsibilities. Job Descriptions will need to be checked to ensure they are consistent with the sound financial management expected within this new framework.

DRAFT EXAMPLE OF BUDGET ACCOUNTABILITY STATEMENT:

As budget holder and a senior officer of Southampton City Council, you have overall accountability for a revenue budget or group of revenue budgets. You are ultimately accountable for ensuring effective planning and management of your budgets to deliver your service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible. You may also have overall responsibility for a capital budget or group of capital budgets and are ultimately accountable for ensuring effective planning and management of your budgets to deliver against the capital budget. It should be understood, that failure to deliver within budget is a performance matter.

Specifically, your role is to:

- Deliver your service or capital projects within the agreed cash limits, unless express agreement has been reached with the S151 Officer (and Members where necessary) that a budget variance is required;
- Monitor income and expenditure against the budget on a monthly basis and take corrective action where necessary to keep spending within available resources;
- Develop plans to deliver savings, monitor their progress and adapt plans to maximise achievement of savings;
- Regularly check that income and expenditure are posted to the correct budgets;
- Forecast income and expenditure for the full year;
- Work with the Finance Business Partner to determine the budget requirement over a rolling 5 year period setting out and agreeing clear assumptions.
- Highlight any significant variances and forecast variances as early as possible so mitigating and alternative actions can be developed and implemented.
- If there is an overspend, develop deficit recovery plans quickly to tackle this issue and agree them with the Finance Business Partner, senior management, EMB and the S151 officer.

To help you with these tasks:

Your Finance Business Partner and the Finance team will work closely with you to support and enable you to effectively manage your budget. If you have any questions, please speak to your Finance Business Partner.

Training will be provided and made available for all budget holders on how to manage their budgets. These sessions will be repeated annually.

'Drop in' sessions will be organised each quarter to facilitate an opportunity to discuss any financial matter that may be of concern, with members of the Finance team.