

**Report Title: Financial Procedure Rules**

Date of meeting:	11 December 2024 16 January 2025		
Report to:	Audit and Governance Committee Council		
Report of:	Executive Director of Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	All		
Is this a key decision:	No	Included in Forward Plan:	No
Exempt/confidential report:	No		

**Summary:**

It is a requirement of the Council's Constitution that there is a regular review of the Financial Procedure Rules.

This report seeks approval for revisions to the Financial Procedure Rules following the most recent review.

**Recommendation(s):**

- (1) That the Audit and Governance Committee:
  - (a) Consider and approve the revision to the Financial Procedure Rules set out in the Appendix to this report.
  - (b) Refer the duly amended Financial Procedure Rules to Council for approval.
- (2) That Council approve the amended Financial Procedure Rules as set out in the Appendix to this report.

## **1. Financial Procedure Rules**

- 1.1 As part of the annual review of the Council's Constitution, the Council's Financial Procedure Rules have been the subject of review.
- 1.2 This review has included officers from the Finance Service, Internal Audit and Senior Officers within the Council. The final document as included within this report has also been the subject of review and initial approval by the Council's Monitoring Officer, prior to presentation to members.
- 1.3 As would be expected, large elements of the previous version of the Financial Procedure Rules remain as previously approved, however certain changes are proposed and are discussed below. These changes align with the Council's structure and the aims of the Financial Procedure Rules such that:
  - They provide the framework for managing the financial affairs of the Council;
  - They define the roles and responsibilities of members and officers;
  - They facilitate the effective operation of Council activity; and
  - They provide a framework for the delivery of an effective internal control environment.
- 1.4 Having reviewed the Financial Procedure Rules there are a number of key areas that are reflected in the updated schedule and the changes have been summarised within the following paragraphs.
- 1.5 Other minor changes have been made to the format and content of the Financial Procedure Rules to reflect changes to Cabinet Member and Senior Officer titles.

### Changes as a Result of Organisational Redesign

- 1.6 The Financial Procedure Rules have been updated to take account of changes to the roles and responsibilities and job titles within the Council including Officers within the Senior Leadership Board and Cabinet Members.

### Issuing Quotations for Goods and Services (Paragraph E.10)

- 1.7 In order to reinforce existing good practice within the Council, the Financial Procedure rules have been updated to include a new section on what services must do when issuing quotations to other organisations and individuals for the provision of Council goods and services. This is supported by an additional guidance note which provides the key principles which must be followed when issuing quotes and also instructions on the content and the format. The guidance note has been shared directly with services and will be regularly reviewed and updated as part of the normal ongoing reviews of Council financial policies, procedures and guidance documentation.

### Fuel Cards (Paragraph E.52 to E53)

- 1.8 The purpose of Fuel Cards is to allow services and individuals to access fuel at designated retailers within the borough of Sefton. This includes those services with patrol vehicles and those that operate outside of normal business hours.
- 1.9 Similar to existing good practice with Credit / Debit / Pre-paid Cards, a new section has been included within the Financial Procedure Rules in relation to Fuel Cards. This reinforces the existing requirement that Fuel Cards must be used in line with the Procedures for Fuel Card Usage as issued by the Service Manager for Transport and Vehicle Maintenance / Specialist Transport / School Crossing Services. This includes the scope of usage, card limits, safekeeping, record keeping and reconciliation requirement.

### Bidding for Grant Funding (Paragraph F.8)

- 1.10 This section provides services with guidance on the formal approval process that must be followed prior to bids being made for external grant funding and the subsequent actions required for approval to include this within the Council's budget if the bid is successful before any commitments or expenditure can be incurred.
- 1.11 This has been updated following a recent review of the supporting guidance (the Grant Funding Protocol) to provide additional clarification on the roles and responsibilities of officers in relation to the management, certification, record keeping, monitoring arrangements and ensuring that any conditions associated with grants are met.

### Grants, Donations and Contributions (Paragraphs F.9 to F13)

- 1.12 This section covers situations where the Council is providing support to other organisations or individuals in the form of a grant, donation or contribution. This change will be supported by a policy to provide a framework for the overarching approach and this will be approved by the Cabinet Member for Corporate Services in consultation with the Section 151 Officer and the Chief Legal and Democratic Services Officer.
- 1.13 It is the responsibility for Executive Directors and Assistant Directors to ensure that any grants provided by their services are consistent with this policy and that they clearly set out the process for allocation and any conditions that apply to grant funding.

## **2. Financial Implications**

Robust financial procedures support effective resource allocation, contribute to long term planning, monitoring, reporting and risk mitigation.

## **3. Legal Implications**

Production of this report has been considered in line with Section 151 of the Local Government Act 1972, Section 114 of the Local Government Finance Act 1988, the Local Government and Housing Act 1989 and the Local Government Act 2003 together with any other relevant legislation as detailed within the Financial Procedure Rules.

## **4. Corporate Risk Implications**

Robust financial procedures help with the identification and mitigation of financial risks.

## 5 Staffing HR Implications

There are no staffing HR implications associated with the recommendations within this report.

## 6 Conclusion

As part of the annual review of the Council's Constitution, the Council's Financial Procedure Rules (FPR) have been the subject of review. This has resulted in a number of proposed revisions, which are now presented for consideration by Audit and Governance Committee and referral to Council for their consideration and approval.

### Alternative Options Considered and Rejected

No alternative options have been considered as the review of the Financial Procedure Rules is a requirement of the Constitution.

<b>Equality Implications:</b>
There are no equality implications.
<b>Impact on Children and Young People:</b>
The recommendations within this report will have no direct impact on Children and Young People. However, robust financial procedures support effective resource allocation, contribute to long term planning, monitoring, reporting and risk mitigation. Therefore, supporting the Council to achieve its aims and objectives including supporting Children and Young People.
<b>Climate Emergency Implications:</b>
The recommendations within this report will have a Neutral impact. However, robust financial procedures support effective resource allocation, contribute to long term planning, monitoring, reporting and risk mitigation. Therefore, supporting the Council to achieve its aims and objectives including commitments with respect to the Climate Emergency.

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Services and Commercial (FD.7867/24) and the Chief Legal and Democratic Officer (LD.5967/24) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable.

**Implementation Date for the Decision :**

With immediate effect following the Committee / Council meeting.

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**Appendices:**

Appendix – Revised Financial Procedure Rules

**Background Papers:**

There are no background papers available for inspection.