

Part 5E - Chief Financial Officer (Section 151 Officer) **Protocol**

1.0 GENERAL INTRODUCTION TO STATUTORY RESPONSIBILITIES

- 1.1 The Chief Financial Officer is a statutory appointment pursuant to section 151 of the Local Government Act 1972. This protocol provides some general information on how those statutory requirements will be discharged in the Here Council.
- 1.2 The Chief Financial Officer should undertake to discharge these statutory responsibilities in a positive way and in a manner that enhances the overall reputation of the Council. In doing so, the Chief Financial Officer will also safeguard, so far as is possible, Members and Officers, whilst acting in their official capacities, from financial difficulties.
- 1.3 A summary list of the statutory responsibilities appears in the table annexed to this document.
- (a) complying with the Council's financial procedures;
 - (b) making lawful payments;
 - (c) not taking action that would result in unlawful payments or unlawful action.

Functions of the Chief Financial Officer

Ensuring lawfulness and financial prudence of decision-making -

After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Financial Officer will report to the Council, or the Executive in relation to an executive function, and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

Administration of financial affairs - The Chief Financial Officer will have responsibility for the administration of the financial affairs of the Council.

Contributing to corporate management - The Chief Financial Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

Providing advice - The Chief Financial Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Members and will support and advise Members and officers in their respective roles.

Give financial information - **The Chief Financial Officer will ensure that financial information about the Council is provided to the media, members of the public and the community.**

ANNEX 1

SUMMARY OF CHIEF FINANCIAL OFFICER FUNCTIONS

	Description	Source
1	Report on decisions incurring unlawful expenditure, unlawful loss or deficiency or unlawful item of account.	Section 114, 114a, 115, 116 Local Government and Finance Act 1988
2	Appointment of Deputy.	Section 114 Local Government and Finance Act 1988.
3	Report on resources.	Section 114 Local Government and Finance Act 1988.
4	Responsibility for the administration of financial affairs.	Section 151 Local Government Act 1972
5	Borrowing, investment accounts and financial administration.	Local Government Act 2003 Sections 1-92
6	Responsibility to determine the form of the Council's accounts and records, provide internal audit and statement of accounts.	The Accounts and Audit Regulations 2003 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

KEY ROLES OF THE CHIEF FINANCIAL OFFICER

1.0 Maintaining strong financial management underpinned by effective financial controls

- 1.1 Advising on corporate risk profiling and management, including safeguarding assets, risk avoidance and insurance.
- 1.2 Advising on effective systems of internal control.
- 1.3 Ensuring there is an effective system of internal financial control.
- 1.4 Ensuring that financial management arrangements are sound and effective.
- 1.5 Ensuring a prudential financial framework is in place.
- 1.6 Ensuring that any partnership arrangements (or other innovative structures for service delivery) are underpinned by clear and well documented internal financial controls.
- 1.7 Securing effective arrangements for prudential borrowing, treasury management, pensions and trust funds.
- 1.8 Ensuring there is an effective internal audit function and assisting management in providing effective arrangements for financial scrutiny.
- 1.9 Advising on anti-fraud and anti-corruption strategies and measures.
- 1.10 Securing effective systems of financial administration.
- 1.11 Ensuring that statutory and other accounts and associated claims and returns in respect of grant are prepared.
- 1.12 Contributing to the management of the Council.
- 1.13 Ensuring that the Council's financial resources are well managed.

1.14 Contributing to cross-council issues and to the development of the Council.

2.0 Contributing to corporate management and leadership

2.1 Contributing to the effective leadership of the Council.

3.0 Supporting and advising democratically elected representatives

3.1 Advising on protocols setting out the respective roles and responsibilities of Members and officers for financial management.

3.2 Providing advice to Members on developing an overall financial strategy that serves policy and service objectives.

3.3 Helping Members to identify priorities, prepare the annual funding plan/budget and identify how resources will be used.

3.4 Helping Members to monitor financial performance against the annual funding plan/budget.

3.5 Ensuring that all 'branches' of the Council (including the full Council, Executive and Scrutiny functions where such arrangements exist, administration and opposition groups and individual Members) receive advice and information.

4.0 Supporting and advising officers in their operational roles

4.1 Ensuring that there is an effective approach to financial management.

4.2 Ensuring that financial strategies serve policy and service objectives.

4.3 Ensuring that the Council's resources are well managed.

4.4 Ensuring that budgets are properly managed.

4.5 Ensuring that financial advice and information is provided.

4.6 Advising on performance management and measurement.

5.0 Leading and managing an effective and responsive financial service

5.1 Securing high standards of performance and service to the public.

5.2 Demonstrating accountability to members of the public and the community by providing robust financial and performance information.

5.3 Establishing a good, professional working relationship with external auditors, inspectors and other statutory agencies.

5.4 Ensuring that the services provided by the finance function are in line with the expectations and needs of its internal stakeholders.

5.5 Ensuring there are high standards of performance throughout the finance function.

5.6 Leading and managing the finance function.

5.7 Acting as head of profession for all finance staff in the Council.