

# LONDON BOROUGH OF HARROW

## PROTOCOL FOR CHIEF FINANCE OFFICER RESPONSIBILITIES

### **1. Introduction**

- 1.1 This protocol describes the principal functions of the Chief Finance Officer and the way in which the Council expects him or her to discharge those functions.
- 1.2 The Chief Finance Officer is a statutory appointment required by section 151 of the Local Government Act 1972, who shall be responsible for the proper administration of financial affairs of the Authority.
- 1.3 A summary list of the statutory responsibilities of the Chief Finance Officer appears in the table annexed to this document.
- 1.4 The current responsibilities of the Chief Finance Officer rest with the Director of Financial & Business Strategy, Myfanwy Barrett who shall nominate a member of her staff as Chief Finance Officer (if she is unable to act owing to absence or illness).

### **2. Roles and responsibilities**

- 2.1 Under the Local Government Financial Act 1988 ("the 1988 Act"), the Chief Finance Officer has a duty to prepare reports if it appears to him/her that:
  - Any Council decision or likely decision would lead to the authority incurring unlawful expenditure or would cause a loss or deficiency to the authority or entry of an unlawful item of account;
  - Any Executive decision or likely decision would lead to the authority incurring unlawful expenditure or would cause a loss or deficiency to the authority or entry of an unlawful item of account;
  - The expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

Under the Local Government Act 2003 ("the 2003 Act") the Chief Finance Officer has a duty to prepare reports on:

- The robustness of the authority's budget calculations;
- The adequacy of the authority's proposed financial reserves; and
- Previous years' financial reserves if it appears that controlled reserves is or likely to be inadequate including recommendations for appropriate actions.

The Chief Finance Officer will assist the Council in the carry out regular budget monitoring in accordance with section 28 the 2003 Act. If as a result it appears that there has been a deterioration in its financial position, the Council, must take such action, as it considers necessary to deal with the situation.

In order to determine whether to prepare a report in accordance with the roles and responsibilities, the following arrangements and principles will operate between Members and officer colleagues on the one hand, and the Chief Finance Officer on the other.

## 2.2 Reports and decision-making

- (a) As a member of the Corporate Management Team, the Chief Finance Officer will have advance notice of those meetings, their agenda and reports, and the right to attend and speak;
- (b) The Chief Finance Officer or his/her staff will be provided with copies of all reports to Members in good time (i.e. at least 10 working days) before the reports are submitted for printing in order to confirm whether the proposal, decision or likely decision would lead to the authority incurring unlawful expenditure or would cause a loss or deficiency to the authority or entry of an unlawful item of account;
- (c) Officers are obliged to incorporate the comments of the Chief Finance Officer into reports. If this is not observed the Chief Finance Officer reserves the right to recommend the withdrawal of the report or issue a separate report to Members explaining his/her views on the matter for consideration;
- (d) The Chief Finance Officer is responsible for the proper administration of the financial affairs of the Council and will have unqualified access to all financial information held by all the departments of the Council and to any officer within those departments who can assist in the discharge of his/her functions;
- (e) The Chief Finance Officer will have the right to attend any meeting of the Council, featuring either Members or officers, (including the right to be heard) before any binding decision of the Council is made;
- (f) As required by statute, the Chief Finance Officer will report to Council as necessary on the staff, accommodation and resources he/she requires to discharge his/her statutory duties;
- (g) In consultation with the Chief Executive and the Monitoring Officer the Chief Finance Officer may defer the making of a formal report under section 114 of "the 1998 Act" or section 25 of "the 2003 Act" (a Chief Finance Officer Report), where another investigative body is involved.

## 2.3 Legality, vires and constitutional issues

- (a) Senior Officers will alert the Chief Finance Officer to all emerging issues of concern including contractual, financial, budgetary or other relevant issues referred to in the constitutional;

- (b) The Chief Finance Officer will meet regularly with the Chief Executive and the Monitoring Officer to consider and recommend action in connection with corporate governance framework, contract procedure rules, financial regulations and budgetary issues that are likely to, or do, arise;
- (c) The Chief Finance Officer will be available for Members and officers to consult on any issues relating to the Council's, impropriety, probity, budget and policy framework issues, contract procedure rules or financial regulations or other relevant issues referred to in the constitution;
- (d) The Chief Finance Officer will have the right to add further contractual, financial or other relevant guidance as he/she considers appropriate from time to time;
- (e) After consulting with the Chief Executive and Monitoring Officer, the Chief Finance Officer will have the right to notify the Police, the Council's Auditors and other regulatory agencies of his/her concerns in respect of any matter and to provide them with the documents to assist them in their statutory functions;

#### 2.4 Ethics and probity

- (a) The Chief Finance Officer will develop a good working relationship with the External Auditor appointed by the Audit Commission;
- (b) In carrying out investigations of any kind, the Chief Finance Officer will have unqualified access to any information held by the Council and to any officer who can assist in the discharge of her functions;
- (c) The Chief Finance Officer will be expected to support the Audit Committee;
- (d) Officers and Members will alert the Chief Finance Officer to any issues of concern to the Council concerning financial impropriety and probity;
- (e) The Chief Finance Officer has the right to obtain external advice, on any matter. He/she shall be given sufficient resources to enable this to be done;
- (f) To ensure the effective and efficient discharge of this Protocol, the Chief Finance Officer will ensure that adequate insurance and indemnity arrangements are in place in order to protect and safeguard the interests of the Council and the proper discharge of the role of the Chief Finance Officer.

### **3. Sanctions for breach of this Protocol**

- 3.1 Complaints about a breach of any matters in this Protocol by Members may be referred to the Standards Committee of the Council and the relevant Leader and/or Chief Whip of the Party Group concerned.
- 3.2 Complaints about breaches of this Protocol by officers will be referred to the relevant Chief Officer and/or the Chief Executive.

## Summary of Chief Finance Officer functions

<b>Function</b>	<b>Source of Function</b>
1. Responsibility for the proper administration of financial affairs of the Council	Section 151 Local Government Act 1972
2. Duty to nominate a member of his/her staff as chief financial officer (if unable to act owing to absence or illness)	Section 114 Local Government Financial Act 1988
3. Duty to report on a Council decision or likely decision which would lead to the authority incurring unlawful expenditure or would cause a loss or deficiency to the authority or entry of an unlawful item of account.	Section 114 Local Government Financial Act 1988
4. Duty to report on an Executive decision or likely decision which would lead to the authority incurring unlawful expenditure or would cause a loss or deficiency to the authority or entry of an unlawful item of account.	Section 114A Local Government Financial Act 1988
5. Duty to report if the expenditure of the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure	Section 114 Local Government Financial Act 1988
6. Duty to report on the robustness of the authority's budget calculations.	Section 25 Local Government Act 2003
7. Duty to report on the adequacy of the authority's proposed financial reserves	Section 25 Local Government Act 2003
8. Duty to report on previous years' financial reserves if it appears that controlled reserves is or likely to be inadequate, including recommendations for appropriate actions to rectify	Section 27 Local Government Act 2003
9. Duty to assist the Council in carrying out regular budget monitoring	Section 28 Local Government Act 2003