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# Annual Governance Statement – Statement in Support by the Section 151 Officer – Supporting Information

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## 1. Background

- 1.1 As part of the Annual Governance Statement, CIPFA guidance recommends that the Section 151 Officer provides "a key source of assurance that the Council's systems and procedures of internal control which are in operation are effective, efficient and being complied with". The Chief Financial Officer/ s151 Officer is to ensure that all parts of the Council act in accordance with the budgetary and policy requirements in connection with the setting of the budget and financial administration standards within the Council.

## 2. Role of the Section 151 Officer

- 2.1 The definitive Statement on the Role of the Finance Director in Local Government is set out in a CIPFA publication of 2003. This identifies 5 key roles:
- Maintaining strong financial management underpinned by effective financial controls;
  - Contributing to corporate management and leadership;
  - Supporting and advising democratically elected representatives;
  - Supporting and advising officers in their operational roles; and
  - Leading and managing an effective and responsive financial service.
- 2.2 The s151 Officer is required to report to all the local authority's Members, in consultation with the Head of Paid Service and the Monitoring Officer if there is, or there is likely to be, unlawful expenditure or an unbalanced budget. Such a report known as a Section 114 report derives from the Local Government Finance Act 1998 as updated by the 2000 Act and Members of the Council are required to have regard to the s151 Officer's advice. Not to do so would be a breach of the Code of Conduct for Members. Specified and explicit provision is now included in the Revised Code of Conduct adopted by the Council. Any breaches will be dealt with locally.
- 2.3 Each year the s151 Officer reports as part of the budget decision making process his opinion on the adequacy of reserves and robustness of the budget estimates.
- 2.4 The s151 Officer is consulted about a wide range of discretions under the Council's constitution, in particular exceptions under the financial rules of procedure and the contract rules of procedure. The s151 Officer maintains a record of all such exemptions given and discretions sought and granted. From a legal perspective the Monitoring Officer is also involved in certain decisions and records such involvement.
- 2.5 Throughout the year budget monitoring ensures that any budget overspends or income shortfalls are identified and corrective measures can be put in place to

ensure that the overall council revenue budget keeps within the policy and budgetary framework agreed at the annual budget setting process. In 2015/16 the provisional outturn has delivered an overspend of £115k against the budget. This result only represented a 0.1% variance to the Council Budget for 2015/16 and which is considered reasonable.

- 2.6 All Executive or other decision making body reports have clearly set out financial recommendations. It is the responsibility of the s151 Officer to ensure that the financial implications of all such decisions are adequately considered and that recommendations are based upon prudent financial advice. The s151 Officer is a member of Corporate Board and involved in all significant resource decisions and in particular key decisions of the authority.
- 2.7 The Council has a Medium Term Financial Strategy in place. There is also a Finance and Governance Group of Officers whose membership includes both the s151 Officer and Monitoring Officer overseeing and monitoring all aspects of financial governance and escalating where necessary any issues that need Corporate Board action and support.
- 2.8 There has been no necessity to implement the Section 114 process during 2015/16 and the s151 Officer confirms the robustness of the financial and budgetary frameworks. However, the Council is facing a number of significant financial pressures in the coming years and will need to rely heavily on these frameworks in place to deliver a balanced budget for 2017/18.

### 3. Conclusion

Overall it is the s151 Officer's assessment that all parts of the Council acts in accordance with the budgetary and policy requirements in connection with the setting of the budget and meets financial administration standards as set out in legislation. There have been no formal reports required by the s151 Officer to Council under the relevant legislation.

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#### Subject to Call-In:

Yes:  No:

- |                                                                                                                             |                                     |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| The item is due to be referred to Council for final approval                                                                | <input type="checkbox"/>            |
| Delays in implementation could have serious financial implications for the Council                                          | <input type="checkbox"/>            |
| Delays in implementation could compromise the Council's position                                                            | <input type="checkbox"/>            |
| Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months | <input type="checkbox"/>            |
| Item is Urgent Key Decision                                                                                                 | <input type="checkbox"/>            |
| Report is to note only                                                                                                      | <input checked="" type="checkbox"/> |

*Please put a cross in the appropriate box(es) by double-clicking on the box and selecting 'Checked':*

#### Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim(s):

- BEC – Better educated communities**  
 **SLE – A stronger local economy**  
 **P&S – Protect and support those who need it**

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- HQL – Maintain a high quality of life within our communities**
  - MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority(ies):

- BEC1 – Improve educational attainment**
- BEC2 – Close the educational attainment gap**
- SLE1 – Enable the completion of more affordable housing**
- SLE2 – Deliver or enable key infrastructure improvements in relation to roads, rail, flood prevention, regeneration and the digital economy**
- P&S1 – Good at safeguarding children and vulnerable adults**
- HQL1 – Support communities to do more to help themselves**
- MEC1 – Become an even more effective Council**

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