

### Appendix 3 – Expanded / additional governance requirements from the Chief Financial Officer statement

1. The chief financial officer in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
i. Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.	<ul style="list-style-type: none"> <li>• Medium Term Financial Plan</li> <li>• Annual Audit Letter</li> <li>• Value for Money Opinion</li> <li>• Performance Management Framework</li> <li>• Procurement Frameworks in place eg BlueLight Emergency Services e-Tendering</li> <li>• Standing Orders for Regulation of Contracts</li> <li>• Financial Regulations - recently reviewed</li> <li>• Fire Authority reports</li> </ul>
ii. Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.	<ul style="list-style-type: none"> <li>• Minimum Revenue Provision Policy</li> <li>• Quarterly Performance and Budget Monitoring Reports to Policy &amp; Resources Committee</li> <li>• Statement of Accounts</li> <li>• Financial Regulations</li> <li>• Publication of supplier payments over £250</li> </ul>
iii. Ensure compliance with CIPFA's Code on Prudential Capital Finance and CIPFA's Treasury Management Code.	<ul style="list-style-type: none"> <li>• Statement of Prudential Indicators</li> <li>• Treasury Management Reports to Policy &amp; Resources Committee</li> </ul>

## 2. Core Principle:

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
<p>i. Ensure that the Chief Financial Officer reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.</p>	<ul style="list-style-type: none"> <li>• Role of Chief Financial Officer undertaken by Treasurer (Director of Finance &amp; Assets) – Principal Officer level – member of Senior Management Board</li> <li>• Senior Management Board Terms of Reference and Membership</li> <li>• Senior Management Job Descriptions</li> </ul>
<p>ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the Chief Executive and to other leadership team members.</p>	<ul style="list-style-type: none"> <li>• Scheme of Delegations to Officers</li> <li>• Senior Management Board Terms of Reference and Membership</li> <li>• Direct access to Authority and to Audit &amp; Standards Committee</li> <li>• Audit &amp; Standards Committee terms of reference</li> </ul>
<p>iii. Appoint a professionally qualified Chief Financial Officer whose core responsibilities include those set out in the Statement Role of the Chief Fin. Officer in Local Govt and ensure that they are properly understood throughout the authority.</p> <p>iv. Ensure that the Chief Financial Officer:</p> <ul style="list-style-type: none"> <li>• Leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</li> <li>• Has a line of professional accountability for finance staff throughout the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Finance &amp; Assets appointed as S151 Officer (Treasurer)</li> <li>• Deputy Treasurer in place</li> <li>• Audit Commission Annual Audit Letter</li> <li>• Regular Budget Holders Meetings</li> </ul>

<p>v. Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance.</p> <p>vi. Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role.</p>	<ul style="list-style-type: none"> <li>• Internal Audit Reports</li> <li>• Technology One Finance System</li> <li>• Financial Regulations</li> <li>• Budget Monitoring Reports to Policy &amp; Resources Committee</li> <li>• Audit Committee consider Internal Audit reports</li> </ul>
<p>vii. Establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> <li>• a medium term financial strategy to ensure sustainable finances</li> <li>• a robust annual budget process that ensures financial balance</li> <li>• a monitoring process that enables this to be delivered</li> </ul> <p>viii. Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</p>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Audit of Accounts</li> <li>• Statement of Accounts</li> <li>• Budget Monitoring Process and Reports</li> <li>• Budget / Financial Seminar for Members</li> </ul>

### 3. Core Principle:

<p>i. Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p>	<ul style="list-style-type: none"> <li>• Anti-Fraud, Bribery and Corruption Policy</li> <li>• Whistleblowing Policy</li> <li>• National Fraud Initiative reviewed in full and reported to Audit &amp; Standards Committee promptly</li> </ul>
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#### 4. Core Principle:

i. Ensure an effective internal audit function is maintained	<ul style="list-style-type: none"> <li>• Audit &amp; Standards Committee in place</li> <li>• Internal Audit reports regularly considered by Audit &amp; Standards Committee</li> <li>• Policy &amp; Resources Committee scrutinises performance</li> </ul>
ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the audit committee and external audit.	<ul style="list-style-type: none"> <li>• Audit &amp; Standards Committee in place</li> <li>• Treasurer has meetings with Audit &amp; Standards Committee Chairman</li> <li>• Treasurer is advisor to Audit &amp; Standards Committee</li> </ul>
iii. Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.	<ul style="list-style-type: none"> <li>• Schedule of meetings</li> <li>• Budget Monitoring Reports to SMB and P&amp;R Committee</li> <li>• Budget Holders meetings</li> </ul>
iv. Ensure the authority's governance arrangements allow the Chief Financial Officer to bring influence to bear on all material decisions.	<ul style="list-style-type: none"> <li>• Clerk and Treasurer comment on draft Fire Authority and Committee reports and attend Authority meetings to advise</li> <li>• Financial Regulations</li> <li>• Treasurer reports regularly to Authority</li> <li>• Reserves Strategy approved by Authority</li> </ul>
v. Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.	
vi. Ensure that the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports.	<ul style="list-style-type: none"> <li>• Strategic Risk Register in place</li> <li>• Audit &amp; Standards Committee Terms of Reference</li> <li>• Fire Authority Standard Report Template – risk issues need to be highlighted</li> <li>• Risk Management Strategy in place</li> <li>• External Audit</li> <li>• Internal Audit</li> <li>• Financial Regulations</li> <li>• Technology One Finance System</li> </ul>
vii. Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval process.	

## 5. Core Principle:

<p>i. Ensure the Chief Financial Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role.</p> <p>ii. Review the scope of the Chief Financial Officer's other management responsibilities to ensure financial matters are not compromised.</p> <p>iii. Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</p>	<ul style="list-style-type: none"><li>• Head of Paid Service, Treasurer and Monitoring Officer appointed by Authority</li><li>• Performance appraisals in place</li><li>• Finance team in place – staff appropriately qualified and trained</li></ul>
<p>iv. Embed financial competencies in person specifications and appraisals.</p> <p>v. Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p>	<ul style="list-style-type: none"><li>• Staff appraisals</li><li>• Member Induction</li><li>• Member Role Description</li></ul>