

APPOINTMENT OF CHIEF FINANCE OFFICER AND SECTION 151 OFFICER

REPORT OF: Chief Executive
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Wards Affected: All
Key Decision: N/A
Report to: Annual Council
11th May 2022

Purpose of Report

1. The purpose of this report is to seek approval for the appointment of Stephen Fitzgerald as the Council's Section 151 Officer. This appointment to be made on an interim basis until a substantive appointment is made later this year.
2. As Members are aware the current Section 151 officer, Peter Stuart is leaving the Council. A restructure of the Council's top management structure is underway and so until a permanent appointment to the new Assistant Director of Corporate Resources post can be made, Stephen Fitzgerald will serve as the Council's S151 officer and provide senior officer support to help with the transition to the new structural arrangements.

Recommendations

3. **Council is recommended to appoint Stephen Fitzgerald as its S151 Officer, effective from 12 May 2022.**
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Background

4. The Local Government Act 1972 requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its financial affairs. This role is commonly referred to as the Section 151 officer. The term S151 Officer has been used as a short form expression to refer to the role and duties of the 'Responsible Financial Officer' as defined by The Chartered Institute of Public Finance and Accountancy (CIPFA) (the function of the most senior finance officer employed by an organisation).
5. Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as the Chief Finance Officer (CFO) must be a member of a specified accountancy body.
6. The role of a CFO lies at the heart of any effective and well governed organisation. The over-riding duty of this officer is to fulfil the statutory responsibilities attached to the position in a manner that enhances the overall reputation of the Council. The CFO has a statutory duty under Section 151 of the Local Government Act 1972 to ensure that there are proper arrangements in place to administer the Council's financial affairs. Section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report to the full Council, the Chief Executive and the External Auditor if the authority or one of its officers:
 - (i) has made, or is about to make, a decision which involves incurring unlawful expenditure

- (ii) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- (iii) is about to make an unlawful entry in the authority's accounts.

Policy and Legal Context

- 7. There is a legal requirement on the Council to designate three “Statutory Officers”. These are the Head of Paid Service (Chief Executive), the Monitoring Officer and the Section 151 Officer / Chief Finance Officer.
- 8. It is a statutory requirement for local authorities to have a Section S151 Officer in place, in order to ensure that their necessary roles and functions are delivered effectively.
- 9. The Section 151 Officer has a number of statutory duties and responsibilities relating to the Council’s financial strategy and the arrangements for effective governance.

Appointment of S151 Officer

- 10. Following the announcement that the current S151 Officer, Peter Stuart, will be leaving his role in May 2022, an interim appointment is required until such time as a permanent appointment can be made (anticipated to be autumn 2022).
- 11. Stephen Fitzgerald is an experienced S151 Officer and is a full member of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Association of Chartered Certified Accountants (ACCA), with a wealth of experience in local government. He is also an experienced interim officer and so will be able to provide the Council with valuable senior management input as well as the required statutory role.
- 12. A handover with the current S151 officer is underway and so Members are requested to agree Mr Fitzgerald’s appointment effective from 12 May 2022.

Financial Implications

- 13. The financial implications associated with agreeing the recommendation can be covered within the existing revenue budget for 2022/23.

Risk Management Implications

- 14. None.

Equality and Customer Service Implications

- 15. None.

Other Material Implications

- 16. None.

Sustainability Implications

- 17. None