



Roles & responsibilities of the s151 Officer & Monitoring Officer

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Officers & the legislation appointing them

Their duties & responsibilities of each role are also set out in the primary legislation

Officers

- Director of Finance & Procurement (s151 Officer) – Andy Brown
- Head of Corporate Finance (Deputy s151 Officer) – Lizzie Watkin

Capacity

- Core member of the Corporate Leadership Team

Key legislation

- Appointed under the Local Government Finance Act 1972
- Local Government Act 2000

Officers

- Director Legal, Electoral & Registration (Monitoring Officer) – Ian Gibbons
- Head of Legal Services (Deputy Monitoring Officer) – Frank Cain

Capacity

- Core member of the Corporate Leadership Team

Key legislation

- Appointed under Section 5 & 5A of the Local Government Housing Act 1989
- Local Government Act 2000 (Schedule 5 amendment)

Key facts relating to a s151 Officer

The Fund:

- The operational freedoms of the s151 to administer the Fund must be reflected in the Council's constitution
- Determines the role of the chair, the Fund's leadership, its delegations & reserve powers
- **General:**
- Alternative titles for this role include Chief Financial Officer, Treasurer & Responsible Financial Officer
- The role cannot be delegated, but activities & functions can be devolved to Finance Managers
- The CFO oversees the Council's governance framework & ensures the execution of their core responsibilities
- Reports directly to the Permanent Secretary & has a seat on the department board
- Must act in the public interest, even if it maybe perceived to not be in the Council's interests
- Sets out the roles of the other members of the CLT & ensure that are financial capable to carry out their roles
- Has a statutory duty to report any unlawful expenditure or unbalanced budget to the District Auditor (past, present or future)

Key facts relating to a Monitoring Officer

The Fund:

- To provide guidance concerning changes to the constitution in connection with the operation of the Fund
- To provide guidance where the discharge of the Fund's function has not complied with the law, a code of conduct or guidance, or where proportionate decision making may not have occurred, which could bring the Council into disrepute

General:

- This statutory duty is a personal duty. The Monitoring Officer cannot delegate it to someone else unless they are ill or away, or otherwise unable to act, in which case the Deputy Monitoring Officer, will take over;
- Has the specific duty to ensure that the Council, its officers & elected Councillors, maintain the highest standards of conduct in all they do
- Has a **duty** to write a report if he/she considers any proposal, decision, or omission made by the Council, or on behalf of Council, is illegal or would be illegal & submit it to the Council & Local Govt. Ombudsman
- Establish and maintaining a register of Members' interests, gifts & hospitalities;
- Maintain a register of officer interests
- Conduct investigations in accordance with the Council's whistleblowing procedures

Core Responsibilities of a s151 Officer

CIPFA's 5 principles defining the core activities & behaviours of a CFO (s151 Officer)

The CFO in a public service organisation:

- Key member of the leadership team, helping to develop & implement strategy & to resource & deliver the organisation's strategic objectives sustainably in the public interest;
- Must be actively involved in & able to bring influence to bear on all material business decisions to ensure immediate & long term implications, opportunities & risks are fully considered & aligned with the organisation's financial strategy;
- Must lead the promotion & delivery by the whole organisation of good financial management so that public money is safeguarded at all times & used appropriately;

To deliver these responsibilities the CFO:

- Must lead & direct a finance function that is resourced to be fit for purpose; &
- Must be professionally qualified & suitably experienced.

Core Responsibilities of a Monitoring Officer

The 3 responsibilities defining the core activities of a Monitoring Officer

- To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration, or breach of a statutory code;
- To be responsible for matters relating to the conduct of Councillors and Officers⁽¹⁾; &
- To be responsible for the operation of the Constitution & standing orders⁽²⁾.

Additional comment to the core responsibilities:

- (1) The scope covers a Councillor's & Officer's service to the public, ensuring a mitigation of any reputational risk to the Council, but exclude pension specific complaints. Complaints will be assessed, managed & redirected as appropriate; &
- (2) Including its monitoring and review to ensure that the Authority's aims and principles set out in the constitution are given full effect & where matters of interpretation are required concerning the constitution's rules & procedures, taking responsibility for determination of those interpretations.

Principle 1 – Key member of the CLT

Fund specific responsibilities of leadership, strategy & resourcing

- Create the Pension Fund Committee under s101 of the Local Government Act 1972
- Sets the strategic direction of the Fund & the implementation of its delivery
- Manages risk via a risk register & focuses on outcomes via a business plan, agreeing the Fund values & objectives & reporting on them regularly
- Ensures decisions are actioned & an audit strategy is in place
- Promotes Council change programmes giving consideration to the impact to the Fund
- Implements annual budgeting, a medium term financial strategy & monitors delivery

Principle 2 – Influence material business decisions

Fund specific responsibilities ensuring implications, opportunities & risks are fully considered

- Develop a funding strategy with Scheme Actuary & other key stakeholders
- Have access to meetings & papers & ensure members consult with s151 officer regularly
- Ensure good quality meeting packs to enable good decision making
- Provide financial information publicly, in particular the Fund's Annual Report & Accounts & other disclosures such as Scheme members Annual Benefits Statements
- Establish an assurance & scrutiny framework through internal audits, LPB, scrutiny groups such as the Standards Committee, external auditors the Pensions Regulator.
- Ensure that the Audit Committee receives all the necessary information

Principle 3 – Promotion & delivery

Fund specific responsibilities relating to good financial management & safeguarding

- Implement a shared service arrangement including best value service procurement of advisers & a cost management framework
- Ensure clear roles & responsibilities & adequate levels of knowledge & understanding
- Embed the Fund's arrangements for financial, internal controls & risk management practices in a Governance Compliance Statement
- Safeguard the Fund's money & protect its assets from degradation, fraud or loss through the implementation of policies & procedure preventing fraud & corruption
- Embed financial competence into job descriptions, appraisal reviews & training strategies for members & officers
- Maintain an effective Local Pension Board, internal audit strategy including & information flow to the Council's Audit Committee & define financial accountability & reporting
- To establish & maintain a complete & clear documentation framework

Principle 4 – Lead & direct

Fund specific responsibilities ensuring function is fit for purpose

- By determining required resource levels & that those resources meet expectations of stakeholders
- By determining the role of the chair, the Fund's leadership, delegations & reserve powers
- By ensuring key roles are being properly discharged
- By acting as an arbiter in matters of professional standards
- By developing key relationships to manage financial risks & liabilities
- By contributing technical guidance & in turn interpreting the requirements of the Fund in a complex & high regulated field
- By ensuring governance through the appointment of advisers
- By facilitating meaningful financial analysis of performance, asset management, investment appraisal risk management & control of the Fund's investments, including monitoring of performance
- By ensuring compliance with the Treasury Management code in relation to cash management & banking, treasury management, cash flows with appropriate segregation of duties

Principle 5 – Qualified & experienced

Fund specific responsibilities include the demonstration of

- Be a member of an Accounting body recognised by the International Federation of Accountants (IFAC)
- Be able to communicate complex financial arrangements in a clear & credible way
- Be able to intervene, guide, challenge & influence financial discussions in an objective & impartial way, including the evaluation & analysis of expert advice on which judgement can be applied
- Have an appreciation of pension scheme funding & investment strategy & be able to plan effectively for pension costs.
- Be effective at managing and resolving conflicts of interests concerning him/herself & others
- Understand public sector pension scheme finance & its regulatory environment in order to support the fund's leadership effectively
- Be IT literate, adhere to continued professional development & foster ethical standards

Key areas of potential conflict of Interest

s151 Officer

- **Budget setting** – Corporate budget setting by ensuring a fair consultation process of charges made upon the Fund
- **Shared services** – Shared service appointments & procurement through the implementation of SLAs to ensure that the Council services the Fund pays for are provided by those the services
- **Treasury Management** – That the Fund's treasury management function provided by the Council is transparent, reported on & provides key Fund officers the opportunity to contribute to strategic treasury reviews to ensure that the Fund's objectives are represented
- **Governance** – In relation to the primacy of legislation to ensure that fair consideration is given to pension law, regulations & the Fund when applying the terms of such acts as the Local Government Housing Act 1989
- **Business continuity** – That disaster recovery arrangements actively consider the operational function of the Fund

Monitoring Officer

- **Maintaining an interest of distinction** – That where a non Pension Dept. Council service undertakes an E&O, or uninsured act impacting on the Pension Fund, that the Council recognises that distinction between the Fund & the shared service, as it would do with an external service provider.

Delegations - s151 Officer & Fund leadership

Register of Sub-Schemes & delegations

- To maintain a register of sub-schemes & delegations in relation to the role of the s151 Officer, divided in Functions, Consultees, Limitations & Job Title or Name of Officer

Fund specific Functions

- The s151 Officer undertakes the role of the Treasurer to the Fund. Where there are matters of conflict involving the s151 Officer that matter will be raised with the Committee or Council Deputy to represent that body & to minimise the risk of conflict

In this instance delegations can be made to the Deputy s151 officer, Head of Pension Administration and Relations or the Head of Pension Fund Investments, as appropriate

- Approval of Procurement and suppliers for the service, including referral of cases to legal advisors

In this instance delegations can be made to the Head of Pension Administration and Relations, the Head of Pension Fund Investments, or the Pension Committee, subject to levels of approval

Any Questions

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