

# CHESHIRE FIRE AND RESCUE SERVICE

**MEETING OF:** GOVERNANCE AND CONSTITUTION COMMITTEE  
**DATE:** 5<sup>TH</sup> JULY 2023  
**REPORT OF:** TREASURER  
**AUTHOR:** PAUL VAUGHAN

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**SUBJECT:** PROCEDURE – SECTIONS 114 TO 116  
LOCAL GOVERNMENT FINANCE ACT 1988

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## Purpose of Report

1. To gain the Committee's approval for a procedure in relation to Sections 114 to 116 of the Local Government Finance Act 1988.

## Recommended That:

- [1] the Procedure at Appendix 1 be approved.

## Background

2. Production of an Annual Governance Statement (AGS) is a requirement under the Accounts and Audit Regulations (England) 2015 and helps to ensure that a reliable system of internal controls can be demonstrated. It is produced and approved along with the Annual Statement of Accounts.
3. Included in each year's AGS is a review of effectiveness. The AGS for 2021-22 identified that the Authority did not have a process to respond to actions required of the Authority under Section 114 of the Local Government Finance Act 1988 (the Act).

## Information

4. Section 114 of the Act states that a Section 151 Officer must produce a report where the following circumstances exist:
  - A decision has been made, or is about to be made which involves, or would involve the incurring of expenditure which is unlawful
  - A course of action has been taken, or is about to be taken which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency
  - An item of account is about to be entered which is unlawful

5. Section 114 goes on to describe who the Section 151 Officer must consult and who needs to receive the report.
6. Sections 115 and 116 of the Act cover: how the report should be considered; prohibitions that apply to expenditure/action until the report is considered; and what must happen after the report is considered.
7. Attached to this report as Appendix 1 is a draft Procedure for Member consideration.

### **Financial Implications**

8. The report itself does not have financial implications.

### **Legal Implications**

9. The report considers how the Section 151 Officer should deal with a situation that engages the provisions in the Act. It helps to have a procedure in place which sets out in simple terms what is contained in the Act. It forms part of the Authority's statutory framework for handling its financial affairs.

### **Equality and Diversity Implications**

10. There are no equality and diversity implications.

### **Environmental Implications**

11. There are no environmental impacts.

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