



Duties of the Responsible Finance Officer (RFO)

- Document Version Control

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1. Purpose

This policy defines the duties, authority and accountability of the Responsible Financial Officer and supports the proper administration of the Council's financial affairs. It should be read with the Council's Standing Orders, Financial Regulations, Scheme of Delegation and other related governance documents.

2. Statutory and regulatory framework

The Council shall appoint a Responsible Financial Officer in accordance with section 151 of the Local Government Act 1972. The RFO is responsible for the administration of the Council's financial affairs, subject to decisions of the Council and the requirements of legislation, proper practices, Standing Orders and Financial Regulations.

The RFO shall have regard to the Accounts and Audit Regulations 2015, as amended, and Governance and Accountability for Smaller Authorities in England: A Practitioners' Guide 2026/27, together with any subsequent edition applying to the relevant financial year.

3. Appointment, accountability and reporting

- The Council shall formally appoint the RFO and shall appoint an appropriate member of staff to undertake the work when the RFO is absent.
- The RFO shall report to the Finance Committee or full Council in accordance with the approved Scheme of Delegation, committee terms of reference and Financial Regulations.
- Matters reserved to full Council, requiring approval within a statutory deadline, involving a material breach or presenting significant financial risk shall be reported promptly to the Council.
- The RFO shall provide clear, accurate and timely financial advice to members and officers while recognising that the Council retains corporate responsibility for its decisions.

4. Accounting records and financial systems

- Maintain accounting records sufficient to explain the Council's transactions and disclose its financial position with reasonable accuracy at any time.
- Ensure financial systems provide an appropriate audit trail and facilitate preparation of the Annual Governance and Accountability Return (AGAR).
- Maintain the chart of accounts, cost centres, nominal codes, records of assets and liabilities, and supporting documentation.
- Complete bank reconciliations at least monthly and present them for independent review in accordance with the Financial Regulations.
- Ensure appropriate access controls, secure storage, backups, retention and recovery arrangements for financial records and systems.

5. Financial reporting

- Prepare financial reports for the Finance Committee and/or Council covering budget monitoring, reserves and fund balances, receipts, payroll, payments, bank reconciliations, cash flow and other material matters.
- Report material variances, potential overspends, emerging liabilities and financial risks promptly, with recommendations where appropriate.
- Provide information required by members to support lawful, transparent and properly informed decisions.

6. Budget, precept and reserves

- Prepare draft annual budget estimates and a proportionate medium-term financial forecast for consideration by the Council.

- Advise the Council on an appropriate precept and submit the approved precept demand to Ashford Borough Council with any supporting breakdown required.
- Monitor income and expenditure against the approved budget and forecast the likely year-end position.
- Maintain records of general and earmarked reserves and support their periodic review.
- Ensure virements and budget amendments are authorised and recorded in accordance with Financial Regulations.

7. Income, banking and debt recovery

- Ensure all sums due to the Council are invoiced, collected and recorded promptly.
- Ensure money received is banked intact and as soon as practicable, with appropriate supporting records.
- Maintain oversight of aged debt and escalate recovery action in accordance with Council policy and delegated authority.
- Manage cash flow and implement approved arrangements for bank transfers and investments, having regard to security, liquidity and return.
- Maintain controls over changes to customer, supplier and bank account information.

8. Payments, payroll, pensions and taxation

- Prepare payment schedules and ensure that expenditure is supported by evidence of proper approval and budget provision.
- Operate payment processes, including electronic banking, in accordance with Financial Regulations and required separation between initiation, checking and authorisation.
- Ensure credentials and authentication methods are not shared and that access is amended promptly when responsibilities change.
- Oversee payroll and ensure salaries, deductions, pension contributions, PAYE and National Insurance are calculated, paid and reported within applicable deadlines.
- Prepare and submit VAT returns and maintain records to support HMRC review or inspection.

9. Procurement, contracts and grants

- Provide financial oversight of purchase orders, quotations, tenders, contracts and procurement activity in accordance with Financial Regulations and applicable law.
- Ensure financial commitments are appropriately authorised before expenditure is incurred.
- Maintain financial records relating to contracts, grants awarded and grants received, including conditions, monitoring information and supporting evidence.
- Maintain and support periodic review of the Council's schedule of fees and charges.

10. Investments and borrowing

- Implement the Council's approved investment strategy and report on investment balances and performance as required.
- Administer approved borrowing, maintain loan records and ensure repayments and disclosures are accurately recorded.
- Ensure investments and borrowing are undertaken only within the authority granted by the Council and applicable requirements.

11. Assets and insurance

- Maintain the Council's asset register in accordance with the Financial Regulations and Asset Management arrangements.
- Ensure acquisitions, disposals, transfers and changes in asset status are authorised and recorded with a clear audit trail.

- Arrange or support an annual verification of assets and reconciliation of the asset register to the AGAR and insurance schedule, as applicable.
- Record portable or attractive assets where required by Council policy, irrespective of the general capitalisation threshold.
- Support the Clerk and Council in reviewing the adequacy of insurance arrangements, including fidelity guarantee cover, and ensure that premiums, claims and financial exposures are recorded and reported appropriately.

12. Internal control, segregation of duties and fraud

- Design and maintain proportionate financial controls consistent with the Financial Regulations.
- Allocate financial duties to preserve appropriate separation between ordering, receiving, recording, checking and authorising transactions.
- Ensure regular documented checks are undertaken at the frequency required by the Financial Regulations.
- Report suspected fraud, theft, corruption, money laundering, financial irregularity or significant control failure immediately through the appropriate Council procedure, preserve relevant records and support any authorised investigation.
- Review financial access rights periodically and ensure leavers or role changes are actioned promptly.

13. Internal and external audit

- Support the Council in appointing an independent and competent internal audit provider and agreeing a proportionate scope of work.
- Provide records, explanations and access required for internal and external audit without directing or restricting the auditor's independent judgement.
- Present audit reports to the Council and maintain an action log for agreed recommendations.
- Prepare and provide accounts, records and supporting evidence for external audit within required timescales.
- Coordinate responses to audit enquiries and report any public interest matter, qualified opinion or material recommendation to the Council promptly.

14. Annual accounts, AGAR and public rights

- Prepare and balance the annual accounts in accordance with legislation and proper practices.
- Complete and certify the AGAR Accounting Statements before submitting them, with supporting documents, to the Council within the statutory timetable.
- Support the Council's consideration of the Annual Governance Statement by providing relevant evidence and advice.
- Arrange publication of the required documents and the exercise of public rights in accordance with applicable requirements.
- Ensure comparative figures and supporting working papers are complete, consistent and retained.

15. Digital security and data compliance

- Maintain proportionate controls for digital financial systems, online banking, payroll and financial data.
- Ensure financial data is processed, retained, shared and disposed of in accordance with the Council's data protection, information security and document retention arrangements.
- Maintain documented backup, recovery and continuity arrangements for critical financial records and processes.
- Support the Council in providing evidence relevant to the AGAR governance assertion on digital and data compliance.

16. Business continuity, absence and handover

- Maintain documented arrangements for essential payroll, payment, banking, reporting and statutory functions during absence, system failure or other disruption.
- Ensure access, records and responsibilities can be transferred securely to an authorised substitute.
- When the RFO changes, complete a documented handover covering accounts, reconciliations, statutory deadlines, banking access, payroll, VAT, assets, audit matters, contracts and outstanding actions.

17. Monitoring compliance and review

- Monitor compliance with this policy and the Council's Financial Regulations and report material non-compliance to the Council.
- Review this policy annually, or earlier following changes to legislation, proper practices, staffing, banking, systems or Council arrangements.
- Where this policy conflicts with legislation or a statutory requirement, the statutory requirement shall take precedence. Any conflict with another Council document shall be referred to the Council for resolution.

18. Adoption recommendation

That the Council approves the revised Duties of the Responsible Financial Officer Policy, subject to confirmation that it is consistent with the Council's Financial Regulations, Standing Orders, Scheme of Delegation, Asset Management arrangements and the Practitioners' Guide applying to the relevant financial year; and that the policy be reviewed annually or sooner where legislation, proper practices or Council arrangements change.