

**Subject:** Appointment of the Chief Finance Officer and Proper Officer  
**Agenda item:** 6  
**Report No:** 3  
**Meeting date:** 02/04/2012  
**Report to:** Board  
**Report of/by:** Jonathan Dutton

FOR DECISION

**This report will be considered in public**

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## **1. SUMMARY**

- 1.1. This paper proposes the appointment of officers, to take on specific statutory duties for the London Legacy Development Corporation.

## **2. RECOMMENDATIONS**

- 2.1. The Board is invited to:
- **AGREE** That Andrew Altman be appointed proper officer for as long as he holds the post of Chief Executive.
  - **AGREE** that Jonathan Dutton be appointed chief finance officer with responsibility for the proper financial affairs of the Corporation for as long as he holds the post of Executive Director of Finance and Corporate Services.

## **3. BACKGROUND**

### **The proper officer**

- 3.1. The proper officer has duties in relation to public access to meetings and related documents. Specific duties are:
- excluding from the copies of reports provided to the public those reports or parts of reports which relate to items during which, in his opinion, the meeting is likely to be held in private; and
  - where the minutes for the private part of the meeting do not provide members of the public with a reasonably fair and coherent record of the meeting (because they will exclude exempt information), making a summary of decisions taken but in such a way as not to disclose exempt information. This means in practice a separate summary of the private part of the meeting for public consumption.
- 3.2. The proper officer is simply the officer appointed by the Corporation for that purpose. It is possible to appoint the Chief Executive to this role and for him to discharge its responsibilities through a member of the secretariat.

## **The chief finance officer**

- 3.3. The Greater London Authority Act says that functional bodies (which include mayoral development corporations) shall make arrangements for the proper administration of its financial affairs and secure that one of its officers ( "Chief Finance Officer") has responsibility for the administration of those affairs.
- 3.4. The Chief Finance Officer ("CFO") must be a member of one of the professional accounting bodies which are in England the Institute of Chartered Accountants, the Chartered Association of Certified Accountants, the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of Management Accountants.
- 3.5. The CFO role falls within the remit of the Executive Director of Finance and Corporate Services who is a Fellow of the Institute of Chartered Accountants in England and Wales.
  - The CFO has a duty under the Local Government Finance Act 1988 as applied to the Corporation to report to the Board if the Board, a committee or officer or employee:
    - has or is about to make a decision involving unlawful expenditure;
    - has taken or is about to take a course of action which if pursued would be unlawful and likely to cause a loss or deficiency on the part of the Corporation;
    - is about to enter an item of account which is unlawful;
    - if it appears to him the expenditure incurred including proposed expenditure in a financial year is likely to exceed the resources available including borrowings to meet that expenditure.
- 3.6. Unlawful in this context means action outside the powers of the Corporation including the unlawful exercise of power in an administrative law sense and which is susceptible to judicial review. A copy of the report must go to the auditors and must be considered by the Board within 21 days. During that period the action proposed may not be implemented. In the case of (iv) the CFO may permit expenditure to prevent the situation leading to the report getting worse, to improve the situation or to prevent a recurrence.
- 3.7. These are reserve powers which underpin the duty of the Corporation to make proper arrangements for the management of its financial affairs and show how the Corporation is firmly established in the public law arena.

## **4. PROPOSAL**

- 4.1. It is proposed:
  - That Andrew Altman be appointed proper officer for as long as he holds the post of Chief Executive.
  - That Jonathan Dutton be appointed chief finance officer with responsibility for the proper financial affairs of the Corporation for as long as he holds the post of Executive Director of Finance and Corporate Services.

## **5. CONSULTATION**

- 5.1. The drafting of the memorandum of understanding has been undertaken by Greater London Authority officials in consultation with Olympic Park Legacy Company officials.

## 6. LEGAL IMPLICATIONS

- 6.1. The duties of the chief finance officer are set out in Section 127 of the Greater London Authority Act 1999. The duties of the proper officer are set out in Part V of the Local Government Act 1972.

## 7. LIST OF APPENDICES TO THIS REPORT

- None

### List of Background Papers

- None

**Report originator(s):** Richard Brown  
**Telephone:** 020 3288 1830  
**Email:** richardbrown@londonlegacy.co.uk