



**ANGUS HEALTH AND SOCIAL CARE**  
**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 27 JUNE 2018**  
**REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER**  
**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

To update the Committee members of the Audit Committee on the main points to note from a high-level 2017/18 'Review of the Role of the Chief Finance Officer'.

**1.0 RECOMMENDATIONS**

It is recommended that the Integration Joint Board Audit Committee note the main points from the 2017/18 high-level self assessment of the role of the Chief Finance Officer in Angus IJB.

**2.0 BACKGROUND**

2.1 In 2016 CIPFA (Chartered Institute of Public Finance & Accountancy) published a document 'The Role of the Chief Finance Officer in Local Government'. As Angus IJB is formally classified as a Local Authority body, so this guidance is applicable to Angus IJB.

The document notes that it "sets out 5 principles that define the core activities and behaviours of the CFO in Public Services organisation and the organisational arrangement needed to support them." The overall document is described as the CIPFA Statement on the role of the Chief Finance Officer in a public service organisation and the 5 principles within it are :-

The CFO in Public Sector Organisation:

1. Is a key member of the leadership team, helping it develop, and implement strategy and to resource and deliver the organisation's strategic objectives sustainability and in the public interest.
2. Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully consider and alignment with the organisation financial strategy.
3. Must lead the promotions and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately , economically, efficiently and effectively.

To deliver these responsibilities the CFO:

4. Must lead and direct a finance function that is resource to be fit for purpose.
5. Must be professionally qualified and suitably experienced.

2.2 The 2016/17 self assessment against the principles (see report 41/17), noted the position at the end of financial year 2016/17. The high-level 2017/18 assessment indicates that the main areas of change/note since the 2016/17 assessment relate to areas that were considered weaknesses in the 2016/17 assessment. So, while Angus IJB remains generally self-assessed as being compliant against the principles, an update against previous areas of weaknesses is set out in the table below.

<b>Issue</b>	<b>2017/18 Update</b>	<b>Management Comment</b>	<b>Status</b>
Lack of Medium Term Financial Strategy / Plan	Report 25/18 (April 2018) set out the IJB's first multi-year financial plan.	Weakness now resolved; IJB to maintain multi-year financial plans.	Complete
Lack of robust financial information / weaknesses in budgetary framework.	As per report 48/18 (Audit Committee), budget framework within Adult Services much improved in 2017/18.	Weakness now largely resolved; IJB to maintain robust budgetary structure.	Complete
Reserves position.	IJB does now have reserves as reflected in Annual Accounts.	The IJB's ability to create reserves is constrained by the financial challenges within which the IJB operates. At 2017/18, IJB reserves are not at the target level described in the reserves policy.	Complete
Assess financial skills required by managers.	Finance training delivered to Managers in 2017/18.	To be developed into regular commitment.	Complete
Provide finance system with resources, expertise and systems necessary to perform its role effectively.	As per 2016/17, the current structure of IJBs does not facilitate CFO providing Finance with systems to perform its role or, readily, the resources to perform its role.	As Angus IJB is reliant on Partners to provide Finance support, so this lies outwith direct control of Angus IJB CFO. This remains an area for further development, albeit not within the direct control of Angus IJB.	Incomplete
Ensure there is a line of professional accountability to the CFO for finance staff throughout the authority.	As per 2016/17, the current structure of IJBs and corporate support does not facilitate this.	As Angus IJB is reliant on Partners to provide Finance support, so this lies outwith direct control of Angus IJB CFO. This remains an area for further development, albeit not within the direct control of Angus IJB.	Incomplete

As can be seen from the above, progress has been made with a number of issues. However issues linked directly to provision of Finance systems, support and staffing remain outwith the direct control of the IJB CFO. This is an issue that is prevalent across Scotland and is one that is under consideration by the national Chief Finance Officer network.

### **3.0 CONCLUSIONS**

- 3.1 The Audit Committee is requested to note high-level 2017/18 self assessment of the role of the Chief Finance Officer, to note that Angus IJB is generally compliant with the described principles, and to note the updates against the weaknesses identified in 2016/17.

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