



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 APRIL 2019**

**REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2018/19**

**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

To brief the Audit Committee regarding the outcomes of the 2018/19 self-assessment of the role of the Chief Finance Officer within Angus IJB against the principles set out in CIPFAs “The Role of the Chief Finance Officer in Local Government”.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board Audit Committee:-

- (i) note the main points from the 2018/19 self-assessment of the role of the Chief Finance Officer in Angus IJB;
- (ii) note that the IJB is generally compliant with the principles set out in the review;
- (iii) note that a small number of residual issues are being progressed through other existing channels; and
- (iv) note the independent review of this self-assessment undertaken by the IJB’s internal Auditors.

**2. 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 has 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 In 2016/17 a detailed self –assessment was undertaken (IJB report 41/17). During 2017/18, only a high level review was undertaken (see report 54/18). It was previously noted that more detailed self-assessments would be undertaken bi-annually. The 2017/18 self-assessment against the principles (see report 54/18), noted a number of weaknesses that had been evident since the 2016/17 review.

The outcome of the current self-assessment is included at Appendix 1.

The main points to note include:-

- (i) Angus IJB remains generally and increasingly compliant against all issues.
- (ii) As noted in 2017/18, there are a number of issues for which Angus IJB are “N/A” reflecting roles devolved to the IJB.
- (iii) As noted previously, solely due to the structure of the IJB, some issues will be “No” or “Partial”.
- (iv) The IJB does not yet have a balanced long term financial plan – this issue is addressed elsewhere.
- (v) Finance report are not directly linked to performance outcomes. This remains a challenging issue and is one the IJB can only commit to addressing in the longer run.
- (vi) The IJB will develop deputising arrangements for the CFO role.
- (vii) The IJB does have some data quality issues that are documented elsewhere and that it continues to seek to address.

As can be seen from the above and attached, progress has been made with a number of issues. However issues linked directly to provision of Finance systems, support and staffing remain out-with the direct control of the IJB CFO. This is an issue that is prevalent across Scotland and is one that is under consideration following recent national reviews of the progress of Integration via the Ministerial Strategic Group for Health and Social Care.

2.3 The output of this self-assessment has been shared with the IJB’s Internal Auditors and there view will be reflected in their summary of the IJB’s overall governance for 2018/19.

### 3. CONCLUSIONS

The Audit Committee is requested to note the detailed 2018/19 self-assessment of the role of the Chief Finance Officer, to note that Angus IJB is generally compliant (though the independent view of the IJB’s Internal Auditors is awaited) and to note that a small number of residual issues are being progressed through other existing channels

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List of Appendices – Appendix 1 – Angus IJB – Statement on the role of the Chief Financial Officer – Checklist (2016/17)