



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 28 AUGUST 2019

REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2018/19

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The aim of this paper is to update the Audit Committee following a review of report 13/19.

1.0 RECOMMENDATION

It is recommended that the Integration Joint Board Audit Committee note the update provided in this report.

2.0 BACKGROUND

2.1 Audit Committee report 13/19 "Review of the Role of Chief Finance Officer" indicated that the IJB could not positively confirm that a number of aspects of the role of CFO were properly undertaken locally. It was noted at the April 2019 Audit Committee meeting that this may be due to circumstance related to the continuation of the IJB or the proviso of Support Services. It was therefore requested that the relevant aspects were reviewed to provide a more insightful status update.

The attached appendix 1 provides an update on the relevant points. A number of points that were previously classed as not compliant have been amended to being "Not Applicable". Others have been noted as being partially compliant.

There are no new issues disclosed in this report, with all information being intended to clarify what was presented in report 13/19 which noted the IJB was generally and increasingly compliant.

3.0 CONCLUSION

3.1 The Audit Committee is required to note this update.

REPORT AUTHOR: ALEXANDER BERRY, CHIEF FINANCE OFFICER
EMAIL DETAILS: hsciangus.tayside@nhs.net
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List of Appendices – Appendix 1 – Update re Statement of the Role of Chief Finance Officer in Angus IJB.

APPENDIX 1

ANGUS IJB - STATEMENT ON THE ROLE OF THE CHIEF FINANCIAL OFFICER - CHECKLIST (2018/19)

In order to support Chief Financial Officers (CFOs) in the fulfilment of their duties and to ensure that local authorities have access to effective financial advice at the highest level, CIPFA has introduced a 'comply or explain' requirement in the Annual Statement of Accounts.

This is covered by five principles, each of which requires the right ingredients in terms of:

- a) The Organisation;
- b) The Role; and
- c) The Individual.

This extract only reflects principles/points where the IJB previously indicated a “no” to compliance.

Principle 1		The CFO in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.			
		Supporting Principle:	Comply? (Yes/No)	What evidence exists to demonstrate compliance	If no compliance, give explanation
c) Personal skills & professional standards	xi)	Manage a broad portfolio of services to meet the needs of diverse communities.	Original Assessment – No. Revised Assessment – Not applicable.	Portfolio of services managed by CFO limited by structure of IJB.	

Principle 2		The CFO in a local authority 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 considered, and alignment with the authority's overall financial strategy.			
		Supporting Principle:	Comply? (Yes/No)	What evidence exists to demonstrate compliance	If no compliance, give explanation
a) Governance Requirements	i)	Establish a medium term business and financial planning process to deliver the authority's strategic objectives, including: <ul style="list-style-type: none"> a robust annual budget process that ensures financial balance 	Original Assessment – No. Revised Assessment – Partly.		While the in year budget is near to balance, the IJB's Strategic Financial Plan still contains recurring shortfalls.

	iv)	Ensuring that budget calculations are robust and reserves adequate, in line with CIPFA's guidance.	Original Assessment – No. Revised Assessment – Yes.	IJB Reserves at target level (March 2019).	
b) Core CFO Responsibilities	<i>Responsibility for financial strategy:</i>				
	ii)	Maintaining a long term financial strategy to underpin the authority's financial viability within the agreed performance framework.	Original Assessment – No. Revised Assessment – Partly.	The IJB does have a well documented long term financial plan, but it contains shortfalls.	IJB still to develop a balanced multi-year financial plan due to scale of current financial challenge and funding uncertainties.

Principle 4		The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.			
		Supporting Principle:	Comply? (Yes/No)	What evidence exists to demonstrate compliance	If no compliance, give explanation
a) Governance requirement	ii)	Ensure there is a line of professional accountability to the CFO for finance staff throughout the authority.	Original Assessment – No. Revised Assessment – N/A.	"N/A" reflects the structures of the IJB and its working relationship with Partners.	Note - The current structure of IJBs and corporate support does not facilitate this. This remains under consideration given recent Ministerial Strategy Group Review of Integration.
b) Core CFO responsibilities	iv)	Implementing robust processes for recruitment of finance staff and/or outsourcing of functions.	Original Assessment – No. Revised Assessment – N/A.	As per above, overseen by Partners – this remains an area of ongoing concern.	

c) Personal skills & professional standards	vi)	Set and monitor meaningful performance objectives for the finance team.	Original Assessment – No. Revised Assessment – N/A.	As per above, difficult in current corporate support arrangements – subject to future review.	
	vii)	Role model effective staff performance management.	Original Assessment – No. Revised Assessment – N/A.	As per above, difficult in current corporate support arrangements – subject to future review.	

Abbreviations:-

IJB – Integration Joint Board
CFO – Chief Finance Officer

NHST – NHS Tayside
AC – Angus Council