



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 APRIL 2023**

**REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2022/23**

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

**ABSTRACT**

To brief the Integration Joint Board (IJB) Audit Committee regarding outcomes of the 2022/23 assessment of the role of the Chief Finance Officer within Angus IJB against the principles set out in Chartered Institute of Public Finance and Accountancy's (CIPFA) "The Role of the Chief Finance Officer in Local Government".

**1. RECOMMENDATIONS**

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

- (i) Notes the content of the 2022/23 self-assessment of the role of the Chief Finance Officer (CFO) in Angus IJB including the important points highlighted in the covering report;
- (ii) Notes that the IJB is generally compliant with the principles set out in the review;
- (iii) Notes that this self-assessment has been compiled following full review and validation by the IJB's Internal Auditors; and
- (iv) agrees that in depth reviews of the Role of the Chief Finance Officer are carried out every two years going forward and that these should include an element of independent involvement in any assessment.

**2. BACKGROUND**

- 2.1 In 2016 CIPFA published a document "The Role of the Chief Finance Officer in Local Government" and this document remains the extant guidance. As Angus IJB is formally classified as a Local Authority body, so this guidance is applicable to Angus IJB.

<https://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-government>

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. The 5 principles within it are below.

The CFO in a 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 considered and alignment with the organisation's financial strategy.
3. Must lead the promotion 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 resourced to be fit for purpose.
  5. Must be professionally qualified and suitably experienced.
- 2.2 While the IJB Audit Committee has received an update on a self-assessment of the Angus position against these principles annually, the last full review was in 2018/19 (report 43/19). This is partly because the IJB had already agreed to update the self-assessment bi-annually, but subsequent updates were down-sized due to the work pressure associated with COVID-19.
- The previous self-assessment noted that Angus IJB was only non-compliant on a limited range of points and some of the non-compliance was linked to the structure of the IJB and issues that were out-with the direct control of the IJBCFO. The updates since 2018/19 had focussed on areas of partial or non-compliance.
- As part of this year's Internal Audit plan, it was agreed that the IJB's Internal Auditors would undertake a validation of this self-assessment. Consequently, this updated self-assessment has been compiled after review with the IJB's Internal Auditors.
- 2.3 The output of this self-assessment is attached at appendix 1. The IJB's Internal Auditors have noted that:-
- "We have validated the self-assessment against the role of the CFO and where documentary evidence exists, we have reviewed this. Where the assessment is subjective, we have exercised our professional judgement, based on our knowledge of Angus IJB and the outcomes of previous internal audits. We concluded that, in our opinion, the self-assessment of the role of the Angus Chief Finance Officer is accurate."
- 2.4 As noted above, it has previously been the practice that detailed self-assessments would be undertaken bi-annually. Given that this year the IJB has undertaken a significantly more in-depth review, it is intended to revert to the pattern of only undertaking detailed self-assessments bi-annually.
- 2.5 The following are important points to note: -
1. The IJB is now fully compliant in relation to issues associated with staff management, an improved position compared to the last full assessment in 2018.
  2. The IJB continues to rely on the core finance systems utilised by NHS Tayside (i.e. national NHS Finance system) and Angus Council for service accounting and consolidates its own integrated accounts based on those information sources.
  3. The IJB continues to undertake capital and banking transactions through Angus Council and NHS Tayside.
  4. In recent years, training has been highlighted as an area for improvement. Post COVID-19 a finance training programme for budget holders has been reinstated.

5. The IJB's finance team did suffer a period of significant turnover in 2021. While this has been resolved during 2021/22 and the team is now arguably more robust, there remains an underlying risk of future turnover in a more challenging workforce market.

### **3. CONCLUSIONS**

The IJB Audit Committee is requested to note the detailed 2022/23 self-assessment of the role of the Chief Finance Officer in Angus, to note the involvement of the IJB's Internal Auditors in reviewing this self-assessment and that Angus IJB is generally compliant with requirements.

It is further noted that the involvement of Internal Audit has moved this assessment beyond being one of self-assessment. That independent involvement potentially brings more value to the overall review. It is recommended that this independent consideration of the Role of the CFO is factored in at least every 2 years. Similarly, it is suggested the previous practice of more in depth reviews every two years is retained.

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**Appendix 1 :** Angus IJB – Statement on the Role of the Chief Financial Officer - Checklist