



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 24 APRIL 2024

REVIEW OF THE ROLE OF CHIEF FINANCE OFFICER 2023/24

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

To brief the Integration Joint Board (IJB) Audit Committee regarding outcomes of the 2023/24 self-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) 2016 document "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 2023/24 high-level self-assessment of the role of the Chief Finance Officer (CFO) in Angus IJB;
- (ii) Notes that the IJB is generally compliant with the principles set out in the review; and
- (iii) Notes that every 2 years (i.e. for 2024/25) more in-depth assessments will be undertaken including an element of independent involvement in any assessment. This should be considered as part of the planning for the 2024/25 Internal Audit plan.

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 The IJB Audit Committee has previously agreed to receive an update on an assessment of the Angus position against these principles annually. Further, it has agreed that every two years, a more in-depth assessment will be undertaken which will include an element of independent involvement in any assessment (as undertaken in 2022/23). This assessment for 2023/24 is an internal self-assessment, that is more high level and, as was the practice pre-COVID, focuses on areas of previous partial or non-compliance.
- 2.3 The output of this self-assessment is attached at appendix 1. Due to the previous high level of compliance, areas listed in appendix 1 are limited to an issue regarding developing the interface of financial and performance reporting / the delivery of strategic objectives. Due to wider capacity issues, but particularly due to system constraints (i.e. financial reporting rarely exactly matches performance indicators/strategic objectives), it is difficult to deliver full compliance for this measure.
- 2.4 Regarding this overall assessment, the following are important points to note: -
1. 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.
 2. The IJB continues to undertake capital and banking transactions through Angus Council and NHS Tayside.
 3. The IJB's finance team did suffer a period of significant turnover in 2021. While the team has been more stable since then, there remains an underlying risk of future turnover in a more challenging workforce market.
- 2.5 Separately, it is worth noting that CIPFA have now issued an additional document "The Role of the Chief Financial Officer in Public Service Organisations". (<https://www.cipfa.org/members/the-role-of-the-chief-financial-officer/the-role-of-the-cfo-in-public-service-organisations>). While this document has a similar title, it does not appear to supersede the 2016 guidance and acts more as a description of the Chief Finance Officer in the public sector. After discussion with our Internal Auditors, we have continued to assess the role of the Angus Chief Finance Officer against the 2016 documentation.

3. CONCLUSIONS

The IJB Audit Committee is requested to note the high-level 2023/24 self-assessment of the role of the Chief Finance Officer in Angus and to note that Angus IJB continues to be generally compliant with requirements.

It is further noted that that every 2 years (i.e. for 2024/25) more in-depth assessments will be undertaken including an element of independent involvement in any assessment. This should be considered as part of the planning for the 2024/25 Internal Audit plan. In other years, as per 2023/24, a high-level internal self-assessment will be shared.

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List of Appendices

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

ANGUS IJB - STATEMENT ON THE ROLE OF THE CHIEF FINANCIAL OFFICER - CHECKLIST AT APRIL 2024 (Published 2016/17)

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 indicted a “no” or “partly” to compliance (i.e. at April 2023).

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.			
	No issues to report on.			
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
b) Core CFO Responsibilities	<i>Financial information for decision makers:</i>			
	xviii) Monitoring and reporting on financial performance that is linked to related performance information and strategic objectives that identifies any necessary corrective decisions.	Partly	Regular Finance reports.	Due to capacity and systems issues, finance reports not directly linked to Performance information.
Principle 3	The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.			
	No issues to report on.			

Principle 4	The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
	No issues to report on.
Principle 5	The CFO in a local authority must be professionally qualified and suitably experienced.
	No issues to report on.

Abbreviations: -

IJB – Integration Joint Board

CFO – Chief Finance Officer

CIPFA – Chartered Institute of Public Finance & Accountancy