



AUDIT & PERFORMANCE SYSTEMS COMMITTEE

Date of Meeting	28.05.2019
Report Title	Review of Financial Governance Arrangements
Report Number	HSCP.19.002
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	<ul style="list-style-type: none">a. Review of Financial Governance Arrangementsb. The Role of the Chief Financial Officer in Local Government (2016)

1. Purpose of the Report

- 1.1. To provide the Audit & Performance Systems (APS) Committee with the results of the review undertaken by the Leadership Team against financial governance requirements contained in the Chartered Institute of Public Finance and Accountancy (CIPFA)'s statement on the '*Role of the Chief Financial Officer in Local Government (2016)*'.

2. Recommendations

- 2.1. It is recommended that the Audit & Performance Systems Committee:
- a) Note the content of the report the accompanying results of the Executive team review contained in Appendix 1.

3. Summary of Key Information

- 3.1. During the audit of the Integration Joint Board's (IJB) 2015/16 annual accounts, Audit Scotland, the IJB's external auditors at that time, requested that during the first full year of operation a review be undertaken to ensure



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compliance with the financial governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Governance (2016). This request formed part of the 2015/16 annual governance statement which is contained in the annual accounts document.

- 3.2. On 11 May 2017 the APS Committee reviewed and noted performance against the financial governance requirements. Contained in this review were some areas where further work was required or being progressed. The document contained in Appendix 1 contains the result of the first review, with any updates from the most recent Leadership Team review highlighted in italics.
- 3.3. A copy of the document 'The Role of the Chief Financial Officer in Local Government' is contained in Appendix 2 of this report. Given the document is largely for local government, some of the terminology and principles are not directly relevant in an IJB context.
- 3.4. The financial control environment of the IJB is complex, with several of the controls remaining with the partner organisations (NHS Grampian and Aberdeen City Council). However, a review has been undertaken and assurance has been provided against each of the principles. In relation to some of the principles, further development work is required and this work is largely already in progress.

4. Implications for IJB

- 4.1. Equalities - NA
- 4.2. Fairer Scotland Duty - NA
- 4.3. Financial - Ensuring that the financial governance arrangements are robust, regularly reviewed and aligned (where appropriate) to the XXX will help ensure that there is sufficient control over IJB finances, reducing the risk of overspend or misuse of public funds.
- 4.4. Workforce - NA
- 4.5. Legal - NA
- 4.6. Other - NA



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5. Links to ACHSCP Strategic Plan

- 5.1. Good governance and internal controls are fundamental to ensuring the delivery of the strategic plan.

6. Management of Risk

- 6.1. **Identified risk(s):** Good governance and internal controls are fundamental to the delivery of the strategic plan and therefore applicable to most of the risks within the strategic risk register.
- 6.2. **Link to risk number on strategic or operational risk register:** Risk numbers 1-10 of the strategic risk register
- 6.3. **How might the content of this report impact or mitigate the known risks:** This report provides assurance and evidence on the financial governance requirements as contained the CIPFA statement.