

**CIPFA**

The Chartered Institute of  
Public Finance & Accountancy

# CIPFA London Division

## \ The Future of the Finance Professional in the Public Sector

10<sup>th</sup> October 2019



The CIPFA logo consists of the letters 'CIPFA' in a bold, purple, sans-serif font. A thin purple line extends from the top right of the 'A' and curves upwards and to the left, ending near the top left corner of the slide.

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The Chartered Institute of  
Public Finance & Accountancy

# Welcome & introductions

Nick Carroll  
CIPFA London Division



## Agenda

- 9.45 **Sponsor's welcome** – Kelly Watson, CCLA
- 9.50 **Chair's introduction** – Nick Carroll, CIPFA London Division Executive
- 9.55 **The CIPFA vision** – Chris Glennie, Director of Education and Lifelong Learning, CIPFA
- 10.20 **The Health Perspective** – Virginia Massaro, Acting Chief Financial Officer, Chelsea and Westminster Hospital NHS Foundation Trust
- 10.45 Coffee Break
- 11.10 **The view from Central Government** – Kieran Rix, Director of Finance and Corporate Services, the Electoral Commission
- 11.35 **The Local Government opinion** – Dawn Calvert, Director of Finance, London Borough of Harrow
- 12.00 Panel Debate
- 12.30 Buffet Lunch

# Agenda

- |       |   |
|-------|---|
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# The CIPFA Vision, or What next for the Professional Qualification?

Chris Glennie

Director of Education & Lifelong Learning

# CIPFA 2020



- Ensuring new CPFAs are properly equipped with the skills and knowledge to operate effectively in a changing world
- More than “just” a curriculum review

# Why?

- Last review 2015 in response to Local Audit and Accountability Act
- Syllabus is uneven...
- ... and “tired”?
- Changes in learning and assessment methodologies
- New topics/challenges

# Examples of the challenges

- Overlapping content (FA and CFR)
- Uneven distribution of content (PSFR vs TAX)
- Number of modules & course structure
- Technology in accounting (Blockchain)
- Attainment gap (UK & International)
- Delivery mechanisms – online, face-to-face & self-study





# Key features of the process

- Consultation with employers
- Student engagement – the experience
- Members' voice
- Benchmarking
- Governance oversight

# Key areas of focus



- Socio-political factors
- New organisational models
- New and emerging technologies
- Management and leadership

# Outcomes

- Analysis of findings to inform:
  - Syllabus content changes
  - Exemption routes and progression to membership
  - Development of the student learning experience
  - Assessment strategy
  
- Fitting a quart into a pint pot...
  - Inform lifelong learning/CPD strategy

# Timelines

## 2020

- Q1/2 analysing the research, developing a new syllabus, testing it in the market
- Q3-4 creation of the learning materials, assessments, etc.

## 2021

- First teaching: September
- First assessments: December

# How can you help?

- Respond to surveys
- Engage with regional groups (like today!)
- Encourage everyone you know to let us know what they think!

## Contact details



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Project Manager

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# Agenda

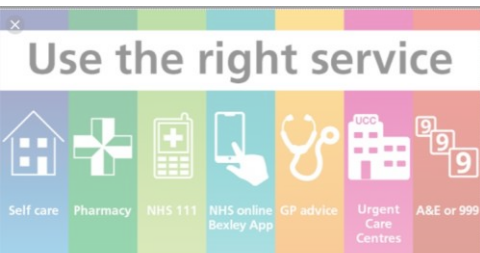
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## What does the NHS need from finance professionals?

- Finance functions have a crucial role to play in the NHS
- On the transactional side, the finance team undertake activities at local organisations to ensure – at the most basic level, staff and invoices get paid

**BUT ....** NHS finance professionals have roles in:

- Governance
- Accountability
- Planning
- Informing and enabling decisions around the use of public funding
- Ensuring VFM
- Enabling change
- System working



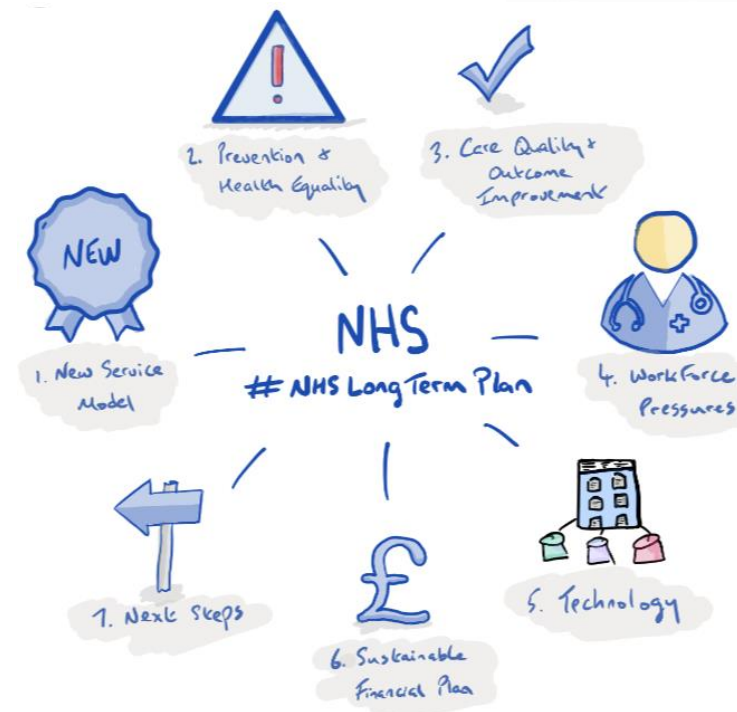


# The NHS Long Term Plan

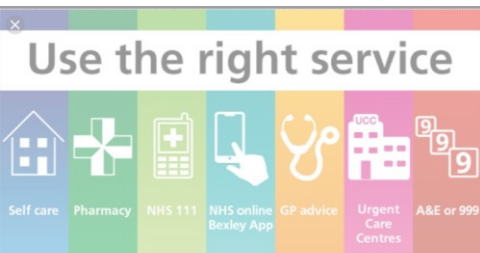
- Published 7 January 2019

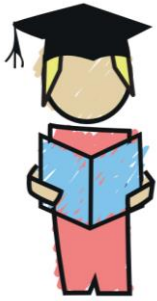
## All about.....

- Making sure everyone gets the best start in life
- Delivering world-class care for major health problems
- Supporting people to age well



[www.longtermplan.nhs.uk](http://www.longtermplan.nhs.uk)





“ I'M A  
**FINANCE**  
EXPERT ”

**FUTURE  
FOCUSED**  
FINANCE

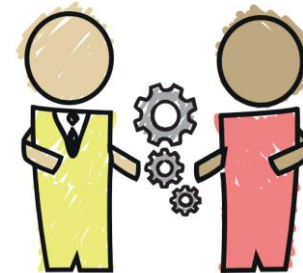


“ I'M A  
**TEAM**  
PLAYER ”

## ROLE OF THE FINANCE PROFESSIONAL



“ I DRIVE  
**VALUE** FOR PATIENTS  
AND **TAX** PAYERS ”



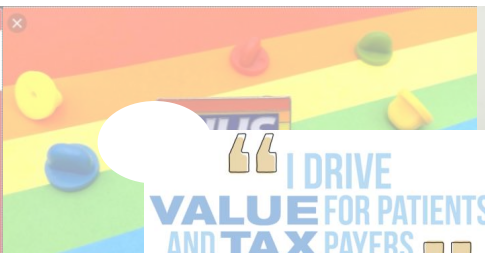
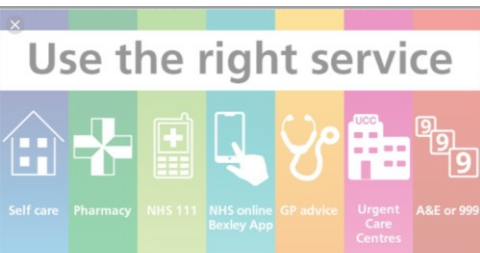
“ I MAKE  
**CHANGE**  
HAPPEN ”

“ I'M A  
**FINANCE**  
EXPERT ”



“ I'M A  
**FINANCE**  
EXPERT ”

- To have the knowledge and skills needed to do my job and to support others
- To keep my own skills up-to-date with the latest thinking in Finance and focused on the challenges facing the NHS

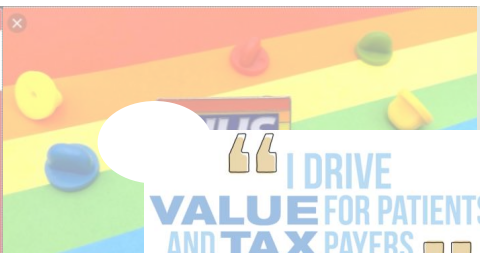
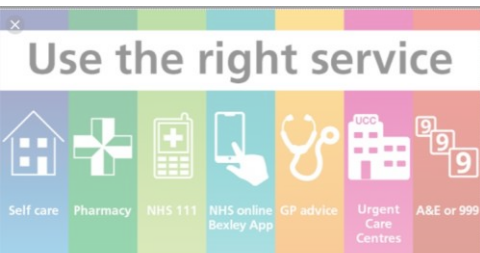




“ I'M A  
TEAM  
PLAYER ”

“ I'M A  
TEAM  
PLAYER ”

- To engage fully with my team and contribute beyond my personal job description
- To build constructive relationships with clinical colleagues and decision makers beyond my team, department and organisation
- To remain positive in the face of difficulties and seek to overcome challenges



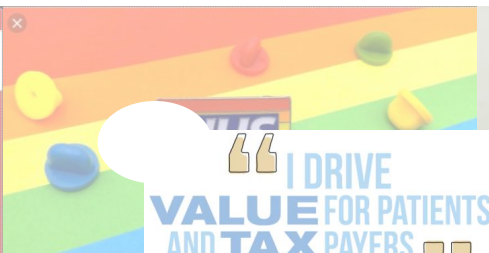
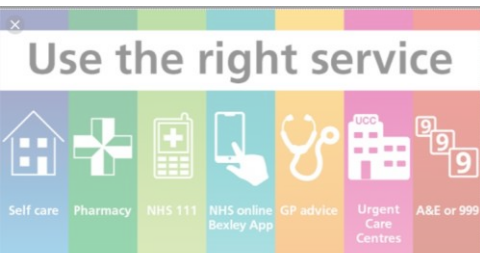


“ I DRIVE  
VALUE FOR PATIENTS  
AND TAXPAYERS ”

- To “think like a patient and act like a tax-payer” when at work
- To strive to increase value in every piece of work undertaken



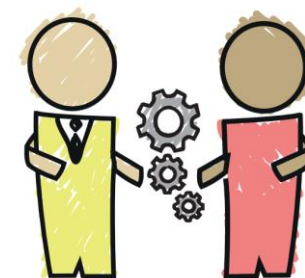
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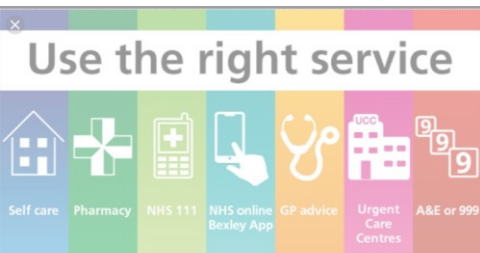


“ I MAKE  
**CHANGE**  
HAPPEN ”

- To understand that embracing and enabling change is part of my daily job
- To develop and implement new ways of doing things to improve the service provided
- To encourage and help others to change



“ I MAKE  
**CHANGE**  
HAPPEN ”



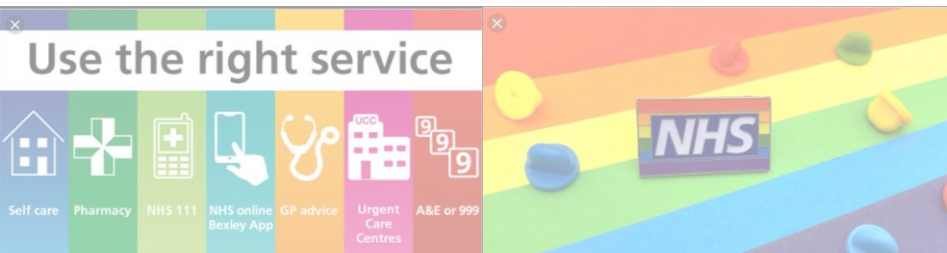
## Fit for the Future!

- The way the NHS delivers services is changing - organisations are working in partnership across NHS organisations, local authorities, charities and others.
- Working collaboratively with other organisations can prove challenging and new skills required:
  - Adapting to new cultures
  - Different statutory requirements/ governance arrangements
  - Ability to influence, communicate effectively, lead change and build productive relationships will be important.

**Making sense of integrated care systems, integrated care partnerships and accountable care organisations in the NHS in England**

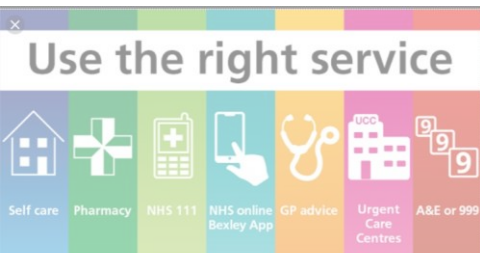
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**Partnership models in the NHS**



## Fit for the Future!

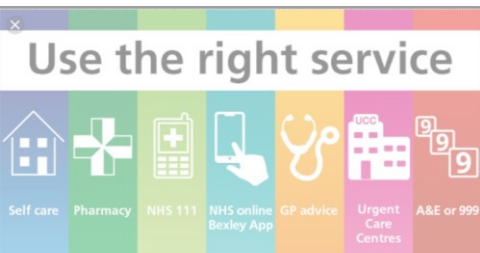
- Technology, automation and robotics – new ways of working. Move away from transaction finance to strategic finance.
- Reporting at system level and combining financial and management information to fully understand the impact of changes & actions across multiple organisations.
- This requires a much more analytical and strategic set of skills than may have been needed in the past.





“We as (finance professionals) all have a central role to play in making clinically-led transformation happen, achieving the goals set out by the new NHS structure and learning from the mistakes of the past. But we will only ever achieve a fit-for-the-future NHS as a team – clinicians and healthcare financial professionals working together”.

*Paul Briddock, Policy and technical director at the Healthcare Financial Management Association (HFMA)*



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Break



# Agenda

Now

**The view from Central Government** – Kieran Rix,  
Director of Finance and Corporate Services, the Electoral  
Commission

11.35

**The Local Government opinion** – Dawn Calvert, Director  
of Finance, London Borough of Harrow

12.00

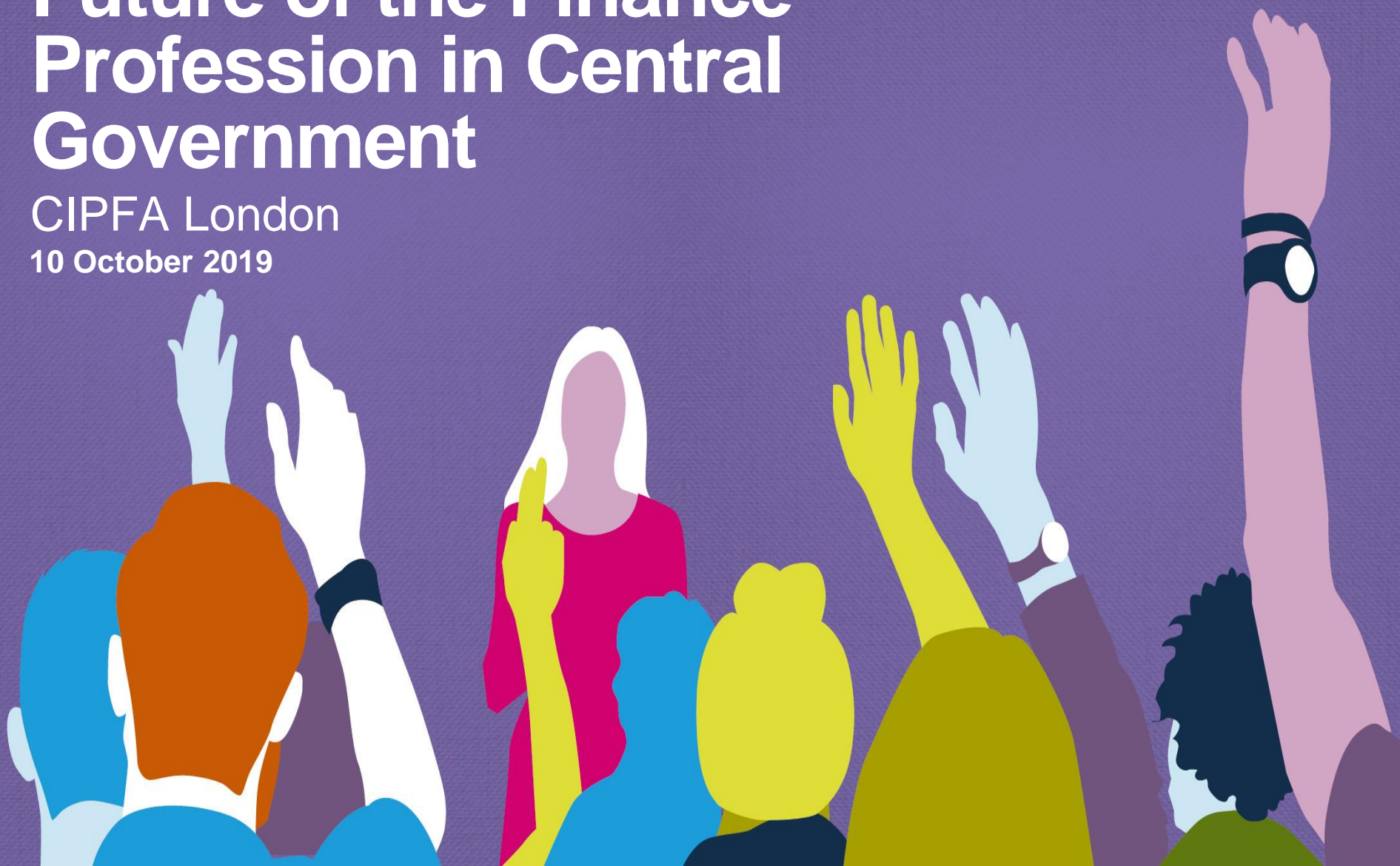
Panel Debate

12.30

Buffet Lunch

# Future of the Finance Profession in Central Government

CIPFA London  
10 October 2019



# Why me?

This is a **personal** view.

It certainly doesn't represent the views of government, or the Electoral Commission

Varied career. Ex-:

- local government,
- CIPFA,
- HM Treasury, DfT etc,
- Internal audit, technical, policy, financial strategy, project delivery, strategy, regeneration

TEC isn't part of government (but it is 'central government sector')

Involved but independent

# Government context

No part of the public sector is uniform but central government can need some explaining

## External

- Austerity
- Brexit
- Politics

## Financial

- Exchequer funding
- Role of the Accounting Officer
- Role of HMT...
- ...& Cabinet Office's functional agenda

## Contextual

- Wide range of entities
- Wide range of functions
- Shared “decision space”



# Where have we come from?



# Where are we now?





# Government's functional agenda

Similar things are happening across the main defined functions within the Civil Service

Analysis	Communications	Internal Audit	Finance
Legal	Project Delivery	HR	Counter Fraud & Error, Debt and Grants
Digital	Security	Commercial	Property

# Drivers of Change



## Claimed

Continued restraint

Rapid technological change

Embracing and maturing the role as 'Trusted partners'



## Implicit

Rising public (and staff) expectations

Functional agenda

New public management

# Government Finance Profession Strategy

GFP's strategy seems sound and represents continuity of aims, but the ambition is substantial:

Put finance at the heart of decision making. Driving the agenda, not just keeping score.

Position ourselves as the go-to trusted partner at every level of decision making across government



**1** Getting the basics right

Sound forecasting and reporting, with robust data, efficient transaction processing, and effective management of risk, supported by standards, policies, guidance and strong functional leadership



**4** Insight

A function informed by analysis, underpinned by good quality data and supported by analytics and visualisation tools



**2** People, diversity and capability

A high performing and diverse function, with great people in the right roles with the right skills



**5** Trusted partner

The 'go-to' partner for colleagues to provide expert advice and informed decision making



**3** How we operate

A modern, collaborative finance function that delivers quality services more effectively and efficiently



**6** Planning, risk and performance

Driving a strong culture of planning, risk and performance with integrated financial and business planning, aligned with robust risk and assurance

# Finance functional standards

Finance had never been short of standards but GFP is taking this in a more practical direction

## Core standards

IFRS, Financial Reporting Manual (FReM), Budgeting Guidance, Estimates Manual, Managing Public Money

## Government Functional Standard GovS 006: Finance

Principles for the function

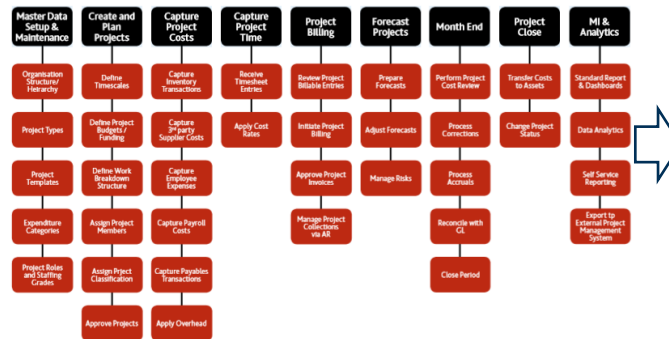
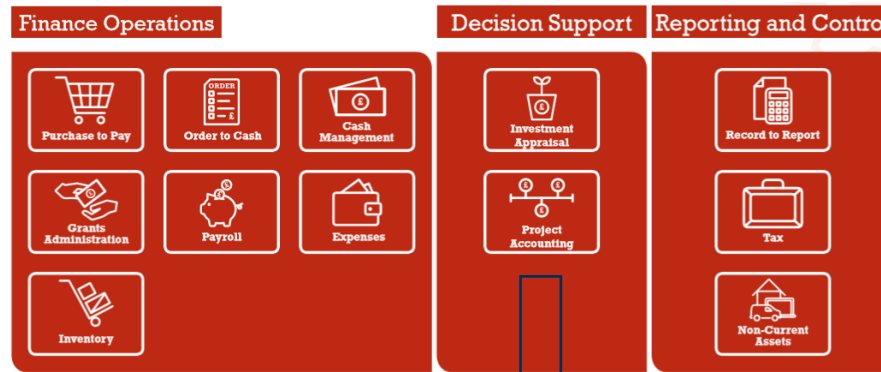
## Operating Standards

Global design principles, people – competencies, career pathways, diversity & inclusion

# Global design principles

Standardisation of how finance functions work is a key feature of the strategy, to drive consistent quality & efficiency.

The global design principles are a key element, aligned to shared services



Assign Project Members	21	Key project roles are assigned as part of the project creation process.
	22	Rules that enable users to initiate and edit transactions are tightly controlled and only assigned for business purposes. By default, users receive read-only access.
	23	Project role assignments are reviewed regularly to ensure they remain valid
Assign Project Classification	24	Every project is classified with a project type
	25	A framework is applied to every project to determine treatment of costs as within Resource Departmental Expenditure Limits (RDEL), Capital Departmental Expenditure Limits (CDEL) or Annualised Expenditure (AE)
Approve Projects	26	Projects require online approval to ensure they are authorised and set-up correctly
	27	Optional approvers can be added to the approval chain, but system generated approval chains can not be overridden
	28	Approval requests can be accepted or rejected on mobile devices and tablets
	29	Transactions can only be raised against an active project that has been approved
Relevant to PII Capture Project Costs	30	Transactions are assigned to project codes as they are initiated at source
	31	Controls and approvals are performed within the ledger used to initiate the transaction
	32	Corrections and adjustments are performed within the relevant ledger used to initiate the transaction
Capture Inventory Transactions	33	Inventory transactions are initiated in an integrated inventory ledger and automatically interfaced into the Project Accounting ledger
Capture 3rd Party Supplier Costs	34	Procurement transactions are initiated in an integrated purchase ledger and automatically interfaced into the Project Accounting ledger
Capture Employee Expenses	35	Employee expenses transactions are initiated in an integrated expenses ledger and automatically interfaced into the Project Accounting ledger
Capture Payroll Costs	36	Payroll costs are initiated in the payroll system and should be interfaced into the Project Accounting ledger
Capture Payables Transactions	37	Payable transactions are initiated in an integrated purchase ledger and automatically interfaced into the Project Accounting ledger
	38	General Overheads can be allocated to projects with clear rationale for their purpose and applicable periods.
Apply Overhead	39	Materiality thresholds are applied to overheads
	40	Any general overheads allocated are reviewed regularly to ensure accuracy and validity



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## Strategy

Expert people

Diverse and inclusive culture

Clear career frameworks

Confident and visible leaders



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## Actions

Government finance academy

Career paths & planning tool

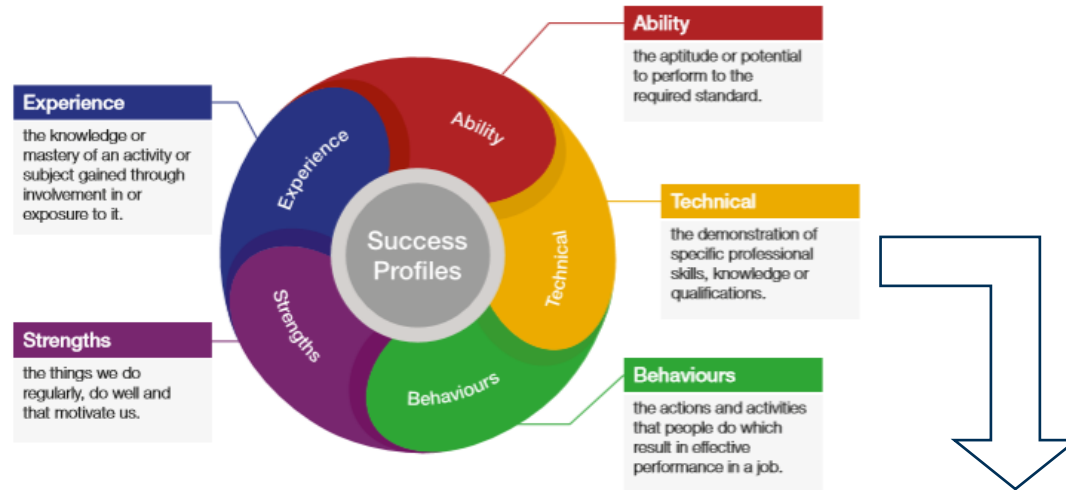
Competency frameworks

Reward

Better workforce data & planning

# Competencies

Finding the right balance between civil service skills and finance skills



DECISION SUPPORT – FINANCE STRATEGY			DECISION SUPPORT – BUSINESS PARTNERING & CHANGE				
Leadership	Planning		Business Partnering	Change Management	Costing, MI & Analytics	Commercial Activity	
Finance strategy	Planning Budgeting Forecasting Planning Infrastructure		Reporting commentary Programme/Project Contract Mgt Departmental Policy Business Case formulation & Investment appraisal Local commercial advice Local services	Internal Projects Cross-government initiatives Specialist training	Ad-hoc MI Analytics	Local sourcing Local contract management Departmental sourcing Departmental contract management	
REPORTING & CONTROL – FINANCIAL CONTROL & OPERATIONS							
Management Reporting	External Reporting	Technical Accounting	Tax	Risk & Compliance	Intelligent Customer / Partner Engagement	Treasury Function	
Board reports Management accounts Other standard reports	Notes and Narratives PQs and FQs Annual Accounts Other Statutory Returns Preliminary Returns Transparency GOSAR reporting Estimates	Accounting policy General accounting support Other technical advice Contract accounting Assets and Capital accounting Pensions advice	Tax compliance Tax accounting Tax advice	Auditor liaison Risk & compliance ownership Financial controls framework Risk management and compliance framework Fit: controls ownership HMT approvals/delegations Adherence to MPM, CSC, FHMd	Master data ownership Local relationships Central relationships	Advanced cash flow forecasting Working capital management Foreign exchange hedging Corporate treasury	
FINANCE OPERATIONS – FINANCIAL CONTROL & OPERATIONS							
Master Data Management	Transactional	Accounting Operations	Systems	Transactional Procurement	Inventory	Grants Management	
Chart of Accounts Customers Suppliers Procurement categories Inventory items	Accounts receivable (inc. Debt Mgt) Accounts payable Fixed assets Cash management Travel & subsistence GPC processing Pensions/Pensions Project accounting	General accounting Financial consolidation Bank reconciliation Other reconciliations Period-end Year-end	Finance systems Procurement systems Inventory systems MR/reporting systems Planning tools Other specialist tools	Catalogue management GPC administration Requisitions Goods received notes Supplier assessments Purchase order creation	Demand management Inbound logistics Warehouse picking Outbound logistics Inventory accounting Inventory valuation Stock takes	Data maintenance Application processing Decision processing Rules-based calculations Credits payments Compliance checks	

Finance Competence Framework – NB Colour code indicates job family

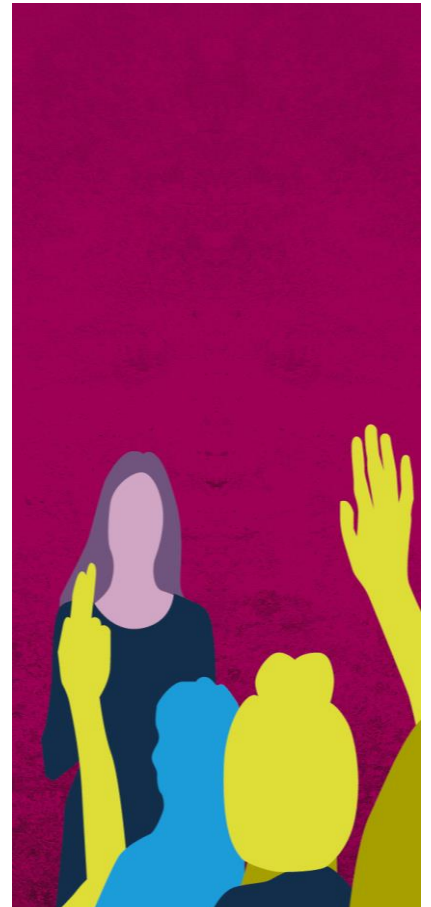
**So, is it working?  
What's next?  
What does it mean  
for individuals?**



# A personal view

This feels a more serious, practical attempt at change central government has been seeking for 30+ years.

- Will functional leadership sustain momentum and direction? Will interest at the centre be maintained?
- Is the degree of standardisation is right?
- Is the people strategy the right one to achieve the vision? Will it work for staff & 'customers' ?
- Does the function (and the accountancy profession within it) have a clear vision for where it fits into decision-making?



# Agenda

Now **The Local Government opinion** – Dawn Calvert, Director of Finance, London Borough of Harrow

12.00 Panel Debate

12.30 Buffet Lunch

# What does Local Govt need in its Finance Professional of the future?

Dawn – London Borough of Harrow

- Regulatory work is essential, accountants hold a very important stewardship role.....but its not really where they add value!!
- Value is added through supporting services to deliver, not producing a perfect spreadsheet
- Being qualified does not make someone a good accountant
- Make the business as usual / the stuff you just have to do as efficient as possible.....then you can go off and do the real interesting stuff
- I.e. closure of account / regular monitoring

# Doing V Thinking

- Less 'doers' and more accountants who can 'think'
- Understand what you are doing and why?
- Challenge yourself, could it be done differently?
- Solution focused
- Will move out of their comfort zone
- I.e. SAP replacement / social care real time data

# Get on with people!

- Get on with people – learn how to get on with people from all areas of the organisation
- Relationship management is key
- Talk and listen to your colleagues
- Due to financial constraints, need to say no more.....but learn how to say no
- Be seen to say no in a constructive manner, not as a blocker
- Get people on board with a collective view, finance will not be challenging on their own
- But you cannot say no to everything!! Under risk, opportunities and risk

## Understand the value of money

- Understand what local government is here for – community, support vulnerable residents.
- Understand the value of money, in local government a little bit of money can have a bit impact. I.e. ward priorities fund / CTS scheme
- Change your mindset from service provision to funding people / organisations who can make things happen
- Focus on outcomes / ask better questions
- Make better use of money, enable the organisation to spend better

- Commercialisation – contribution not profit. People do not enter local government for commercial skills i.e business case skills
- Ability to work pan organisation – broader than finance but finance is a key element. i.e Harrow PLC
- Regeneration – i.e HSDP
- Trading structures – i.e company directors
- The wiser accountant will ask for help
- Property Investment – i.e investment appraisal
- Fail fast!
- Don't be scared – embrace and enjoy



- Big initiatives that will span more than one political cycle
- Always thinking ahead
- Ability to look beyond the MTFS and advice / support members / colleagues in understanding the longer term i.e LLP Business Plan & mtce cycle / vehicle purchase cycle

- Getting a lot better
- More visible and vocal in press and publication
- Trying to be more supportive with some of the challenges the finance function faces
- Challenges:
  - Keeping pace with the practicalities of managing new initiatives such as commercialisation / regen
  - Staff skills base can sometimes fall behind the curve

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# Panel Debate

