

Title of report	Senior Structure Interim Arrangements
Public/Confidential	Public
Summary/purpose of report	To provide assurance to Members as to the management of the responsibilities of the currently vacant Director of Finance and Resources role.
Recommendations	The Council is asked to note the current arrangements.
Responsible Officer	Maree Allison, Acting Chief Executive
Link to Strategic Plan	<p>The recommendation in this report links to:</p> <p>Outcome 1: Trusted People who use services are protected by a workforce that is fit to practise.</p> <p>Outcome 2: Skilled Our work supports the workforce to deliver high standards of professional practice.</p> <p>Outcome 3: Confident Our work enhances the confidence, competence and wellbeing of the workforce.</p> <p>Outcome 4: Valued The social work, social care and children and young people workforce is valued for the difference it makes to people's lives.</p>
Link to Risk Register	<p>Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.</p> <p>Risk 5: We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce or have insufficient staff resources to achieve our strategic outcomes.</p> <p>Risk 6: The SSSC fails to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan.</p>
Impact assessments	<ol style="list-style-type: none"> 1. An Equalities Impact Assessment (EIA) was not required. 2. A Data Protection Impact Assessment (DPIA) was not required.

	3. A Sustainability Impact Assessment (SIA) was not required.
Documents attached	None
Background papers	None

INTRODUCTION

1. The Interim Director of Finance and Resources' contract came to an end on 31 March 2023. The intention of the Chief Executive, Lorraine Gray, is to leave the role vacant whilst undertaking work on the pay and grading structure as part of the Rewards Review Project that will be revisited later in the year.
2. This report sets out the temporary arrangements in place in respect of the role's responsibilities.

RESPONSIBILITY DISTRIBUTION

3. The role covers four main areas:
 - strategic financial advice to the Chief Executive and Council
 - legal and corporate governance
 - organisational development
 - oversight of the delivery of Shared Services.
4. Allocation of responsibilities for those areas is set out below:

Area	Arrangements	
Strategic Financial Advice	The Head of Finance will attend Executive Management Team, Committee and Council meetings.	
Legal and Corporate Governance	The Acting Director of Regulation has assumed accountability for this area and provides support to the Head of Legal and Corporate Governance who holds operational responsibility.	
Organisational Development	The Acting Director of Workforce, Education and Standards has assumed accountability for this area and provides support to the Head of Organisational Development who holds operational responsibility.	
Oversight of the delivery of Shared Services	The Director of Strategy and Performance has assumed accountability for this area.	
	Shared Services is managed by the Head of Shared Services (a Care Inspectorate employee) who reports to a Director in both organisations and has operational responsibility for delivery of six areas. Director level support and sponsorship of those areas is as follows:	
	Financial services (accounting, transaction, external, audit, financial governance)	Acting Chief Executive

	Human Resources and Payroll	Acting Director of Workforce, Education and Standards
	Corporate governance (Counter Fraud and Corruption, Sustainability and Biodiversity Reporting, and Public Services Reporting)	Acting Director of Regulation
	Health and Safety	Director of Strategy and Performance
	Procurement	Director of Strategy and Performance
	Estates and Reception	Director of Strategy and Performance

5. Legal and Corporate Governance and Organisational Development are stable, well-managed areas and there are no concerns about continuing positive performance in these areas. The Directors assuming responsibility have professional skillsets enabling them to provide strategic support and oversight.
6. Operational delivery of shared services functions is the responsibility of the Head of Shared Services. There is a framework, approved by Council, in place for overseeing delivery of the service. The Director of Strategy and Performance is familiar with the establishment and operation of the framework and the framework provides for support from the Acting Chief Executive in that oversight.

FINANCE

7. The external auditors, Deloitte, have highlighted financial management as an area for focus in the external audit plan, referencing the capacity issues that existed last year in the operational team, and a concern relating to financial controls and financial reporting due to the vacant Director post.
8. Strategic financial advice, and operational financial services are the responsibility of the Shared Service. Delivery was stretched over the 2022/23 financial year due to vacant posts and difficulty recruiting. All posts are now filled and expect to deliver the normal full service of:
 - annual accounts and external audit
 - monthly budget monitoring
 - budget setting
 - financial governance and policy reviews
 - processing transactions.

9. The specification of services provided by Shared Services includes the provision of strategic financial advice to the Director of Finance and Resources. The advice is delivered by the Head of Finance. The Head of Finance will provide advice on financial controls and drafting of financial reports to the Executive Management Team, Committee and Council, continuing to ensure that up-to-date financial information is available. In the absence of the Director she will also attend formal meetings to address any questions or issues that arise.

RISKS

10. We have a cautious risk appetite for financial management.
11. There are three acting up positions across the five most senior roles in the organisation, and one of the other two posts is vacant. Superficially that indicates there is a concern about the stability of the organisation at a senior level. However it is reassuring that I have carried out the Acting Chief Executive role on two previous occasions. Laura Lamb has been Acting Director of Workforce, Education and Standards for over two years with the support of an experienced and stable team. Hannah Coleman, the Head of Regulatory Improvement and Hearings has kindly stepped into the Acting Director of Regulation role, bringing in-depth experience of regulation and the support of an experienced and stable team.
12. The Directors are absorbing additional responsibilities which could have an impact on their capacity. The Directors are confident that with the strong operational experience at Head level they can manage the additional work. The arrangement provides an opportunity to consider the future structure of the organisation.
13. The external auditor has highlighted a risk that financial controls and advice are insufficient. As Accountable Officer I bear a personal responsibility for the propriety and regularity of the public finances of the SSSC. I have spoken to the external auditor and have met recruitment consultants to discuss options for bringing Director level strategic support into the organisation. The Convener has also discussed the possibility of a secondment from Scottish Government with the Sponsor Department.

IMPLICATIONS

Resourcing

14. There are no significant resourcing issues. The cost of appointing any strategic financial support will be funded by the vacant Director post.

Compliance

15. There are two specific compliance roles for allocation. The Acting Director of Regulation has taken responsibility for the role of Senior Information Asset Owner. The Head of Legal and Corporate Governance has taken responsibility for the role of Fraud Liaison Officer.

IMPACT ASSESSMENTS

Equalities

16. An impact assessment was not required as this report does not relate to a new or revised policy.

CONCLUSION

17. It is for me as Accountable Officer to ensure that there are satisfactory arrangements in place for the running of the organisation and particularly for management of public finances for which I am accountable. I am satisfied in the short term that the current arrangements are sufficient.
18. I am concerned about ensuring there is sufficient expertise at strategic financial level to provide advice to both me and Members and to support the Head of Finance. I am taking steps to identify how to bring that expertise into the organisation and will update Audit and Assurance Committee Members at their meeting on 1 August 2023.