



## AUDIT & PERFORMANCE SYSTEMS COMMITTEE

<b>Date of Meeting</b>	29.10.19
<b>Report Title</b>	Review of Financial Regulations
<b>Report Number</b>	HSCP.19.054
<b>Lead Officer</b>	Chief Finance Officer
<b>Report Author Details</b>	Alex Stephen Chief Finance Officer <a href="mailto:AleStephen@aberdeencity.gov.uk">AleStephen@aberdeencity.gov.uk</a>
<b>Consultation Checklist Completed</b>	Yes
<b>Appendices</b>	a. Financial Regulations – Oct 2019 b. Reserves Policy

### 1. Purpose of the Report

- 1.1. The purpose of this report is to present the Audit & Performance Systems Committee with a revised version of the Integration Joint Board's (IJB's) Financial Regulations for approval.

### 2. Recommendations

- 2.1. It is recommended that the Audit & Performance Systems Committee
- a) Approve the revised Financial Regulations, as at Appendix A.

### 3. Summary of Key Information

- 3.1. The IJB commissions services from Aberdeen City Council and NHS Grampian. The management of services within these organisations is governed by their own financial regulation.
- 3.2. Under the Local Government (Scotland) Act 1973, the IJB is required to make arrangements for administration of its financial affairs. At its meeting on the 26<sup>th</sup> of March 2016, the IJB agreed a set of financial regulations



## AUDIT & PERFORMANCE SYSTEMS COMMITTEE

which detailed the responsibilities, policies and procedures that govern the IJB.

- 3.3.** The IJB requested that the financial regulations are reviewed regularly.
- 3.4.** The revised financial regulations are attached at appendix A. The main changes are
- Financial monitoring – is currently being prepared quarterly for the IJB. NHS Grampian continue to produce information monthly and send this through to the Chief Finance Officer. Aberdeen City Council have moved to quarterly financial reporting to align with the stock market requirements. The change to the financial regulations is to highlight that the financial information should be received based on a timetable agreed by the Chief Finance Officer, Director of Finance for NHS Grampian and Section 95 officer, Aberdeen City Council. APS committee may wish to note that in future the relevant financial reports for the IJB will be based on period 5 and period 8 financial information instead of period 6 and period 9, this is to aid the scheduling of work within the finance teams.
  - Grant funding – The main change is that officers will only need to report applications for grant funding to the IJB where match funding requirements have been identified that are over £50,000 and have either not previously been agreed by the IJB or are not contained within current budgets. The rationale for this change is to make it easier and quicker for officers to bid for grant funding to support the delivery of the strategic plan.
- 3.5.** There is one area where the IJB are not currently compliant (item 3.3.4 regarding information on the set-aside budget). Work progresses both with NHS nationally and locally in Grampian to determine whether the set-aside usage can be received quarterly.
- 4. Implications for IJB**
- 4.1. Equalities** – there are no direct equalities implications arising as a result of this report.
- 4.2. Fairer Scotland Duty** – there are no direct implications relating to the Fairer Scotland Duty as a result of this report.



## AUDIT & PERFORMANCE SYSTEMS COMMITTEE

- 4.3. **Financial** – These financial regulations detail the financial responsibilities, and policies and procedures that govern the Integration Joint Board.
- 4.4. **Workforce** – there are no direct workforce implications arising from the recommendations of this report.
- 4.5. **Legal** – approval of these financial regulations will allow the IJB to comply with its obligation to make arrangements for its financial affairs under the Local Government (Scotland) Act 1973.
- 4.6. **Other** – there are no other implications arising from the recommendations of this report.
5. **Links to ACHSCP Strategic Plan** - Development and management of robust financial arrangements acknowledges the IJB Strategic Intent and enables delivery of the strategic aims
6. **Management of Risk**
  - 6.1. **Identified risks(s) & link to strategic risk register:** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.
  - 6.2. **Link to risks on strategic or operational risk register:** Number 2 (Strategic Risk Register)
  - 6.3. **How might the content of this report impact or mitigate these risks:**  
The regular review of our financial regulations aims to maintain the integrity of the IJB's financial system and as such will help to mitigate this risk.