



## RISK, AUDIT AND PERFORMANCE COMMITTEE

<b>Date of Meeting</b>	13 June 2023
<b>Report Title</b>	Quarter 4 (2022/23) Financial Monitoring Update
<b>Report Number</b>	HSCP.23.043
<b>Lead Officer</b>	Paul Mitchell, Chief Finance Officer
<b>Report Author Details</b>	Paul Mitchell, Chief Finance Officer PauMitchell@aberdeencity.gov.uk
<b>Consultation Checklist Completed</b>	Yes
<b>Appendices</b>	Appendix A -Finance Update as at end March 2023  Appendix B - Variance Analysis  Appendix C - Mobilisation Plan Costings Update  Appendix D - Progress in implementation of agreed savings  Appendix E - Budget Virements  Appendix F - Summary of risks and mitigating action

### 1. Purpose of the Report

- a) To summarise the 2022/2023 revenue budget performance for the services within the remit of the Integration Joint Board (IJB) for Quarter 4 (period ended of 31 March 2023).
- b) To advise on any areas of risk and management action relating to the revenue budget performance of the IJB services.



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- c) To approve the budget virements so that budgets are more closely aligned to income and expenditure.

### **2. Recommendations**

2.1. It is recommended that the Risk, Audit and Performance Committee:

- a) Note this report in relation to the IJB budget and the information on areas of risk and management action that are contained herein.
- b) Approve the budget virements indicated in Appendix E

### **3. Summary of Key Information**

#### **Background**

- 3.1. This financial year (2022/23) the IJB has found itself in a similar position to last year with additional costs being incurred due to the implications of COVID-19 on the delegated services. These have all been funded from the Covid Reserve.
- 3.2. The forecast at Quarter 3 was for the IJB to be on budget at the year end. The final outturn for the year has resulted in a slightly favourable position of being underbudget by £1,126,000 after the transfers to and from Reserves.
- 3.3. This has been transferred to the Integration & Change Reserve to be utilised in the future.

#### Aberdeen City IJB Financial Information

- 3.4. To maintain a consistent approach with the financial position reported in previous financial years, a prudent methodology continues to be taken in respect of forecasting. The financial position of the IJB as at 31 March 2023 is as follows:



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	<b>As at 31 Mar 2023</b>
	<b>£'000</b>
<b>Overspend\Underspend) as at (Appendices A and B)</b>	<b>24,249</b>
<b>Represented by:</b>	
Overspend/(Underspend) on Mainstream Budgets	<b>(1,600)</b>
Overspend/(Underspend) on Funds to be adjusted via Reserves	<b>6,135</b>
Overspend/(Underspend) on Direct Covid Costs	<b>19,714</b>
	<b>24,249</b>

3.5. The total transfers (to)/from the Earmarked Reserves were £25,375,000 leaving a surplus of £1,126,000 for the year. This balance has been added to the Integration and Change Reserve during the year-end process.

3.6. Budget Holders have regular review meetings with dedicated finance staff and the Senior Leadership Team receive regular financial reports and continually monitor the overall position.

#### 4. Implications for IJB

4.1. Every organisation must manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by budget holders and corporately by the Board and the Risk Audit & Performance Committee. This report is part of that framework and has been produced to provide an overview of the current financial operating position.

Key underlying assumptions and risks are set out within the Appendices to this report.



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- 4.2. **Equalities, Fairer Scotland and Health Inequality** – there are no implications arising from this report.
- 4.3. **Financial** – the financial implications are contained throughout the report.
- 4.4. **Workforce** – there are no workforce implications arising from this report.
- 4.5. **Legal** – there are no legal implications arising from this report.
- 4.6. **Other** – there are no other implications arising from this report

### **5. Links to ACHSCP Strategic Plan**

- 5.1. A balanced budget and the medium financial strategy are a key component of delivery of the strategic plan and the ambitions included in this document.

### **6. Management of Risk**

#### **6.1. Identified risk(s)**

See directly below.

#### **6.2. Link to risks on strategic or operational risk register: Strategic Risk #2**

There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend.

#### **6.3. How might the content of this report impact or mitigate these risks:**

Good quality financial monitoring will help budget holders manage their budgets. By having timely and reliable budget monitoring any issues are identified quickly, allowing mitigating actions to be implemented where possible.