



INTEGRATION JOINT BOARD

Date of Meeting	25 February 2025
Report Title	Annual Review of Financial Regulations and Reserves Policy
Report Number	HSCP.25.011
Lead Officer	Amy McDonald, Chief Finance Officer
Report Author Details	Amy McDonald, Chief Finance Officer
Consultation Checklist Completed	Yes
Directions Required	No
Exempt	No
Appendices	A. Financial Regulations (Feb 2025) B. Reserves Policy (Feb 2025)
Terms of Reference	18. Receive and review regular financial monitoring reports, financial statements, significant financial returns to regulators and any financial information contained in other official documents, including the Annual Governance Statement.

1. Purpose of the Report

- 1.1. The purpose of this report is to present the Risk, Audit & Performance Committee with the findings of a financial governance review, a revised version of the Integration Joint Board (IJB's) Financial Regulations and an updated Reserves Policy for approval.

2. Recommendations

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



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- a) Approves the revised Financial Regulations, as at appendix A;
- b) Approves the revised Reserves Policy, as at appendix B; and
- c) Instructs the Chief Finance Officer to review the IJB's Financial Regulations and the Reserves Policy and present those to the Risk, Audit and Performance committee for agreement.

3. Strategic Plan Context

- 3.1. Finance is identified as an enabler in the current approved version of the strategic plan, emphasising the need to make best use of available funding.

4. Summary of Key Information

Review of Financial Regulations

- 4.1. The IJB directs services to be delivered on its behalf by its partner organisations, Aberdeen City Council and NHS Grampian. The management of services delivered within these organisations are governed by their own financial regulations.
- 4.2. Under the Local Government (Scotland) Act 1973, the IJB is required to make arrangements for the administration of its financial affairs. The IJB has an agreed set of Financial Regulations, which details the responsibilities, policies and procedures that govern the IJB and these regulations should be reviewed regularly.
- 4.3. The revised Financial Regulations, with tracked changes are attached at appendix A to this report.

Review of Reserves Policy

- 4.4. The Reserves Policy should be subject to annual review and the revised version is attached at Appendix B. This has been updated to reflect the most recent guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA), and a protocol for the use of the reserve has been added to the end of the policy.



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5. Implications for IJB

- 5.1. **Equalities, Fairer Scotland and Health Inequality:** there are no direct equalities, Fairer Scotland or Health Inequality implications arising from the recommendations of this report.
- 5.2. **Financial:** These financial regulations detail the financial responsibilities, and policies and procedures that govern the IJB. Ensuring that the financial governance arrangements are robust, regularly reviewed and aligned (where appropriate) will help ensure that there is sufficient control over IJB finances, reducing the risk of overspend or misuse of public funding.
- 5.3. **Workforce:** There are no direct workforce implications arising from the recommendations of this report.
- 5.4. **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.
- 5.5. **Unpaid Carers:** There are no direct implications for unpaid carers arising from the recommendations of this report.
- 5.6. **Information Governance:** There are no direct implications relating to information governance arising from the recommendations of this report.
- 5.7. **Environmental Impacts** There are no direct environmental implications arising from the recommendations of this report.
- 5.8. **Sustainability:** There are no direct sustainability implications arising from the recommendations of this report.
- 5.9. **Other:** There are no other direct implications arising from the recommendations of this report.

6. Management of Risk

- 6.1. **Identified risks(s):** This report does not raise any additional risks however it does provide additional controls and assurances against financial risk.
- 6.2. **Link to risks on strategic or operational risk register:**



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- Cause: IJB financial failure and projection of overspend
- Event: Demand outstrips available budget
- Consequence: IJB can't deliver on its strategic plan priorities, statutory work, and projects.

6.3 How might the content of this report impact or mitigate the known risks: Review of the financial regulations and reserves policy provides additional assurance on the quality of controls to mitigate this known risk.