



INTEGRATION JOINT BOARD

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| Date of Meeting | 13 th May 2025 |
| Report Title | Annual Review of Financial Regulations and Reserves Policy |
| Report Number | HSCP.25.035 |
| 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 | 1).The IJB shall consider the following; a) Matters which are reserved by law; b) Those matters which the IJB has chosen to reserve under paragraphs 2 to 10 below, and; c) Any other matter that the Chief Officer determines appropriate to report to the IJB. 2). Any function or remit delegated under the Aberdeen City Integration Scheme, which is bound to be undertaken by the IJB itself; |

1. Purpose of the Report

- 1.1. The purpose of this report is to present the Integration Joint Board with 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 Integration Joint Board:



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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

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.
- 4.5. The IJB has no remaining reserves and therefore there will be no risk reserve for use in 2025/26 and also 2026/27 financial years based on the current financial forecasts. This will require the financial position to be carefully managed over coming months and every effort taken to ensure achievement of savings and management of in year spending pressures.



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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:**
 - Cause: IJB financial failure and projection of overspend



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- 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.