



# ABERDEEN CITY INTEGRATION JOINT BOARD

## FINANCIAL REGULATIONS

<u>Date Created</u>	<u>Date Implemented</u>	<u>Review Date</u>
<u>11 March 2016</u>	<u>1 April 2016</u>	<u>4 June 2024</u>

<u>Developed By</u> <u>Chief Finance Officer</u>
---

VERSION 5.1 Reviewed 8 January 2025 by Chief Finance Officer



# **ABERDEEN CITY INTEGRATION JOINT BOARD**

## **FINANCIAL REGULATIONS: INDEX**

1. INTRODUCTION and INTERPRETATION
2. Corporate Governance
3. ROLES and RESPONSIBILITIES
4. FINANCIAL PLANNING and MANAGEMENT
  - 4.1 ANNUAL BUDGET
  - 4.2 ACCOUNTING POLICIES
  - 4.3 BUDGET MONITORING
  - 4.4 VIREMENT
  - 4.5 FINAL ACCOUNTS PREPARATION
  - 4.6 TREASURY MANAGEMENT
  - 4.7 RESERVES
  - 4.8 GRANT FUNDING APPLICATIONS
5. FINANCIAL SYSTEMS and PROCEDURES
  - 5.1 INCOME
  - 5.2 AUTHORITY TO INCUR EXPENDITURE
  - 5.3 SCHEME OF DELEGATION
  - 5.4 PROCUREMENT & COMMISSIONING
  - 5.5 IMPRESTS
6. FINANCIAL ASSURANCE
  - 6.1 AUDIT COMMITTEE
  - 6.2 EXTERNAL AUDIT
  - 6.3 INTERNAL AUDIT – RESPONSIBILITY
  - 6.4 INTERNAL AUDIT – AUTHORITY
  - 6.5 FRAUD, CORRUPTION & BRIBERY
  - 6.6 INSURANCE
  - 6.7 VAT
  - 6.8 GIFTS and HOSPITALITY / REGISTER of INTERESTS
7. REVIEW OF FINANCIAL REGULATIONS



## 1. **INTRODUCTION and INTERPRETATION**

1.1 The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and provides a framework for the effective integration of adult health and social care services. The Act required the submission of a partnership agreement, known as the Integration Scheme for approval by the Scottish Government. Following a detailed consultation process, the scheme was submitted for approval in December 2015. Following approval by the Cabinet Secretary for Health, Wellbeing and Sport an Order was laid before the Scottish Parliament on 8 January 2016 and the Aberdeen City Integration Joint Board was established as an autonomous legal entity with effect from 6 February 2016. 1.2 .

1.3 Aberdeen City Council and NHS Grampian recognise that they each have continuing financial governance responsibilities and operate under their own Financial Regulations / Standing Financial instructions in the operational delivery of services. As this service delivery will continue to be carried out within the Council and the Health Board, these Financial Regulations relate specifically to the affairs of the Aberdeen City Integrated Joint Board (IJB) and are therefore limited and focussed in scope .

The main objective of these Financial Regulations is to detail the financial responsibilities and policies and procedures that govern the Integration Joint Board. Representatives and Committees of Aberdeen City IJB must comply with these Financial Regulations in dealing with the financial affairs of Aberdeen City IJB and its committees.

1.4 The Aberdeen City IJB Chief Officer will be the accountable officer of the Integration Joint Board in all matters except finance where there is joint accountability with the Chief Finance Officer. The Chief Officer is accountable to the Chief Executives of NHS Grampian and Aberdeen City Council.

1.5 The Aberdeen City IJB Chief Finance Officer is the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973. The Chief Finance Officer has a statutory duty to ensure that proper financial administration of the financial affairs of Aberdeen City IJB is maintained. The Aberdeen City IJB has regard to the current [CIPFA guidance on the role of the Chief Finance Officer in Local Government](#) through the job profile of the Chief Finance Officer.

1.6 Should any difficulties arise regarding the interpretation or application of these financial regulations, individuals must seek advice from the Chief Finance Officer before any action is taken.

1.7 .



- 1.8 Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Chief Officer or the Chief Finance Officer of Aberdeen City IJB. The Chief Officer or the Chief Finance Officer must then consult with the Chief Executives of NHS Grampian and Aberdeen City Council or another nominated or authorised person, as appropriate, to decide what action should be taken.
- 1.9 For the avoidance of doubt the breach of or non-compliance with these Regulations may result in disciplinary action being taken against the relevant individuals in line with the policies of the employing organisation.
- 1.10 These financial regulations should be read in conjunction with the Financial Regulations of NHS Grampian and Aberdeen City Council:

[Aberdeen City Council Financial Regulations](#)

[NHS Grampian Standing Financial Regulations \(due review March 2025\)](#)

1. 2. CORPORATE GOVERNANCE

2.

2.1. Corporate Governance is about the structures and processes for decision making, accountability, controls and behaviour throughout the Aberdeen City IJB. The basic principles of corporate governance are as follows:

2.1.1. Openness – Anyone with an interest in the affairs of the Aberdeen City IJB should have confidence in the decision making and management processes and the individuals involved in them. This confidence is gained through openness in its affairs and providing full, accurate and clear information which leads to effective and timely action and scrutiny.

2.1.2. Integrity – There should be honesty, selflessness, objectivity and high standards of conduct in how the Aberdeen City IJB's funds and affairs are managed. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and officers involved in the running of its affairs.

2.1.3. Accountability – There needs to be a clear understanding by everyone involved in the Aberdeen City IJB's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the Aberdeen City IJB's affairs, including how the funds and performance are managed.

3.



- 3.1. These Financial Regulations are an essential part of the corporate governance of the Aberdeen City IJB.
4.
  - 4.1. Members of the Aberdeen City IJB are required to follow any applicable formally agreed national codes of conduct.

### **3. ROLES and RESPONSIBILITIES**

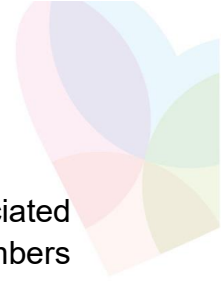
#### **2.1 INTEGRATION JOINT BOARD MEMBERS RESPONSIBILITY**

The Aberdeen City IJB :

- Will continuously work to secure best value for money in how the IB directs its resources, to ensure efficiency, effectiveness, safety and quality outcomes can be achieved.
- are responsible for ensuring that proper accounting records are kept, which disclose at any time, the true and fair financial position and enable the preparation of financial statements that comply with the applicable Code of Practice.
- are also responsible for ensuring that procedures are in place to ensure compliance with all statutory obligations.

#### **2.2 CHIEF OFFICER RESPONSIBILITIES**

- 2.2.1 The Chief Officer has a direct line of accountability to the Chief Executives of NHS Grampian and Aberdeen City Council and is jointly line managed by the Chief Executives of NHS Grampian and Aberdeen City Council for the delivery of integrated services. The Chief Officer is responsible for ensuring that progress is being made in achieving the National Outcomes and that any locally delegated responsibilities for health and wellbeing and for measuring, monitoring and reporting on the underpinning measures and indicators (including financial) will demonstrate progress.
- 2.2.2 The Chief Officer is responsible for ensuring that the decisions of the Board are carried out.



2.2.3 The Chief Officer shall ensure that the Financial Regulations and all associated procedure manuals and documents are made known to appropriate staff members and shall ensure full compliance with them.

2.2.4 The Chief Officer shall prepare budgets following consultation with the Chief Finance Officer. The Chief Officer is also responsible for the preparation of Service Plans and relevant business cases relating to the Services. The Chief Officer shall ensure that the Chief Finance Officer is informed of financial matters that will have a significant impact on the Services, seeking financial advice where necessary.

### 2.3 CHIEF FINANCE OFFICER RESPONSIBILITIES

2.3.1 The [Aberdeen City IJB Roles and Responsibilities document](#) explains the remit of the statutory officers within the IJB, namely, the Chief Officer and Chief Finance Officer and other key personnel within the Aberdeen City Health & Social Care Partnership.

2.3.2. The Chief Finance Officer is responsible for governance of the Aberdeen City IJB's financial resources, ensuring NHSG and Aberdeen City Council utilise these in accordance with the Aberdeen City IJB Strategic Plan and that the Strategic Plan delivers best value.

2.3.2 The Chief Finance Officer shall ensure that suitable accounting records are maintained and is responsible for the preparation of the Aberdeen City IJB's Financial Statements following the Code of Practice on Local Authority Accounting in the UK.

2.3.3 The Chief Finance Officer shall ensure that these Financial Regulations are reviewed and kept up to date.

2.3.4 The Chief Finance Officer shall provide the Chief Officer and the Aberdeen City IJB with an Annual Governance Statement.

2.3.5 The Chief Finance Officer shall be entitled to report upon the financial implications of any matter coming before Aberdeen City IJB. To allow the Chief Finance Officer to fulfil this obligation, the Chief Officer will consult with the Chief Finance Officer on all matters involving a potential financial implication that is likely to result in a report to the Aberdeen City IJB.

2.3.6 The Chief Financial Officer shall ensure that arrangements are in place to properly establish the correct liability, process and accounting for Value Added Tax (VAT).

2.3.7 The Chief Financial Officer, with support from the appropriate finance managers within the partner organisations, will ensure that budget managers receive appropriate advice, guidance and support and appropriate information to enable them to affect control over expenditure and income.



### **3. FINANCIAL PLANNING and MANAGEMENT**

#### **3.1 ANNUAL REVENUE BUDGET**

- 3.1.1 The Chief Finance Officer will report to Aberdeen City IJB each year on the process, timetable, format and key assumptions in drafting the annual budget.
- 3.1.2 The Chief Finance Officer of Aberdeen City IJB, Section 95 Officer of Aberdeen City Council and the Director of Finance of NHS Grampian will agree a timetable for preparation of the annual budget of Aberdeen City IJB and the exchange of information between Aberdeen City IJB, Aberdeen City Council and NHS Grampian. This will ensure required deadlines as set out in the Intergration Scheme are met.
- 3.1.3 The Aberdeen City IJB will approve a Strategic Plan which sets out arrangements for planning and directing the functions delegated to it by Aberdeen City Council and NHS Grampian. The Strategic Plan will cover a minimum three-year period and will determine the budgets required to deliver operational services in-line with the Plan, recognising the need to provide indicative in figures in future years. The Strategic Plan will be aligned to, and presented with alignment to the Medium Term Financial Strategy. The Strategic Plan will detail the reason for any projected surplus or deficit and how this will be used / addressed.
- 3.1.4 The Chief Officer and the Chief Finance Officer will develop a case for the Integrated Budget based on the Strategic Plan and present it to the Council and NHS Grampian for consideration and agreement as part of the annual budget setting process.
- 3.1.5 The Chief Finance Officer will prepare and issue guidance, instructions and a timetable to all involved in the preparation of the annual budget.
- 3.1.6 Following agreement of the Strategic Plan by the Board, and confirmation of the Integrated Budget by the Partners, the Chief Officer will provide Directions in writing to the Partners regarding operational delivery of the Strategic Plan. The Directions will include the functions that are being directed, how they are to be delivered and the resources to be used in delivery of the direction in accordance with the Strategic Plan. Directions will be confirmed by the Chief Officer by 31 March of the financial year proceeding the financial year under Direction.
- 3.1.7 The Chief Officer will hold an operational role for both Aberdeen City Council and NHS Grampian for the management of the operational delivery of services directed by the Aberdeen City IJB and a line of accountability to the Chief Executives of both organisations for the financial management of the operational budgets.

#### **CAPITAL PLANNING**



The Aberdeen City IJB is not empowered to own capital assets, and accordingly the management of assets remains the responsibility of the Partner organisation. There is a need to ensure clear planning, scrutiny and governance of assets to ensure the appropriate assets are in place to allow for the delivery of the delegated functions.

Aberdeen City IJB has in place a "City Premises Group" who's membership includes key officers from ACHSCP. The City Premises Group reports to the IJB and the NHSG Asset Management Group who report directly to the NHSG Board.

### 3.2 ACCOUNTING POLICIES

- 3.2.1 The IJB is subject to the audit and accounts provisions of a body under section 106 of the Local Government (Scotland) Act 1973. The Chief Finance Officer is responsible for the preparation of the Board's Financial Statements following the Code of Practice on Local Authority Accounting in the UK.

#### BUDGET MANAGEMENT & CONTROL

Budget holders/managers within Aberdeen City Council and NHS Grampian will be accountable for all budgets within their control as directed by the Aberdeen City IJB in line with its Strategic Plan. The Aberdeen City IJB will ensure appropriate arrangements are in place to support good financial management and planning.

It is the joint responsibility of the Chief Officer and Chief Financial Officer of the Aberdeen City IJB to report regularly and timeously on all budgetary control matters, comparing projected outturn with the approved financial plan to the Aberdeen City IJB.

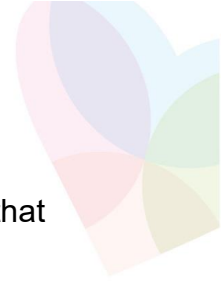
The NHS Grampian Director of Finance and the Section 95 Officer of Aberdeen City Council shall, along with the Aberdeen City IJB Chief Financial Officer put in place a system of budgetary control which will provide the Chief Officer with management accounting information for both arms of the operational budget and for the Aberdeen City IJB in aggregate.

### 3.3 BUDGET MONITORING

- 3.3.1 It is the joint responsibility of the Chief Officer and the Chief Finance Officer of the Aberdeen City Integration Joint Board to report to the Board regularly, timeously and accurately on all matters of budget management and control. The reports should include projections for the full financial year and any implications for the following financial years. These reports will include recovery action or corrective measures proposed where a year end budget variance is identified.



- 3.3.2 The Director of Finance, NHS Grampian and the Section 95 Officer, Aberdeen City Council will provide the Chief Finance Officer of the Aberdeen City Integration Joint Board with information regarding the costs incurred for the services directly managed by them. Information should be provided based on an agreed format and timetable.
- 3.3.3 The Director of Finance, NHS Grampian will provide the Chief Finance Officer of Aberdeen City Integration Joint Board with financial information on a monthly basis regarding the hosted services. Information should be in an agreed format and produced timely to enable inclusion in the financial monitoring reports.
- 3.3.4 The Director of Finance, NHS Grampian will provide the Chief Finance Officer of Aberdeen City Integration Joint Board with information regarding the use of the amounts set aside for hospital services. A frequency will be formally agreed but as a minimum, information will be provided on a quarterly basis.
- 3.3.5 The Chief Finance Officer will report monthly to the Chief Officer on the financial performance and position. These reports will be timely, relevant and reliable and will include information, analysis and explanation in relation to:
- Reviewing budget savings proposals
  - Actual income and expenditure
  - Forecast outturns and annual budget
  - Explanations of significant variances
  - Reviewing action required in response to significant variances
  - Identifying and analysing financial risks
  - Use of reserves
  - Any adjustments to the annual budget (e.g. new funding allocations)
- 3.3.6 The Chief Finance Officer will work with the Section 95 Officer of Aberdeen City Council and Director of Finance of NHS Grampian to ensure managers are provided with monthly financial reports that are timely, relevant and reliable. These reports will include information and analysis in relation to:
- Budget available to managers
  - Actual income and expenditure
  - Forecast outturns.
- 3.3.7 The Chief Finance Officer will be consulted on all reports being submitted to the Board to ensure that any financial implications arising have been considered. Each Board report should include a Financial Implications section.



3.3.8 It is a requirement of the Public Bodies (Joint Working) (Scotland) Act 2014 that an annual performance report is presented to the Board and the financial contents therein should comply with the requirements as set out in the Act.

### 3.4 VIREMENT

3.4.1 Virement is defined by CIPFA as “the transfer of an underspend on one budget head to finance additional spending on another budget head, in accordance with and Authority’s Financial Regulations”. In effect virement is the process of transferring budget between budget headings with no change to the overall net budget..

3.4.2 The Chief Officer is expected to deliver the agreed outcomes contained in the Strategic Plan within the total delegated budget. Any virement must not create additional overall budget liability.

3.4.3 Any proposal for virement involving a new policy, or variation of existing policy, which will impact upon the strategic plans of the Aberdeen City IJB, will be subject to the approval of the Aberdeen City Integration Joint Board.

3.4.4 Virement can be used in the following situations and with reference to the flow chart at **APPENDIX 1**;

- The Chief Finance Officer has been notified; and
- The virement does not create an additional financial commitment into future financial years unless funded by additional income.

3.4.5 The virement process cannot be used in the following situations:

- for transfers between IJB and non-IJB budgets;
- for expected savings on finance costs or recharges;
- for recurring items of expenditure in place of non-recurring savings
- for staffing changes that would increase the joint workforce
- or property items such as rates and utilities;
- any savings against a property which has been declared surplus under the Council’s or NHS’s surplus asset procedure;
- to reinstate an item deleted by the Integration Joint Board during budget considerations unless approved by the Integration Joint Board.

3.4.6 The Chief Finance Officer must maintain separate budgets for any hosted services managed on behalf of Grampian wide partners. Virement to and from these to Integration Joint Boards requires authorisation of all the three Integration Joint Boards before being implemented.

3.4.7 Aberdeen City Council and NHS Grampian shall agree any virement that would transfer budget between either organisation



### 3.5 FINAL ACCOUNTS PREPARATION

3.5.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Aberdeen City Integration Joint Board is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973 (Section 13). This will require audited annual accounts to be prepared with the reporting requirements specified in the relevant legislation and regulations (Section 12 of the Local Government in Scotland Act 2003 and regulations under Section 105 of the Local Government (Scotland) Act 1973).

3.5.2 Financial statements will be prepared to comply with the Code of Practice on Local Authority Accounting and other relevant professional guidance.

The unaudited annual accounts shall be submitted to the External Auditors and to those Risk, Audit and Performance Committee members charged with governance for their consideration

3.5.3 The audited annual accounts shall be submitted to those charged with governance for their consideration and approval and the Auditors report thereon shall be submitted to the Aberdeen City IJB for consideration.

3.5.4 The timetable for audit and publication of Aberdeen City IJB's annual accounts shall be agreed in advance with the external auditors of Aberdeen City Council and NHS Grampian.

### 3.6 TREASURY MANAGEMENT

3.6.1 The Integration Joint Board will not undertake any cash transactions but rather these will be on a notional basis through the Direction of expenditure undertaken by the Partners. Any cash correction arising as a result of the direction by the Board will be undertaken directly between the Partners.

The Integration Joint Board will not operate a bank account.

### 3.7 RESERVES

3.7.1 The Public Bodies (Joint Working) (Scotland) Act 2014 empowers the Integration Joint Boards to hold reserves, which should be accounted for in the financial accounts and records of Aberdeen City Integration Joint Board. Aberdeen City IJB has a [Reserves Policy](#) which is reviewed regularly and should be read alongside these financial regulations.

3.7.2 Unless otherwise agreed, any unspent budget will be transferred into the reserves of the Aberdeen City IJB at the end of each financial year.

### 3.7.3 3.8 GRANT FUNDING APPLICATIONS



- 3.8.1 Where opportunities arise to attract external funding, relevant officers shall consider the conditions surrounding the funding to ensure they are consistent with the aims and objectives of Aberdeen City IJB and the Strategic Plan.
- 3.8.2 Grant funding to be secured by the Aberdeen City Integration Joint Board from external bodies is required to receive approval from the Integration Joint Board prior to an application being made by the accountable body to ensure that any match funding requirements are considered. Where the match funding required is greater than £50,000 and has either been agreed by the Integration Joint Board previously or is included within the current revenue budget, then approval by the Integration Joint Board is not required prior to bidding for grants. Where the match funding element is less than £50,000 and is included within the current revenue budget then approval by the Integration Joint Board is not required prior to bidding for grants. The Chief Finance Officer will be responsible for determining whether funding is contained within the current revenue budget and should be consulted before any grant funding bids are made by officers.
- 3.8.3 The Chief Finance Officer shall ensure that arrangements are in place to:-
- receive and properly record such income in the accounts of the accountable body;
  - ensure the audit and accounting arrangements are met; and
  - ensure the funding requirements are considered prior to entering into any agreements.

The Chief Officer of the service receiving grant funding must ensure that arrangements for receiving and recording income are complied with. They must also ensure that the project progresses in accordance with the agreed terms of the funding agreement and that claims are made from the funding body timeously and in accordance with any conditions of the grant award.

#### **4. FINANCIAL SYSTEMS and PROCEDURES**

##### **4.1 INCOME**

- 4.1.1 There is no income to the Integration Joint Board by way of cash transaction. Transfer of resources will be made by NHS Grampian and Aberdeen City Council in respect of the agreed delegated functions. A budget transfer is then made to the relevant account line as per the terms of a Direction to Aberdeen City Council or NHS Grampian. The accounting for these transactions will be via book entries in the ledgers of NHS Grampian and Aberdeen City Council.

##### **4.2 AUTHORITY TO INCUR EXPENDITURE**



- 4.2.1 The Chief Officer shall have the authority to incur expenditure within the approved delegated resources from Aberdeen City Integration Joint Board to Aberdeen City Council and NHS Grampian in-line with any supplementary budget that has been approved by the Aberdeen City Integration Joint Board, and subject to the provisions of these Financial Regulations.
- 4.2.2 Expenditure shall be aligned with the Strategic Plan. The Chief Officer and Chief Finance Officer will make sure that Aberdeen City IJB only commits to expenditure that it is legally able to commit to and is within scope of the approved Integration Scheme and Strategic Plan. Where this is not clear they will consult with the section 95 Officer of the Council and the Director of Finance of NHS Grampian.

#### 4.3 SCHEME of DELEGATION

- 4.3.1 Detail included in separate documentation.

- [Integration Joint Board Integration Scheme](#)
- [Aberdeen City HSCP Scheme of Governance – Roles & Responsibilities](#)

#### 4.4 PROCUREMENT and COMMISSIONING

- 4.4.1 The Public Bodies (Joint Working) (Scotland) Act 2014 provides that the Aberdeen City Integration Joint Board may enter into a contract with any other person in relation to the provision to the Integration Joint Board of goods and services for the purposes of carrying out functions conferred on it by the Act.
- 4.4.2 Procurement activity will be undertaken in accordance with the guidance prevailing in the Partner organisation to which the Board has given operational Direction for the use of financial resources.

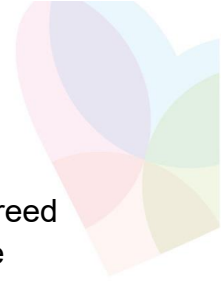
#### 4.5 IMPRESTS

- 4.5.1 There will be no facility for petty cash unless authorised by the Aberdeen City IJB Chief Finance Officer and the necessary security arrangements have been established and have been deemed adequate.
- 4.5.2 Imprest facilities will be operated within NHS Grampian and Aberdeen City Council and will be contained within their respective established arrangements.

### 5. FINANCIAL ASSURANCE

#### 5.1 RISK, AUDIT AND PERFORMANCE COMMITTEE

- 5.1.1 Aberdeen City IJB is required to make appropriate and proportionate arrangements for overseeing the system of corporate governance and internal



controls. For this purpose the Aberdeen City Integration Joint Board has agreed to the establishment of an audit committee (the Risk, Audit and Performance Committee) and will approve terms of reference. This Committee should operate in accordance with Financial Reporting Council professional guidance for Audit Committees.

## 5.2 EXTERNAL AUDIT

- 5.2.1 The Accounts Commission will appoint the external auditors to the Aberdeen City Integration Joint Board.
- 5.2.2 External Audit will be required to submit an annual plan to the Aberdeen City Integration Joint Board / Risk, Audit and Performance Committee.
- 5.2.3 External Audit will be required to submit a final report to Aberdeen City Integration Joint Board / Risk, Audit and Performance Committee.
- 5.2.4 The External Auditor appointed to Aberdeen City Integration Joint Board for the purposes of conducting their work, shall:-
- Have a right of access to all records, assets, personnel and premises, including those of partner organisations in carrying out their duties in relation to Integration Joint Board activity.
  - Have access to all records, documents and correspondence relating to any financial and other transactions of the Board and those of partner organisations where it relates to their business with the Board.
  - Require and receive such explanations as are necessary concerning any matter under examination.

## 5.3 INTERNAL AUDIT - RESPONSIBILITY

- 5.3.1 The role of Internal Audit is to understand the key risks faced by the Aberdeen City IJB and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal control as in support of the governance arrangements operated by the Board.
- 5.3.2 The Aberdeen City IJB shall secure the provision of an internal audit service to provide an independent and objective opinion on the control environment comprising risk management, governance and control of the delegated resources. The delivery of internal audit services is currently undertaken by the Internal Audit Section of the Aberdeen City Council.
- 5.3.3 .



- 5.3.4 Where the internal audit services are provided by either NHS Grampian or Aberdeen City Council (or indeed a shared service), such provision should be subject to a formal service level agreement and subject to periodic review.
- 5.3.5 The operational delivery of internal audit services within NHS Grampian and Aberdeen City Council will be contained within their respective established arrangements.
- 5.3.6 The Internal Audit Service provided to Aberdeen City IJB will undertake its work in compliance with the Public Sector Internal Audit Standards.
- 5.3.7 Prior to the start of each financial year the AChief Internal Auditor of the Internal Audit Service (Aberdeen City Council) will prepare and submit a strategic risk based audit plan to the Aberdeen City Integration Joint Board for approval. It is preferable that this be shared with the relevant Committees of NHS Grampian and Aberdeen City Council.
- 5.3.8 The Chief Internal Auditor shall report to the Integration Joint Board via the Risk, Audit and Performance Committee at regular intervals throughout the year on the outcomes of audit work completed and on progress towards delivery of the agreed annual plan; and provide an annual assurance opinion based on the overall findings from the audit.
- 5.3.9 Such Internal Audit work shall not absolve senior management of the responsibility to ensure that all financial transactions are undertaken in accordance with the Financial Regulations and Standing Orders and that adequate systems of internal control exist to safeguard assets and secure the accuracy and reliability of records.
- 5.3.10 It shall be the responsibility of senior management to ensure that access and explanations requested by Internal Audit are provided in a timely manner.
- 5.3.11 The Chief Internal Auditor has the right to report direct to the Integration Joint Board in any instance where he or she deems it inappropriate to report to the Chief Officer, Chief Finance Officer or Risk, Audit and Performance Committee.
- 5.3.12 Where recommendations resulting from Internal Audit work have been agreed, the Chief Officer shall ensure that these are implemented within the agreed timescale. Regular progress reports will be sought by Internal Audit and it is the responsibility of the Chief Officer to ensure that these are provided when requested along with explanations of any recommendations not implemented within the agreed timescale.

#### 5.4 INTERNAL AUDIT - AUTHORITY

- 5.4.1 The Chief Internal Auditor or their representatives shall have the authority, on production of identification to obtain entry at all reasonable times to any premises or land used or operated by Aberdeen City IJB in order to review, appraise and report on the areas detailed below:-



- The adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed.
- The governance arrangements in place by reviewing the systems of internal control, risk management practices and financial procedures.
- The extent of compliance with policies, standards, plans and procedures approved by the Aberdeen City IJB and the extent of compliance with regulations and reporting requirements of regulatory bodies.
- The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure and report such information.

5.4.2 In addition, the Chief Internal Auditor or their representatives, for the purposes of conducting their work, shall:-

- Have a right of access to all records, assets, personnel and premises, when carrying out their duties in relation to Integration Joint Board activity.
- Have access to all records, documents and correspondence relating to any financial and other transactions of the Board and those of partner organisations where it relates to their business with the Board.
- Require and receive such explanations as are necessary concerning any matter under examination.

## 5.5 FRAUD, CORRUPTION & BRIBERY

5.5.1 Every member of Aberdeen City IJB and its representatives shall observe these Financial Regulations within the sphere of their responsibility. They have a duty to bring to the immediate attention of the Chief Finance Officer / Chief Internal Auditor any suspected fraud or irregularity in any matter that would contravene these regulations.

5.5.2 There are a range of confidential routes available to the Aberdeen City Integration Joint Board and its representatives who wish to ask for advice or to report suspected fraudulent activity;

- Your Line Manager
- Your HR Manager
- NHS Counter Fraud Services (CFS) Fraud Hotline on – 08000 15 16 28
- NHS Counter Fraud Services Website on: NHS CFS Website
- NHS Grampian's Fraud Liaison Officer – Assistant Director of Finance (Financial Services) on 07966 336548



NHS Grampian's Deputy Fraud Liaison Officer – Financial Governance Manager  
on 01224 556103

- Aberdeen City Council's Corporate Investigations Team on 01224 523526

All information provided is treated in the strictest of confidence and individuals who raise genuine concerns are protected by law, regardless of the outcome of any investigation that they initiate.

The fraud policies of both NHS Grampian and Aberdeen City Council are available here:

[Aberdeen City Council - Control Fraud Policy \(2021\)](#)

[NHS Grampian Counter Fraud, Theft and Corruption Policy \(NB intranet link and under review as of January 2025\)](#)

5.5.3 When a matter arises where it is suspected that an irregularity exists in the exercise of the functions of Aberdeen City Integration Joint Board, the Chief Finance Officer in conjunction with the Chief Internal Auditor and the Chief Officer, will take such steps as may be considered necessary by way of investigation and report.

## 5.6 INSURANCE

5.6.1 The Chief Officer in conjunction with the Chief Finance Officer will ensure that the risks faced by the Board are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them.

5.6.2 Aberdeen City IJB is a member of the Clinical Negligence and Other Risks Scheme (CNORIS). The cover provided is in relation to indemnity for Aberdeen City Integration Joint Board Members only, in respect of decisions made by the members in their capacity on the Board. All other cover required is provided by NHS Grampian and Aberdeen City Council.

5.6.3 The Chief Officer is responsible for ensuring that there are adequate systems in place for the prompt notification in writing to the Chief Finance Officer of any loss, liability, damage or injury which may give rise to a claim, by or against the Board.

5.6.4 The Chief Officer in conjunction with the Chief Finance Officer shall annually or at such other period as may be considered necessary, review all insurances. Any required changes should be reported to Aberdeen City Integration Joint Board.



- 5.6.5 The Chief Officer in conjunction with the Chief Finance Officer of Aberdeen City Integration Joint Board will review the requirement for membership of the Scottish Government (CNORIS) on an annual basis.

## 5.7 VAT

- 5.7.1 HMRC have confirmed that there is no VAT registration requirement for Integration Joint Boards under the VAT Act 1994 as it will not be delivering any services that fall within the scope of VAT.
- 5.7.2 Should the activities of the Aberdeen City IJB change in time and it becomes empowered to provide services, then it is essential the VAT treatment of any future activities or services delivered are considered in detail by the Chief Finance Officer to establish if there is a legal requirement for the Integration Joint Boards to register for VAT.
- 5.7.3 The Chief Officer and Chief Finance Officer must remain cognisant of possible VAT implications arising from the delivery of the Strategic Plan. The Partner organisations should be consulted in early course on proposals which may have VAT related implications for them.

## 5.8 GIFTS and HOSPITALITY / REGISTER of INTEREST

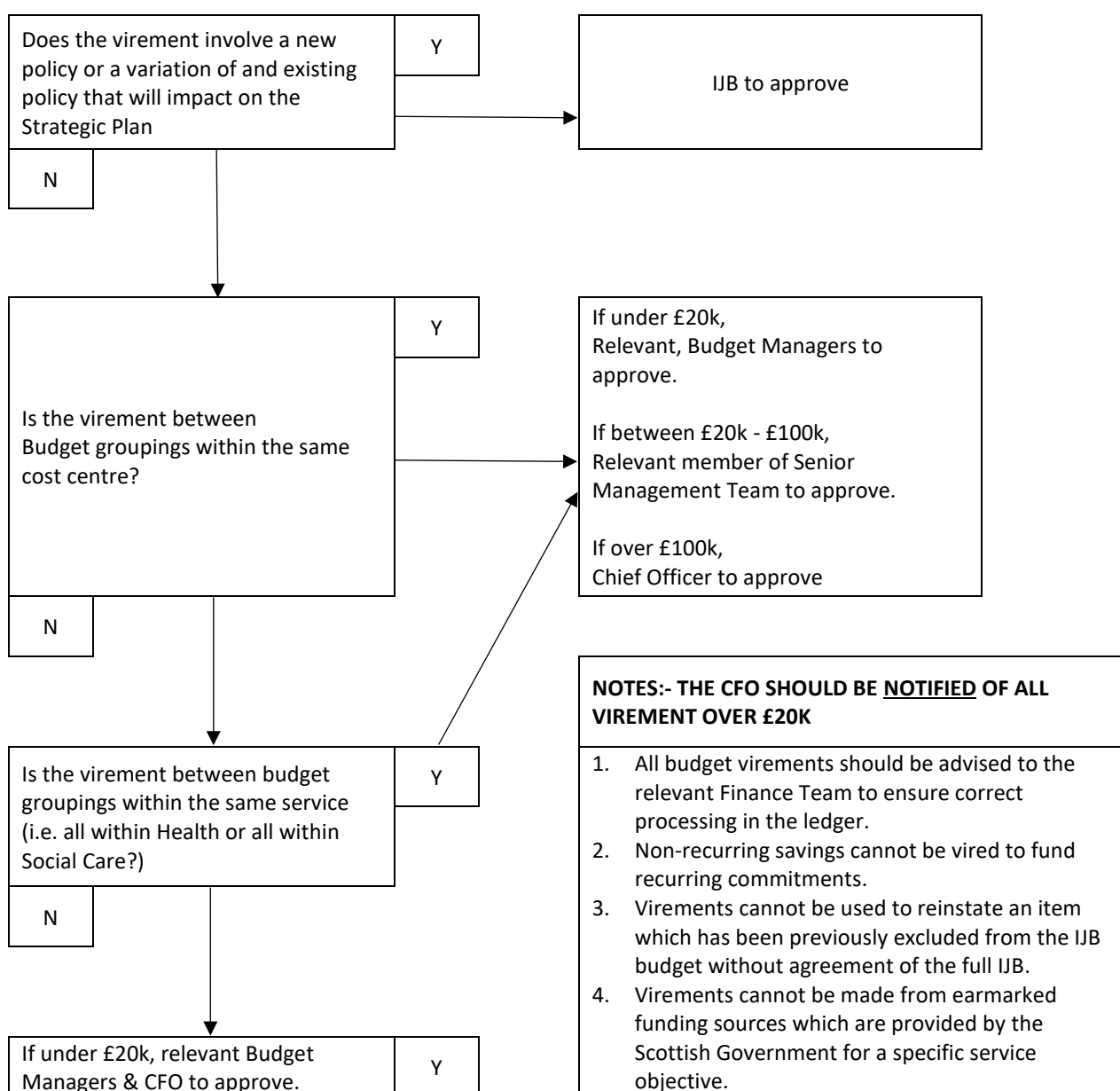
- 5.8.1 Members and employees should comply with their respective codes of conduct when offered gifts, gratuities and hospitality. NHS Grampian and Aberdeen City Council both maintain a register of gifts and hospitality offered.
- 5.8.2 A central register of gifts and hospitality will be maintained by the Aberdeen City Integration Joint Board. For the offers of any hospitality or gift, approval must be sought from the relevant line manager prior to acceptance and for offers exceeding £30 details must be intimated in writing for including in the register. Reference should be made to the respective codes of conduct.
- 5.8.3 A separate [Register of Interests](#) for board members is to be maintained by the Clerk to the Aberdeen City IJB. .

## 6 REVIEW OF FINANCIAL REGULATIONS

- 6.1 These Financial Regulations shall be subject to review on an ongoing basis, and at a minimum of every year by the Aberdeen City IJB Chief Finance Officer and where necessary, subsequent amendments will be submitted to Aberdeen City IJB for approval. Financial Regulations should be considered alongside other Governance documents including Standing Orders and Scheme of Delegation.



## APPENDIX 1 – IJB VIREMENT APPROVAL RESPONSIBILITY CHART





If between £20k - £100k, relevant member of Senior Management Team and the IJB Chief Finance Officer to approve.

If over £100k, Chief Officer and the IJB Chief Finance Officer to approve.

5. Adjustments required between IJB and non IJB budgets would be considered to be outside the scope of this virement process and require separate reporting to the IJB and the Partners.
6. All virements will be reflected in monthly monitoring for reports for budget managers.
7. All virements over £100k will be reported in the financial monitoring reports to the IJB.