



MORAY INTEGRATION JOINT BOARD

FINANCIAL REGULATIONS

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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 Moray Integration Joint Board (MIJB) was established as an autonomous legal entity with effect from 6 February 2016.
- 1.2 Moray 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 MIJB and are therefore limited and focussed in scope.
- 1.3 The main objective of these Financial Regulations is to detail the financial responsibilities, policies and procedures that govern the MIJB. Representatives and Committees of MIJB must comply with these Financial Regulations whilst dealing with the financial affairs of MIJB.
- 1.4 A Chief Officer will be appointed who will be the accountable officer of the MIJB in all matters except finance where there will be joint accountability with the Chief Financial Officer.
- 1.5 A Chief Financial Officer will be appointed who will be the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973. The Chief Financial Officer has a statutory duty to ensure that proper financial administration of the financial affairs of MIJB is maintained. The MIJB will have regard to the current CIPFA guidance on the role of the Chief Financial Officer in Local Government.
<http://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-government>
- 1.6 Should any difficulties arise regarding the interpretation or application of these financial regulations, individuals must seek advice from the Chief Financial Officer before any action is taken.

- 1.7 The MIJB will commission services from Moray Council and NHS Grampian. The management of services within each of these organisations will continue to be governed by the existing Standing Financial Instructions, Financial Regulations, Schedule of Reserved Decisions, Operational Scheme of Delegation and any other extant financial procedures approved by their respective Governance structures.
- 1.8 Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Chief Officer or the Chief Financial Officer of MIJB who, in consultation with others as appropriate shall decide on 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.

2. CORPORATE GOVERNANCE

- 2.1 Corporate Governance is about the structures and processes for decision making, accountability, controls and behaviour throughout the MIJB. The basic principles of corporate governance are as follows:
 - 2.1.1 **Openness** – Anyone with an interest in the affairs of the MIJB 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 MIJB'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 MIJB'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 MIJB's affairs, including how the funds and performance are managed.
- 2.2 These Financial Regulations are an essential part of the corporate governance of the MIJB.
- 2.3 **Members of the MIJB are required to follow any applicable formally agreed national codes of conduct.**

3. ROLES and RESPONSIBILITIES

3.1 INTEGRATION JOINT BOARD MEMBERS RESPONSIBILITY

3.1.1 The Board will continuously work to secure best value for money in how the organisation directs its resources, to ensure efficiency, effectiveness, safety and quality outcomes can be achieved. The Board 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. The Board are also responsible for ensuring that procedures are in place to ensure compliance with all statutory obligations.

3.2 CHIEF OFFICER RESPONSIBILITIES

3.2.1 The Chief Officer has a direct line of accountability to the MIJB, and is jointly line managed by the Chief Executives of NHS Grampian and Moray 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 for any locally delegated responsibilities for health and wellbeing and for measuring, monitoring and reporting on the underpinning measures and indicators (including financial) that will demonstrate progress.

3.2.2 The Chief Officer is responsible for ensuring that the decisions of the MIJB are carried out.

3.2.3 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.

3.2.4 The Chief Officer shall prepare budgets following consultation with the Chief Financial 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 Financial Officer is informed of financial matters that will have a significant impact on the Services, seeking financial advice where necessary.

3.3 CHIEF FINANCIAL OFFICER RESPONSIBILITIES

3.3.1 The Chief Financial Officer is responsible for governance of the MIJB's financial resources, ensuring the Partners utilise these in accordance with the Strategic Plan and the Directions issued and that the Strategic Plan delivers best value.

3.3.2 The Chief Financial Officer shall ensure that suitable accounting records are maintained and is responsible for the preparation of the MIJB's Financial

Statements following the Code of Practice on Local Authority Accounting in the UK.

- 3.3.3 The Chief Financial Officer shall ensure that these Financial Regulations are reviewed and **updated as necessary**~~kept up to date~~.
- 3.3.4 The Chief Financial Officer shall provide the Chief Officer and the MIJB with an annual governance statement.
- 3.3.5 The Chief Financial Officer shall be entitled to report upon the financial implications of any matter coming before the MIJB. To allow the Chief Financial Officer to fulfil this obligation, the Chief Officer will consult with the Chief Financial Officer on all matters involving a potential financial implication that is likely to result in a report to the MIJB.
- 3.3.6 The Chief Financial Officer shall ensure that arrangements are in place to properly establish the correct liability, process and accounting for VAT.
- 3.3.7 **The Chief Financial Officer will ensure that budget managers receive appropriate advice, guidance and support and appropriate information to enable them to affect control over expenditure and income.**

4. FINANCIAL PLANNING and MANAGEMENT

4.1 ANNUAL REVENUE BUDGET

- 4.1.1 The Chief Financial Officer will report to the MIJB each year on the process, timetable, format and key assumptions in drafting the annual budget.
- 4.1.2 The Chief Financial Officer of MIJB, Section 95 Officer of Moray Council and the Director of Finance of NHS Grampian will agree a timetable for preparation of the annual budget of MIJB and the exchange of information between MIJB, Moray Council and NHS Grampian. This ensures that required deadlines set out within the Integration Scheme are met.
- 4.1.3 The MIJB will approve a Strategic Plan which sets out arrangements for planning and directing the functions delegated to it by Moray Council and NHS Grampian. The Strategic Plan will cover a three-year period and will determine the budgets required to deliver operational services in-line with the Plan, recognising the need to be indicative in years two and three. The Strategic Plan will be aligned to, and presented with alignment to the Medium Term Financial Strategy.
- 4.1.4 The Chief Officer and the Chief Financial Officer will develop a case for the Integrated Budget based on the Strategic Plan and present it to Moray Council and NHS Grampian for consideration and agreement as part of the annual budget setting process.

- 4.1.5 The Chief Financial Officer will prepare and issue guidance, instructions and a timetable to all involved in the preparation of the annual budget.
- 4.1.6 The method for determining the final payment i.e. the initial base budget as at 1 April will be contingent on the respective financial planning processes of Moray Council and NHS Grampian. The Integration Scheme stipulates that the baseline payment to the Board will be formally advised by the Partners by 28th February each year.
- 4.1.7 Following agreement of the Strategic Plan by the MIJB, and confirmation of the Integrated Budget by the Partners, the Chief Officer will provide the MIJB's 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. Updated Directions will be issued throughout the year.
- 4.1.8 The Chief Officer will hold an operational role in both Moray Council and NHS Grampian, for the management of the operational delivery of services as directed by the MIJB and a line of accountability to the Chief Executives of both organisations for the financial management of operational budgets.
- 4.2 CAPITAL PLANNING
- 4.2.1 ~~It is unlikely that~~ The MIJB ~~will be~~ 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.
- 4.2.2 The MIJB has in place an Infrastructure Programme Board who's membership includes key officers from MIJB, NHS Grampian and Moray Council. The Infrastructure Programme Board reports to the Strategic Planning and Commissioning group.
- 4.3 CAPITAL EXPENDITURE
- 4.3.1 The MIJB does not receive a capital funding allocation. Capital projects are funded by either Moray Council or NHS Grampian and expenditure will be controlled in accordance with their respective financial regulations / standing financial instructions.
- 4.4 ACCOUNTING POLICIES
- 4.4.1 The MIJB is subject to the audit and accounts provisions of a body under section 106 of the Local Government (Scotland) Act 1973. The Chief Financial Officer is responsible for the preparation of the MIJB's Financial Statements following the Code of Practice on Local Authority Accounting in the UK.

4.5 BUDGET MANAGEMENT & CONTROL

- 4.5.1 Budget holders/managers within Moray Council and NHS Grampian will be accountable for all budgets within their control as directed by the MIJB in line with its Strategic Plan. The MIJB will ensure appropriate arrangements are in place to support good financial management and planning.
- 4.5.2 It is the joint responsibility of the Chief Officer and Chief Financial Officer of the MIJB to report regularly and timeously on all budgetary control matters, comparing projected outturn with the approved financial plan to the MIJB.
- 4.5.3 The NHS Grampian Director of Finance and the Section 95 Officer of Moray Council shall, along with the MIJB 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 MIJB in aggregate.

4.6 BUDGET MONITORING

- 4.6.1 It is the joint responsibility of the Chief Officer and the Chief Financial Officer to report to the MIJB 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.
- 4.6.2 The Director of Finance, NHS Grampian and the Section 95 Officer, Moray Council will provide the Chief Financial Officer of the MIJB with information on a monthly basis regarding the costs incurred for the services directly managed by them. Information should be provided in an agreed format.
- 4.6.3 The Director of Finance, NHS Grampian will provide the Chief Financial Officer of MIJB 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.
- 4.6.4 The Director of Finance, NHS Grampian will provide the Chief Financial Officer of MIJB with information regarding the use of the amounts set aside for hospital services. Reporting updates will be provided in line with the provision of activity information from NHS Information Services Division.
- 4.6.5 The Chief Financial 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)

4.6.6 The Chief Financial Officer will work with the Section 95 Officer of Moray 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.

4.6.7 The Chief Financial Officer will be consulted on all reports being submitted to the MIJB to ensure that any financial implications arising have been considered. Each MIJB report should include a Financial Implications section.

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

4.7 VIREMENT

4.7.1 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.

4.7.2 The Chief Officer is expected to deliver the agreed outcomes within the total delegated budget. Any virement must not create additional overall budget liability.

4.7.3 Any proposal for virement involving a new policy, or variation of existing policy, which will impact upon the strategic plans of the MIJB, will be subject to the approval of the MIJB.

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

- The Chief Financial Officer has been notified; and

- The virement does not create an additional financial commitment into future financial years.

4.7.5 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 establishment;
- for 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 MIJB during budget considerations unless approved by the MIJB.

4.7.6 The Chief Financial 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.

4.7.7 To the extent that any virement would transfer budget between Partners the Chief Financial Officer is required to notify the Partner bodies **and send amended Directions**.

4.8 FINAL ACCOUNTS PREPARATION

4.8.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the MIJB 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 in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014, and so far as is compatible with that legislation, in accordance with proper accounting practices in Section 12 of the Local Government in Scotland Act 2003 and regulations under Section 105 of the Local Government (Scotland) Act 1973).

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

4.8.3 The unaudited annual accounts shall be submitted to the External Auditors and to those members charged with governance for their consideration in accordance with the statutory regulations.

4.8.4 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 MIJB for consideration in accordance with the statutory regulations

4.8.5 The timetable for audit and publication of MIJB's annual accounts shall be agreed in advance with the external auditors of Moray Council and NHS Grampian.

4.9 TREASURY MANAGEMENT

4.9.1 The MIJB 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 MIJB will be undertaken directly between the Partners.

4.9.2 The MIJB will not operate a bank account.

4.10 RESERVES

4.10.1 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 MIJB. MIJB has a Reserves Policy that is held outwith these Financial Regulations and is reviewed regularly.

4.10.2 Unless otherwise agreed, any unspent budget will be transferred into the reserves of the MIJB at the end of each financial year.

4.11 GRANT FUNDING APPLICATIONS

4.11.1 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 MIJB and the Strategic Plan.

4.11.2 All grant funding to be secured by the MIJB from external bodies is required to receive approval from the MIJB **prior** to an application being made by the accountable body to ensure financial implications and match funding requirements are considered.

4.11.3 The Chief Financial 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, both in the present and the future.

4.11.4 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.

5. **FINANCIAL SYSTEMS and PROCEDURES**

5.1 **INCOME**

5.1.1 There is no income to the MIJB by way of cash transactions. Transfer of resources will be made by NHS Grampian and Moray Council in respect of the agreed delegated functions **and will be reflected in the Directions**. Payment will then be made by the MIJB for the delivery of these services. The accounting for these transactions will be via book entries in the ledgers of NHS Grampian and Moray Council.

5.2 **AUTHORITY TO INCUR EXPENDITURE**

5.2.1 The Chief Officer shall have the authority to incur expenditure within the approved delegated resources from MIJB to Moray Council and NHS Grampian in-line with any supplementary budget that has been approved by the MIJB, and subject to the provisions of these Financial Regulations.

5.2.2 Expenditure shall be aligned with the Strategic Plan. The Chief Officer and Chief Finance Officer will make sure that MIJB 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 and seek appropriate legal advice.

5.3 **PROCUREMENT and COMMISSIONING**

5.3.1 The Public Bodies (Joint Working) (Scotland) Act 2014 provides that the MIJB may enter into a contract with any other person in relation to the provision to the MIJB of goods and services for the purposes of carrying out functions conferred on it by the Act.

5.3.2 Procurement activity in relation to operational delivery of services will be undertaken following the procurement procedures approved by the Partner organisations to which the MIJB has given operational Direction for the use of financial resources.

5.4 **PETTY CASH IMPRESTS**

5.4.1 There will be no facility for petty cash unless authorised by the MIJB Chief Financial Officer and the necessary security arrangements have been established and have been deemed adequate.

5.4.2 **Petty cash** imprest facilities will be operated within NHS Grampian and Moray Council and will be contained within their respective established arrangements.

6. FINANCIAL ASSURANCE

6.1 AUDIT COMMITTEE

6.1.1 MIJB is required to make appropriate and proportionate arrangements for overseeing the system of corporate governance and internal controls. This has resulted in the establishment of an Audit, Performance & Risk committee. The Audit, Performance & Risk Committee operates in accordance with Financial Reporting Council professional guidance for Audit Committees and has distinct, approved terms of reference set out within the MIJB's Scheme of Administration.

6.2 EXTERNAL AUDIT

6.2.1 The Accounts Commission will appoint the external auditors to the MIJB.

6.2.2 External Audit are required to submit an annual plan to the MIJB ~~and~~ ~~of~~ its Audit, Performance & Risk Committee.

6.2.3 External Audit are required to submit a final report to MIJB ~~and~~ ~~of~~ its Audit, Performance & Risk Committee.

6.2.4 The External Auditor appointed to MIJB for the purposes of conducting their work, shall:-

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

6.3 INTERNAL AUDIT - RESPONSIBILITY

6.3.1 The role of Internal Audit is to understand the key risks faced by the MIJB 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 MIJB.

6.3.2 The MIJB 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 provision of internal audit services should be subject to periodic review~~ ~~The~~ ~~provision~~ ~~of~~ ~~internal~~ ~~audit~~ ~~services~~ ~~should~~ ~~be~~ ~~subject~~ ~~to~~ ~~periodic~~ ~~review~~ ~~The~~ ~~delivery~~ ~~of~~

internal audit services is currently undertaken by the Internal Audit Section of the Moray Council.

- 6.3.3 The operational delivery of internal audit services within NHS Grampian and Moray Council will be contained within their respective established arrangements.
- 6.3.4 The Internal Audit Service provided to MIJB will undertake its work in compliance with the Public Sector Internal Audit Standards.
- 6.3.5 The MIJB Chief Internal Auditor, **who is also the Audit and Risk Manager of the Moray Council**, will prepare and submit a strategic risk based audit plan to the MIJB or Audit Performance and Risk Committee for approval **on an annual basis**. ~~It is preferable that this be shared with the relevant Committees of NHS Grampian and Moray Council.~~ **This audit plan will not include systems and practices within NHS Grampian that will be subject to separate audit arrangements.**
- 6.3.6 The Chief Internal Auditor shall report to the Audit, Performance & Risk Committee throughout the year on the outcomes of audit work completed and on progress towards delivery of the agreed annual audit plan; ~~and provide an annual assurance opinion based on the overall findings from the audit.~~ **The Chief Internal Auditor will also provide an annual opinion on the MIJB's systems of governance and internal control based on the findings from work carried out by Internal Audit, taken together with other sources of assurance.**
- 6.3.7 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/ **Standing Financial Instructions** and Standing Orders and that adequate systems of internal control exist to safeguard assets and secure the accuracy and reliability of records.
- 6.3.8 It shall be the responsibility of senior management to ensure that access to relevant officers and explanations requested by the Chief Internal Auditor **or their representatives** are provided in a timely manner. **(Operational this has been established as responding within 20 days to audit recommendations and 5 days for information requests).**
- 6.3.9 The Chief Internal Auditor has the right to report direct to the MIJB in any instance where he or she deems it inappropriate to report to the Chief Officer, Chief Financial Officer or Audit, Performance & Risk committee.
- 6.3.10 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 the Chief Internal Auditor 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.

6.4 INTERNAL AUDIT - AUTHORITY

6.4.1 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 MIJB 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 MIJB 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.

6.4.2 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 (electronic or manual), assets, personnel and premises, when carrying out their duties in relation to Moray Integration Joint Board activity.
- Have access to all records (electronic or manual), documents and correspondence relating to any **activity, including** 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.

6.5 FRAUD, CORRUPTION & BRIBERY

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

6.5.2 **All suspected fraudulent activity should be reported to the Chief Internal Auditor. However,** there are a range of confidential routes available to the MIJB and its

representatives who wish to ask for advice regarding the reporting of an irregularity or ~~to report~~ a 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 ~~01224 556211~~ 07966 336548
- NHS Grampian's Deputy Fraud Liaison Officer – Financial Governance Manager on 01224 556103
- The MIJB Chief Internal Auditor on ~~01343 563055~~ Fraud Hotline 01343 563003

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 [Moray Council](#) are available via their respective Intranets.

- 6.5.3 When a matter arises where it is suspected that an irregularity exists in the exercise of the functions of MIJB, ~~the Chief Financial Officer in conjunction with~~ the Chief Internal Auditor **in conjunction with** ~~and~~ the Chief Officer, will take such steps as may be considered necessary by way of investigation and report.
- 6.5.4 Both organisations have Whistleblowing policies and can be found on their websites here, [Moray Council](#) and [NHS Grampian](#)

6.6 INSURANCE

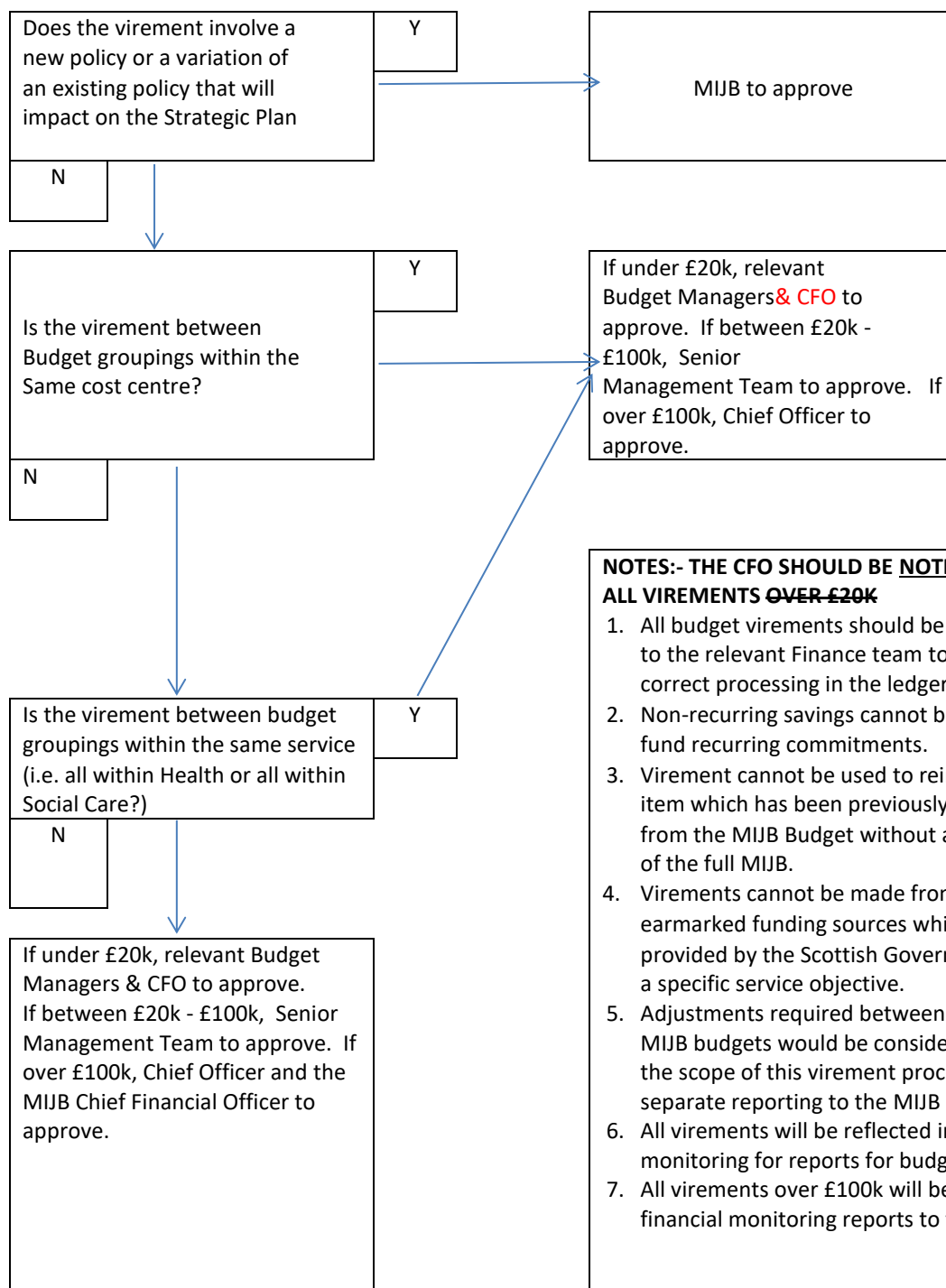
- 6.6.1 The Chief Officer in conjunction with the Chief Financial Officer will ensure that the risks faced by the MIJB are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them.
- 6.6.2 As of 1 April 2016 the MIJB became members of the Clinical Negligence and Other Risks Scheme (CNORIS) scheme. The cover provided is in relation to indemnity for MIJB Members only. The cover provided is in respect of decisions made by Members in their capacity on the MIJB. All other cover required should be provided by NHS Grampian and Moray Council.
- 6.6.3 The Chief Officer is responsible for ensuring that there are adequate systems in place for the prompt notification in writing to the Chief Financial Officer of any loss, liability, damage or injury which may give rise to a claim, by or against the MIJB.

- 6.6.4 The Chief Officer in conjunction with the Chief Financial Officer shall annually or at such other period as may be considered necessary, review all insurances. Any required changes should be reported to MIJB.
- 6.6.5 The Chief Officer in conjunction with the Chief Financial Officer of MIJB will review the requirement for membership of the Scottish Government (CNORIS) on an annual basis.
- 6.7 VAT
- 6.7.1 HMRC have confirmed that there is no VAT registration requirement for Integration Authorities under the VAT act 1994 as it will not be delivering any services that fall within the scope of VAT.
- 6.7.2 Should the activities of the MIJB 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 Financial Officer to establish if there is a legal requirement for the Integration Authorities to register for VAT.
- 6.7.3 The Chief Officer and Chief Financial 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.
- 6.8 GIFTS and HOSPITALITY / REGISTER of INTEREST
- 6.8.1 Members and employees should comply with their respective codes of conduct when offered gifts, gratuities and hospitality.
- 6.8.2 A central register of gifts and hospitality will be maintained by the MIJB. 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.
- 6.8.3 A separate [Register of Interests](#) for members is maintained by the Clerk to the MIJB.
- 6.9 RETENTION OF FINANCIAL DOCUMENTS
- 6.9.1 The Chief Officer and Chief Financial Officer will ensure that arrangements are in place for the proper management of financial, legal and other documents and that these documents are retained in accordance with any specific statutory requirements, including the Data Protection [Act](#) (2018), the Freedom of Information (Scotland) [Act](#) (2002), and any approved MIJB management policies and procedures. The accounting records will be held by Moray Council on behalf of the MIJB.

7 REVIEW OF FINANCIAL REGULATIONS

- 7.1 These Financial Regulations shall be subject to review on a regular basis, and as a minimum of every two years by the MIJB Chief Financial Officer and where necessary, subsequent amendments will be submitted to MIJB for approval. Financial Regulations should be considered alongside other Governance documents.

APPENDIX A – MIJB VIREMENT APPROVAL RESPONSIBILITY CHART



- NOTES:- THE CFO SHOULD BE NOTIFIED OF ALL VIREMENTS OVER £20K**
1. All budget virements should be advised to the relevant Finance team to ensure correct processing in the ledger.
 2. Non-recurring savings cannot be vired to fund recurring commitments.
 3. Virement cannot be used to reinstate an item which has been previously excluded from the MIJB Budget without agreement of the full MIJB.
 4. Virements cannot be made from earmarked funding sources which are provided by the Scottish Government for a specific service objective.
 5. Adjustments required between MIJB and non MIJB budgets would be considered to be outside the scope of this virement process and require separate reporting to the MIJB 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 MIJB.