



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 28 MARCH 2019

SUBJECT: REVIEW OF FINANCIAL REGULATIONS

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1. To seek the approval of the Moray Integration Joint Board (MIJB) to update the Financial Regulations in line with the proposed amendments contained within **APPENDIX 1**.

2. RECOMMENDATION

2.1. It is recommended that the MIJB:

- i) **approves the proposed changes to the MIJB Financial Regulations as set out in APPENDIX 1; and**
- ii) **agrees that the next review will be no later than March 2020.**

3. BACKGROUND

- 3.1. Section 95 of the Local Government (Scotland) Act 1973 requires integration authorities to have adequate systems and controls in place to ensure the 'proper administration of their financial affairs', including the appointment of an officer with full responsibility for their governance. The MIJB Financial Regulations detail those responsibilities.
- 3.2. The statutory guidance produced by the Scottish Government for integration authorities stipulates the requirement for the Chief Financial Officer of the MIJB to develop Financial Regulations to include a minimum set of controls. These were developed and approved at a meeting of this Board on 31 March 2016 (para 11 of the minute refers).
- 3.3. The Financial Regulations were subsequently reviewed and presented to a meeting of this Board for approval on 25 January 2018 (para 6 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1. It is necessary to review the Financial Regulations at regular intervals to ensure they continue to reflect policy and practice adopted by the MIJB. The updated Regulations are attached at **APPENDIX 1** and proposed changes have been highlighted in red for ease of reference.
- 4.2. It is proposed that the Financial Regulations continue to be reviewed on an annual basis to reflect the pace of change and support good governance practices surrounding the MIJB financial processes.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

Effective governance arrangements will support the MIJB in providing services in line with stated priorities as outlined in its Strategic Plan.

(b) Policy and Legal

Approved Financial Regulations form part of the constitutional documents that provide reasonable assurance in that the decision making of the MIJB is legal, clear and accountable.

Failure to observe Financial Regulations may be regarded as a breach of trust and potentially lead to disciplinary action or dismissal.

(c) Financial implications

None arising directly from this report.

(d) Risk Implications and Mitigation

Regular updating of Financial Regulations provides a reference point for staff working under the remit of the MIJB and supports the mitigation of risk in relation to inappropriate use of funds.

Financial Regulations constitute an element of the governance arrangements of the MIJB, the absence of which would result in a lack of clarity regarding roles and responsibilities.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

An equality Impact Assessment is not needed because there is no change to policy as a result of this report.

(h) Consultations

The Deputy Director of Finance, Assistant Director of Finance and Finance Manager NHS Grampian; the Head of Financial Services and Principal Accountant Moray Council and the MIJB Chief Internal Auditor have been consulted and their comments incorporated into the updated Financial Regulations.

6. CONCLUSION

- 6.1. Financial Regulations support the Chief Financial Officer in ensuring the proper administration of the financial affairs of the MIJB. They are also an essential point of reference for service managers in assisting day-to-day operations.**

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
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