



Audit and Performance Systems Committee

Date of Meeting	09.06.2020
Report Title	Audited Final Accounts 2019/20
Report Number	HSCP.20.009
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	No
Appendices	A: Letter of Representation B: Audited Final Accounts 2019/20

1. Purpose of the Report

- 1.1. The Integration Joint Board reviewed and considered the unaudited final accounts at its meeting on the 12 May 2020;
- 1.2. The purpose of this report is to allow the Integration Joint Board to consider and approve the audited final accounts for 2019/20;

2. Recommendations

It is recommended that the Integration Joint Board:

- a) Consider and agree the Integration Joint Board's Audited Accounts for 2019/20, as attached at appendix A.
- b) Instruct Officers to submit the approved audited accounts to NHS Grampian and Aberdeen City Council.
- c) Instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B.



Audit and Performance Systems Committee

3. Summary of Key Information

- 3.1. This is the third time that a full set of accounts have been prepared for the Integration Joint Board (IJB).
- 3.2. A great deal of work has been undertaken at a national level to agree on a proposed approach to the Integration Joint Board Accounts. Even then there will be changes in format and the disclosures contained in the accounts based on local circumstances. However, the major disclosures and format is based on a template commissioned by the Scottish Government with the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.3. The accounts are based on the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) and follow the format of the accounts used by local authorities as the IJB is recognised as a local government body, under Part VII of the Local Government (Scotland) Act 1973.
- 3.4. The audit of the accounts took place the week beginning the 18 May 2020. The final audited accounts have been brought back to the IJB for approval. During the audit process some minor changes were made to the accounts, largely presentational changes in relation to the management commentary. The pension information for the Chief Officer and the set aside information for the financial year were also updated, as the information was not available for the un-audited accounts.
- 3.5. Aberdeen City Council have embarked on a process to shorten the timescale for closing the final accounts. As the IJB accounts feed into the Aberdeen City Council accounts, the IJB accounts have been collated quicker than most other IJBs in Scotland. The intention is that the Aberdeen City Council accounts, including the group accounts, will be drafted, audited and approved by 30 June at the latest.
- 3.6. The accounts follow the following format:
 - **Management Commentary** - Explains the performance over the last financial year and highlights some of the potential risks during the next financial year.
 - **Remuneration Note** – contains details of the pay and pension benefits accrued by the senior officers of the IJB during 2019/20.



Audit and Performance Systems Committee

- **Annual Governance Statement** – Highlights the Governance Framework in place and describes performance and improvements against the local code of governance.
 - **Financial Statements** – contains details of the financial transactions, including the Income & Expenditure Account, Balance Sheet and Movement in Reserves Statement.
 - **Notes to the Accounts** – including the financial policies used by the IJB over this period and the relevant disclosures required through the code.
- 3.7. At the end of the financial year the IJB has £2,601,896 in its useable reserve at the end of the financial year, which has largely been allocated by the IJB for specific integration and change projects.

4. Implications for IJB

- 4.1. **Equalities** – There are no equalities implications arising from this report.
- 4.2. **Fairer Scotland Duty** – there are no direct implications for the Fairer Scotland Duty arising from this report.
- 4.3. **Financial** – the financial implications are highlighted throughout the report and in the appendix.
- 4.4. **Workforce** - there are no direct implications arising from this report.
- 4.5. **Legal** – publishing annual accounts is a requirement under the Local Authority Accounts (Scotland) Regulations 2014, which set out the statutory requirements on the IJB in respect to the annual accounts, their availability for public inspection and the consideration and signing by the IJB.
- 4.6. Other - NA

5. Links to ACHSCP Strategic Plan

- 5.1. Sustainable finance is highlighted as one of the fundamental elements which we need to develop further in order to meet all our strategic objectives. The audited annual accounts provide an independent opinion on the financial statements.

6. Management of Risk





Audit and Performance Systems Committee

6.1. Identified risks(s) and link to risks on strategic risk register:

- **Strategic Risk 2:** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend.
- **Strategic Risk 4:** There is a risk that relationship arrangements between the IJB and its partner organisations (Aberdeen City Council and NHS Grampian) are not managed to maximise the full potentials of integrated & collaborative working. This risk covers the arrangements between partner organisations in areas such as governance; corporate service; and performance.
- **Strategic Risk 6:** There is a risk of reputational damage to the IJB and its partner organisations resulting from complexity of function, delegation and delivery of services across health and social care.
- **Strategic Risk 7:** There is a risk of failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system.

6.2. How might the content of this report impact or mitigate these risks:

The audited accounts are an important document for the IJB, demonstrating financial performance over the year and are independently audited. Recommendations could be received from the external auditors which impact on any of the strategic risks highlighted above.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)