



## Risk, Audit and Performance Committee

<b>Date of Meeting</b>	27/04/2021
<b>Report Title</b>	Unaudited Final Accounts 2020/21
<b>Report Number</b>	HSCP.21.040
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author Details</b>	Alex Stephen, Chief Finance Officer alestephen@aberdeencity.gov.uk
<b>Consultation Checklist Completed</b>	Yes
<b>Appendix</b>	A. Unaudited Final Accounts 2020/21

### 1. Purpose of the Report

- 1.1. The purpose of this report is to allow the Risk, Audit and Performance Committee (RAPC) to review and comment on the unaudited final accounts for 2020/21.

### 2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee:
- a) Consider and comment on the Unaudited Final Accounts for 2020/21 at Appendix A.

### 3. Summary of Key Information

- 3.1. This is the fifth 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).



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- 3.3. The accounts are based the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (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. Given this is the five year of producing these accounts there is a possibility that some of the disclosures and the accounts will need to be changed during the audit process. This is particularly pertinent given that there may be changes to the accounts due to the coronavirus and given our accounts are audited sooner than the other IJBs in Scotland. The pension figures for the Chief Officer will be updated during the audit process, as they were not available at this point. In regard to the set aside figures these have been inflated by inflation, however, the activity data is not available this year due to staff being moved to other duties as a result of the pandemic response. Neither figure impacts on the amount held in reserves.
- 3.5. The audit of the accounts will take place in May 2021. The final audited accounts will be brought back to a meeting of the Integration Joint Board on 25 May 2021 as a late paper.
- 3.6. The Local Authority Accounts (Scotland) Regulations 2014 defines the notice period, the inspection period, the deadline for submission of an objection to the accounts and the information which must be made available for inspection. The inspection must last 15 working days.
- 3.7. Aberdeen City Council have shortened the timescale for closing the final accounts of the Council. As the IJB accounts feed into the Aberdeen City Accounts, the IJB accounts also have to be closed off quicker than in most other IJBs. The intention is that the Aberdeen City Council accounts, including the group accounts, will be drafted, audited and approved by the 30 June at the latest,
- 3.8. 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 2020/21. Note we are still waiting on the pension information for the Chief Officer, this will be added prior to being sent to auditors.



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**Annual Governance Statement** – Highlights the Governance Framework in place and describes performance and improvements against the local code of governance. This contains the assurances from Aberdeen City Council and NHS Grampian. It also contains wording from the Chief Internal Auditor on the internal control environment.

**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.

- 3.9.** As can be seen through the accounts at the end of the financial year the IJB has £15,442,447 in its useable reserve at the end of the financial year, which has largely been earmarked for activities where we received additional income in 2020/21 and require to allocate funding in 2021/22 to complete the activities associated with this income.

### 4. Implications for IJB

- 4.1. Equalities** – There are no equalities implications arising from this report.
- 4.2. Fairer Scotland Duty** – There are no Fairer Scotland Duty implications arising from this report.
- 4.3. Financial** - The financial implications are highlighted throughout this report and in Appendix A.
- 4.4. Workforce** – There are no workforce implications arising from this report.
- 4.5. Legal** – There are no legal implications arising from this report.
- 4.6. Other** – There are no other implications arising from this report.

### 5. Links to ACHSCP Strategic Plan

- 5.1.** Good governance and internal controls are fundamental to ensuring the delivery of the strategic plan.



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### 6. Management of Risk

#### 6.1. Identified risk(s) & Link to risk number of strategic/operational risk register:

- There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend – High (Strategic Risk #2)
- There is a risk that relationship arrangements between the IJB and its partner organisations (Aberdeen City Council & 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- Medium (Strategic Risk #4)
- 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 – Medium (Strategic Risk #6)
- Failure to deliver transformation at a pace or scale required by the demographic and financial pressures in the system – High (Strategic Risk #7)

#### 6.2. How might the content of this report impact or mitigate the known 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.