



Risk, Audit and Performance Committee

Date of Meeting	22 June 2021
Report Title	Audited Final Accounts 2020/21
Report Number	HSCP.21.056
Lead Officer	Alex Stephen, Chief Finance Officer
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Consultation Checklist Completed	No
Appendices	A: Letter of Representation B: Audited Final Accounts 2020/21

1. Purpose of the Report

- 1.1. The Risk, Audit and Performance Committee (RAPC) reviewed and considered the unaudited final accounts at its meeting on the 27 April 2021;
- 1.2. The purpose of this report is to allow RAPC to consider and approve the audited final accounts for 2020/21.

2. Recommendations

It is recommended that the RAPC:

- a) Consider and agree the Integration Joint Board's (IJB) Audited Accounts for 2020/21, 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.



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3. Summary of Key Information

- 3.1. This is the fourth 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 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. The audit of the accounts took place early June 2021. The final audited accounts have been brought back to the RAPC for approval. During the audit process some minor changes were made to the accounts, largely presentational changes. The pension information for the Chief Officer was updated, as the information was not available for the un-audited accounts.
- 3.5. During the checking process on the accounts, officers became aware of income which should have been recorded in the accounts that was omitted. This was rental income from one of our main suppliers, which has been omitted from the accounts over the last three financial years. The 2020-21 accounts were adjusted for this income, which resulted in an improved financial position of £2.8 million. Therefore, the integration and change fund reserve has grown by a further £2.8 million.
- 3.6. 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



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accounts, including the group accounts, will be drafted, audited and approved by 30 June 2021 at the latest.

3.7. 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.
- **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.

3.8. At the end of the financial year the IJB has £18,235,780 in its useable reserve at the end of the financial year, which has largely been allocated for specific 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.



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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

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.



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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)