



## AUDIT & PERFORMANCE SYSTEMS COMMITTEE

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<b>Date of Meeting</b>	28.05.2019
<b>Report Title</b>	Unaudited Final Accounts 2018/19
<b>Report Number</b>	HSCP.19.011
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author Details</b>	Alex Stephen, Chief Finance Officer
<b>Consultation Checklist Completed</b>	Yes
<b>Appendices</b>	a. Unaudited Final Accounts 2018/19

### 1. Purpose of the Report

- 1.1. The purpose of this report is to allow the Audit & Performance Systems Committee to review and comment on the unaudited final accounts for 2018/19.

### 2. Recommendations

- 2.1. It is recommended that the Audit & Performance Systems Committee:
- a) Consider and comment on the Unaudited Accounts for 2018/19.

### 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 the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code) and follow the format of the



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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 only the third 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.
- 3.5. The audit of the accounts will take place week beginning the 13 May 2019. The final audited accounts will be brought back to a special meeting of the Audit & Performance Systems Committee to be held on the 28 May 2019. It is anticipated that due to the tight timescales that we will have to issue the accounts and the ISA 260 audit report (from external audit) as late papers to this meeting.
- 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 2018/19. Note we are still waiting on the pension information for the Chief Officer, this will be added prior to being sent to auditors.

**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 proposed wording from the Chief Internal Auditor which will be discussed in more detail at the meeting on the 28 May 2019.



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**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 £5,578,337 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 - NA

4.2. Fairer Scotland Duty - NA

4.3. Financial - The financial implications are highlighted throughout this report and in the appendix.

4.4. Workforce - NA

4.5. Legal - NA

4.6. Other - NA

### 5. Links to ACHSCP Strategic Plan

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

### 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)



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- 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.