



Audit and Performance Systems Committee

Date of Meeting	28.05.2019
Report Title	Audited Final Accounts 2018/19
Report Number	HSCP.19.029
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 2018/19

1. Purpose of the Report

- 1.1. The Integration Joint Board reviewed and considered the unaudited final accounts at its meeting on the 30 April 2019;
- 1.2. The purpose of this report is to allow the Audit & Performance Systems (APS) Committee to consider and approve the audited final accounts for 2018/19;
- 1.3. The APS Committee has provision within its Terms of Reference 'to consider and approve annual financial accounts and related matters'.

2. Recommendations

It is recommended that the Audit & Performance Systems Committee:

- a) Consider and agree the Integration Joint Board's Unaudited Accounts for 2018/19, as attached at appendix A.
- b) Instruct Officers to submit the approved audited accounts to NHS Grampian and Aberdeen City Council.



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- c) Instruct the Chief Finance Officer to sign the representation letter, as attached at appendix B.

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 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 13th of May 2019. The final audited accounts have been brought back to the APS Committee for approval at this meeting. During the audit process some minor changes were made to the accounts, largely presentational changes in relation to the management commentary.
- 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 Accounts, the IJB have been collated quicker than most other councils 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 2018/19.



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- **Annual Governance Statement** – Highlights the Governance Framework in place and describes performance and improvements against the local code of governance. As was discussed at the last APS Committee, this now contains the assurances from Aberdeen City Council, NHS Grampian and the Internal Auditors.
 - **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. 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** – 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



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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 & 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.



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