



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	20 March 2019
Agenda Item	11
Title	Overview of the Preparation of Annual Accounts for the Integration Joint Board
<p>Summary</p> <p>This report provides an overview of the annual accounts preparation for the Integration Joint Board in line with legislative requirements and identifying the key stages.</p>	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p>Action Required</p> <p>Performance and Audit Committee members are asked to note the proposed timetable</p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE AND AUDIT COMMITTEE

20 March 2019

Report by Chief Financial Officer

**OVERVIEW OF PREPARATION OF ANNUAL ACCOUNTS FOR THE
INTEGRATION JOINT BOARD**

PURPOSE OF REPORT

1. The purpose of this report is to provide an overview of the preparation of the annual accounts for the Integration Joint Board identifying legislative requirements and key stages.

RECOMMENDATION

2. Performance and Audit Committee members are asked to note the proposed timetable

BACKGROUND

3. The Public Bodies (Joint Working)(Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of Health and Social Care in Scotland.
4. The Integration Joint Board is a legal entity in its own right, created by Parliamentary Order, following Ministerial approval of the Integration Scheme. NHS Greater Glasgow and Clyde (NHSGGC) and East Renfrewshire Council have delegated functions to the Integration Joint Board which has the responsibility for strategic planning, resourcing and ensuring delivery of all integrated services.
5. The Integration Joint Board is specified in legislation as a “section 106” body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.
6. The Local Authority (Scotland) Accounts Advisory Committee (LASAAC) has produced guidance on accounting for the integration of health and social care.

REPORT

7. The annual accounts for the Integration Joint Board will be prepared in accordance with appropriate legislation and guidance. An overview of the process is set out below:
8. **Financial Governance & Internal Control:** the regulations require the Annual Governance Statement to be approved by the Integration Joint Board or a committee of the Integration Joint Board whose remit include audit and governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the Integration Joint Board. The Performance and Audit Committee meets this requirement.

9. **Unaudited Accounts:** the regulations state that the unaudited accounts are submitted to the External Auditor no later than 30 June immediately following the financial year to which they relate. The Integration Joint Board annual accounts for the year ended 31 March 2019 will be considered at the Performance and Audit Committee meeting on 26 June 2019 and remitted to the Integration Joint Board meeting on 26 June 2019 for approval.
10. **Right to Inspect and Object to Accounts:** the public notice period of inspection should start no later than 1 July in the year the notice is published. This will be for a period of 3 weeks and will follow appropriate protocol for advertising and accessing the unaudited accounts.
11. **Approval of Audited Accounts:** the regulations require the approval of the audited annual accounts by the Integration Joint Board or a committee of the Integration Joint Board whose remit include audit and governance. This will take account of any report made on the audited annual accounts by the “proper officer” i.e. Chief Financial Officer being the Section 95 Officer for the Integration Joint Board or by the External Auditor by the 30 September immediately following the financial year to which they relate. In addition any further report by the external auditor on the audited annual accounts should also be considered.
12. The Performance and Audit Committee will consider for approval the External Auditors report and proposed audit certificate (ISA 260 report) and the audited annual accounts at its meeting on 25 September 2019 and thereafter recommend the annual accounts for approval by the Integration Joint Board at its meeting on 25 September 2019.
13. **Publication of the Audited Accounts:** the regulations require that the annual accounts of the Integration Joint Board be available in both hard copy and on the website for at least five years, together with any further reports provided by the External Auditor that relate to the audited accounts.
14. The annual accounts of the Integration Joint Board must be published by 31 October and any further reports by the External Auditor by 31 December immediately following the year to which they relate.
15. **Key Documents:** the regulations require a number of key documents (within the annual accounts) to be signed by the Chair of the Integration Joint Board, the Chief Officer and the Chief Financial Officer, namely:

Management Commentary / Foreword	Chair of the IJB Chief Officer
Statement of Responsibilities	Chair of the IJB Chief Financial Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Remuneration Report	Chair of the IJB Chief Officer
Balance Sheet	Chief Financial Officer

16. In addition to the above as the Chair of the Integration Joint Board will change at the end of March 2019 we are seeking advice from Audit Scotland as to whether an assurance statement needs to be issued by the outgoing Chair.

17. LASAAC (Local Authority (Scotland) Accounts Advisory Committee) issued additional guidance on accounting for integrated health and social care on 11 March 2019. The purpose of this guidance is to provide clarity on the accounting treatment for a number of areas where issues such as differing interpretation of the existing guidance have arisen as that statutory accounting for IJB's beds in and is developed. The revised guidance covers the areas set out below and we will ensure continued compliance:
- IJB Running Costs
 - Remuneration Reports in the IJB and Local Authority Partner
 - Presentation in the Local Authority Comprehensive Income and Expenditure Statement (CIES)
 - Management Commentary
 - IJB Comprehensive Income and Expenditure Statement (CIES)
 - Related Party Disclosures
 - Application of Statutory Mitigation
 - Cash & Cash Equivalents
 - Local Authority: Offsetting of Debtor and Creditor Balances with the IJB
 - IJB Balance Sheet and Movement in Reserves Statement (MiRS)
 - Treatment of over and under spends (added 2019)
 - Presentation of a 'net liability' (negative reserves) position (added 2019)
 - Hosted services (added 2019)
 - Set Aside Arrangements (added 2019)
 - Earmarked elements of General Fund balances (added 2019)
 - Critical Judgements (added 2019)
 - Arrangements for agreeing balances and transactions (added 2019)

CONCLUSIONS

18. The preparation of annual accounts for the Integration Joint Board will meet all legislative requirements and approval will be remitted by the Performance and Audit Committee to the Integration Joint Board.
19. The Integration Joint Board's External Auditors have been fully consulted on this report.
20. The Section 95 Officer and Assistant Director of Finance from respective partners are fully consulted with on the preparation of the annual report and accounts for the Integration Joint Board.

RECOMMENDATIONS

21. Performance and Audit Committee members are asked to note the proposed timetable

REPORT AUTHOR AND PERSON TO CONTACT

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11 March 2019
 Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

Relevant legislation: Public Bodies (Joint Working) (Scotland) Act 2014
 Local Government Scotland Act 1973

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