



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	29 March 2017
Agenda Item	6
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 (IJB) in line with legislative requirements and identifying the key stages.</p>	
Presented by	Lesley Bairden, Chief Financial Officer
<p>Action Required</p> <p>That the committee</p> <ul style="list-style-type: none"> ▪ Note that it is being recommended to the IJB that approval of the annual accounts no longer be remitted to the Performance and Audit Committee, such approval to be given by the IJB; ▪ Note the proposed timetable 	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Financial <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT <input type="checkbox"/> Efficient Government </p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE AND AUDIT COMMITTEE

29 March 2017

Report by Lesley Bairden, 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 (IJB) identifying legislative requirements and key stages. The report also recommends that the approval of the annual accounts is no longer remitted to the Performance and Audit Committee (PAC) for both unaudited (June) and audited accounts (September). This arrangement related to the 2015/16 accounts only.

RECOMMENDATION

2. It is recommended that the Performance and Audit Committee:-
 - Note that it is being recommended to the IJB that approval of the annual accounts no longer be remitted to the Performance and Audit Committee, such approval to be given by the IJB;
 - 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 IJB 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 IJB which has the responsibility for strategic planning, resourcing and ensuring delivery of all integrated services.
5. The IJB 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 revised guidance on accounting for the integration of health and social care.

REPORT

7. The annual accounts for the IJB 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 IJB or a committee of the IJB whose remit include audit and governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the IJB. The PAC 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 IJB annual accounts for the year ended 31 March 2016 will be considered at the Performance and Audit Committee meeting on 28 June 2017 and remitted to the Integration Joint Board meeting on 28 June 2016 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 IJB or a committee of the IJB 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 IJB 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 27 September 2017 and thereafter recommend the annual accounts for approval by the IJB at its meeting on 27 September 2017.
13. **Publication of the Audited Accounts:** the regulations require that the annual accounts of the IJB 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 IJB 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 IJB, 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
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16. In addition to the above as the Chair of the IJB may change in the period between approval of the unaudited accounts and the audited accounts best practice determines that an assurance statement be issued by the outgoing Chair.

FINANCE AND EFFICIENCY

17. There are no specific financial implications to this report. All issues relating to IJB annual accounts will be subsequently reported as an integral element of the annual accounts.

CONSULTATION

18. The Integration Joint Board's External Auditors have been fully consulted on this report.

PARTNERSHIP WORKING

19. The Section 95 Officer and Assistant Director of Finance from respective partners are fully consulted with on the preparation of the annual accounts for the IJB.

IMPLICATIONS OF THE PROPOSALS

20. As the Partnership will continue to operate across the two parent bodies there are currently no implications for
- Staffing
 - Property
 - Legal
 - IT
 - Equalities
21. The financial sustainability of the HSCP is addressed above.

CONCLUSIONS

22. The preparation of annual accounts for the IJB will meet all legislative requirements and approval will be remitted to the Performance and Audit Committee.

RECOMMENDATIONS

23. It is recommended that the Performance and Audit Committee:-
- Note that it is being recommended to the IJB that approval of the annual accounts no longer be remitted to the Performance and Audit Committee, such approval to be given by the IJB;
 - Note the proposed timetable

REPORT AUTHOR AND PERSON TO CONTACT

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29 March 2017

HSCP Chief Officer: Julie Murray

BACKGROUND PAPERS

None

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

KEY WORDS

Finance; annual accounts; unaudited accounts; audited accounts; internal audit; external audit