



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	29 June 2016
Agenda Item	5
Title	Unaudited Annual Report and Accounts 2015/16
<p>Summary</p> <p>This report provides an overview of the unaudited annual report and accounts for the IJB covering the period 7 October 2015 to 31 March 2016 and outlines the legislative requirements and key stages. The report recognises the decision of the IJB to remit the approval of the annual report and accounts to the Performance & Audit Committee.</p>	
Presented by	Lesley Bairden, Chief Financial Officer
<p>Action Required</p> <p>The Performance and Audit committee is requested to:-</p> <ul style="list-style-type: none"> ▪ Approve the unaudited annual report and accounts ▪ Note the annual report and accounts is subject to audit review ▪ Agree to receive the audited annual report and accounts for approval in September, subject to any recommendations made by our external auditors. 	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE & AUDIT COMMITTEE

29 June 2016

Report by Lesley Bairden, Chief Financial Officer

UNAUDITED ANNUAL REPORT AND ACCOUNTS 2015/16

PURPOSE OF REPORT

1. The purpose of this report is to provide an overview of the unaudited annual report and accounts for the IJB covering the period 7 October 2015 to 31 March 2016 and outline the legislative requirements and key stages. The report recognises the decision of the IJB to remit the approval of the annual report and accounts to the Performance & Audit Committee.

RECOMMENDATION

2. The Performance and Audit committee is requested to:
 - Approve the unaudited annual report and accounts
 - Note the annual report and accounts is subject to audit review
 - Agree to receive the audited annual report and accounts for approval in September, subject to any recommendations made by our external auditors.

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 & 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. LASAAC [The Local Authority (Scotland) Accounts Advisory Committee] has produced additional guidance on accounting for the integration of health and social care.

REPORT

7. The annual report and 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 & governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the IJB. The P&AC meet this requirement.
9. **Unaudited Accounts;** the regulations state that the unaudited accounts are submitted to the External Auditor no later than 30th June immediately following the financial year to which they relate. The IJB annual accounts for the year ended 31st March 2016 will be considered at the Performance & Audit Committee on 29th June 2016.
10. **Right to Inspect and Object to Accounts:** the public notice period of inspection should start no later than 1st 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 & 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 30th 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 & 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 28th September 2016.
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 31st October and any further reports by the External Auditor by 31st 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

16. In addition to the above as the Chair of the IJB will change in the period between approval of the unaudited and audited annual report and accounts best practice determines that an assurance statement be issued by the outgoing Chair.
17. The main messages from the annual report and accounts are:
 - Successful part year operation of the IJB with financial delegation as of 7 October 2015
 - Establishment of governance sub committees and associated frameworks
 - We have ended our first period of operation as an IJB with free reserves of £272,000 and earmarked reserves of £869,000. There is no change to the earmarked reserves reported to the IJB as at 28 February 2016. The free reserves have increased by £154,000 mainly due to a late adjustment on accommodation costs within the NHS funded contribution.
18. The Chief Financial Officer would like to extend thanks to colleagues in both partner organisations acknowledging the detailed work of all staff involved in the year end closure process for all operational spend within the partnership. Particular thanks to Ian Arnott, Finance Business Partner for his invaluable input.

CONCLUSIONS

19. The preparation of the annual report and accounts for the IJB will meet all legislative requirements. There has been no material movement to the projected outturn last reported to the IJB. There are no significant governance issues.

RECOMMENDATIONS

20. The Performance and Audit committee is requested to:
 - Approve the unaudited annual report and accounts
 - Note the annual report and accounts is subject to audit review
 - Agree to receive the audited annual report and accounts for approval in September, subject to any recommendations made by our external auditors.

REPORT AUTHOR AND PERSON TO CONTACT

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13 June 2016

HSCP Chief Officer: Julie Murray

BACKGROUND PAPERS

None, however relevant legislation is [The 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

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**EAST RENFREWSHIRE
HEALTH & SOCIAL CARE PARTNERSHIP**

INTEGRATION JOINT BOARD

ANNUAL REPORT AND ACCOUNTS 2015/16
Covering the period 7 October 2015 to 31 March 2016

29 June 2016

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Management Commentary

Introduction

East Renfrewshire Integration Joint Board, hereafter known as the IJB, has the strategic responsibility for planning and delivery of Health and Social Care services for the residents of East Renfrewshire. The vision, values, priorities and outcomes we aim to achieve through working together with the people of East Renfrewshire to improve lives are set out in our strategic plan.

The IJB is a new legal body in its own right, as set out in the legislation, the Public Bodies (Joint Working) (Scotland) Act 2014, which established the framework for the integration of Health & Social Care in Scotland.

We are responsible for planning, commissioning and delivery of children and adult services from both of our partners and now have the planning responsibility for our population's use of large hospital based services along with some housing functions.

Whilst this is a change of status for us, it is a continuation of the long standing delivery of integrated health and care services within East Renfrewshire, previously delivered through our Community Health and Care Partnership between East Renfrewshire Council and NHS Greater Glasgow and Clyde.

In addition to our two main partners the IJB recognises the continued and valued partnership working with the third, voluntary and private sectors; facilitating the successful operation of the Health & Social Care Partnership

This is the first annual report and accounts for the IJB and covers the part year period 7 October 2015 to 31 March 2016, reflecting the date from which the IJB took on delegated financial responsibility. For the financial year 2015/16 the period 1 April 2015 to 6 October 2015 is accounted for within our partner organisations. The total health and social care spend for financial year 2015/16 was £126.634 million.

Key Messages from 2015/16

The key messages from our first part year of operation during financial year 2015/16 are;

Successful part year go live; East Renfrewshire Integration Joint Board is one of a handful of Boards within Scotland to go live with full financial delegation. We have developed a comprehensive governance framework to support our activity.

We now host specialist Learning Disability services on behalf of the other five partnerships that are co-terminus with NHS Greater Glasgow and Clyde Health Board. This is a complex service, with an annual budget of £11.5 million and is a predominantly in-patient service.

Financial Performance; we have ended the year with an under spend of £1.141m (1.67% of budget). This underspend falls into two categories planned and unplanned;

The planned underspend reflects decisions taken to invest £0.868m (1.24%) of funding from financial year 2015/16 to be used in future years and we have earmarked these funds for set purposes (analysed at note 5).

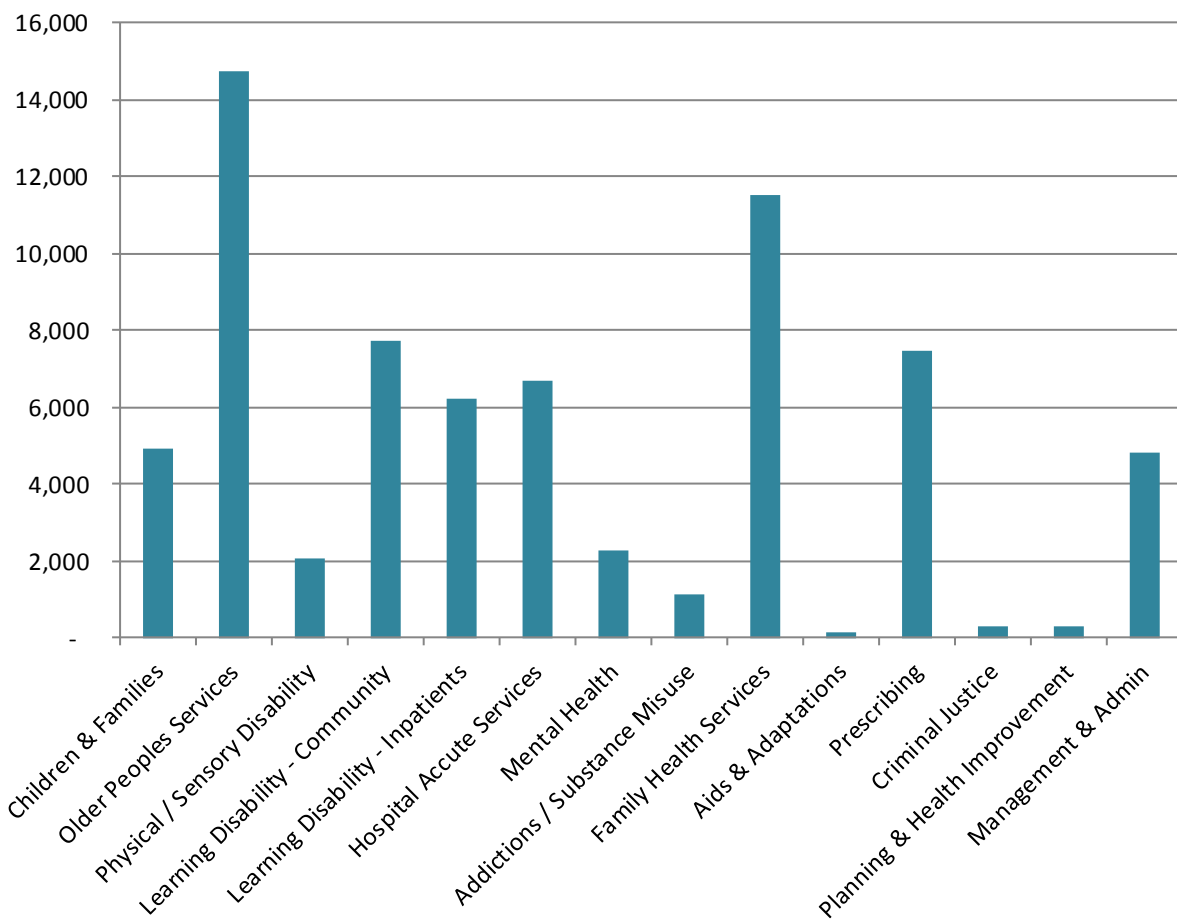
The part year financial position for the IJB can be summarised as follows:

7 October 2015 to 31 March 2016	NHS Greater Glasgow & Clyde £000	East Renfrewshire Council £000	Total £000
Funds Received from Partners	41,023	30,360	71,383
Funds spent with Partners	40,850	29,392	70,242
Underspend in year	(173)	(968)	(1,141)

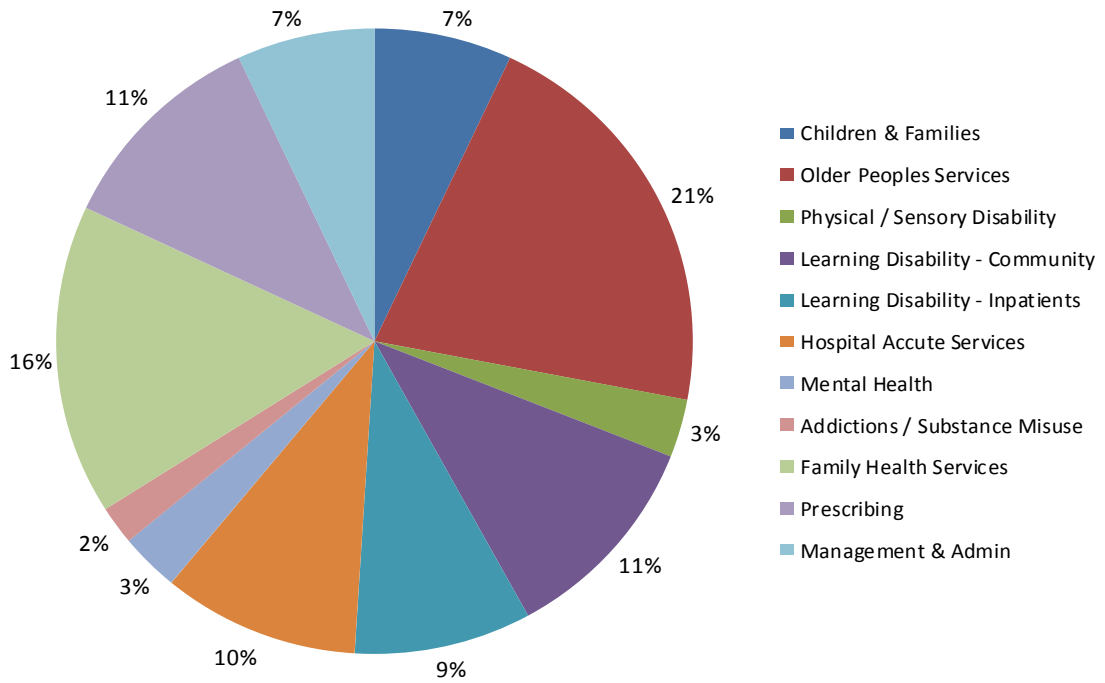
Note; The £0.0.968m includes £0.469m transferred in year from the NHS in respect of a planned contribution to reserves.

The funds which we spent provided:

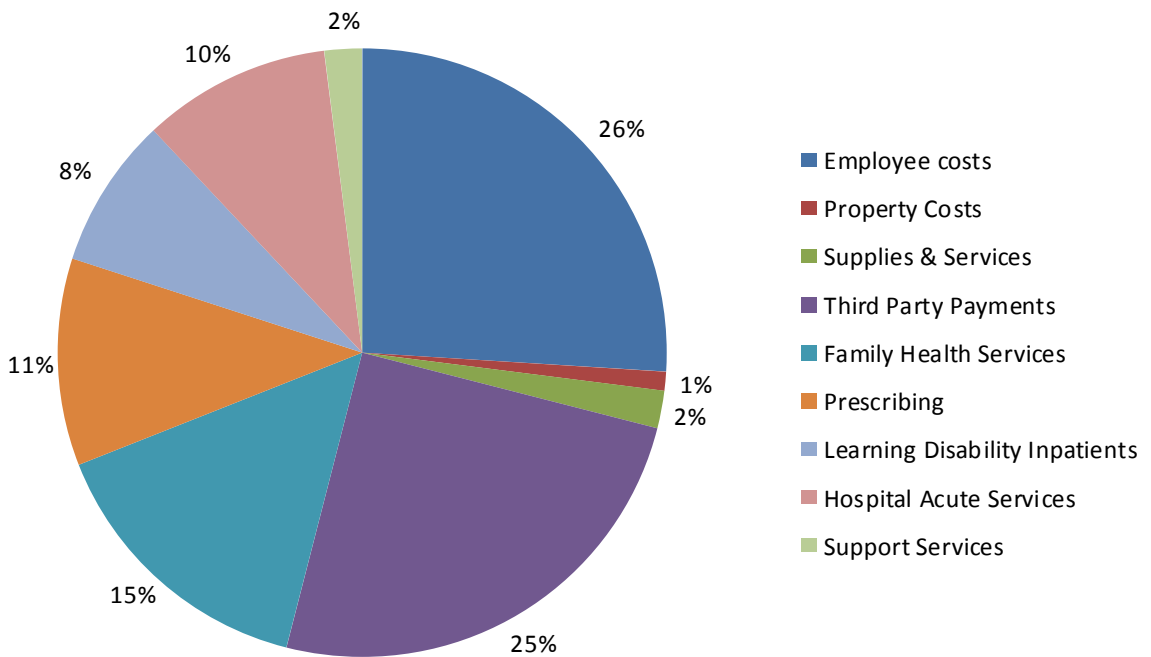
£000



Services Provided:



This was delivered by:



Future Challenges

The IJB is facing a number of both national and local challenges in the coming years such as;

The economy; we are operating in an era of unprecedented austerity with significant further savings and efficiency pressures to come. Our partners and commissioned service providers are also facing the same challenges. We continue to review models of service delivery to ensure we remain a sustainable partnership able to meet the needs of the communities we serve.

We are in a period of political uncertainty; a number of local and national elections and subsequent impact on policy decisions need to be considered.

Demographic pressures; are a particular challenge for East Renfrewshire as we have an increasing elderly population and a rise in children with complex needs resulting in an increase in demand for services.

Funding; as we have successfully operated integrated services for a number of years we have already faced a number of challenges and opportunities open to new partnerships. Whilst we are recognised as leaders in our field, the prevention work we have undertaken means that our activity data and use of services is, in some areas, disproportionately lower which may impact on our funding and gives us an additional challenge to achieve savings.

Accommodation; we will be rationalising the number of buildings we operate from, including a move to the new Eastwood Health & Care Centre. This will enable us to co-locate more staff and progress our agile working strategy.

We plan to deal with these challenges by:

Developing a long term financial strategy; utilising resources to achieve best value and sustainable service delivery through long term planning, use of invest to save models, service redesign and creation and use of reserves to smooth the impact of change over a number of years.

We are developing a change programme; this will focus on four themes

- a. Data and Analytics
- b. Capacity Building
- c. Workforce Planning & Development
- d. Change Programme Capacity & Facilitation

We are embarking on a Community Led Support Programme; this is about putting our work right at the heart of communities, making it easier and simpler for people to find out about health and social care support.

The IJB is developing a Risk Strategy; this provides a strategic overview on risks and mitigation for the IJB and works in harmony with the operational risk registers of our partners.

Conclusion

East Renfrewshire Integration Joint Board is well placed to meet the coming challenges, building on many years of delivering integrated Health & Social Care Services and continuing to lead on developing new and innovative models of service delivery, not only ensuring financial sustainability, but also meeting the needs of our population by delivering our core outcomes.

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The IJB is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this IJB, the proper officer is the Chief Financial Officer;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- To approve the Statement of Accounts.

I confirm that the unaudited Annual Accounts were approved for signature at a meeting of the Performance and Audit Committee on 29 June 2016.

Ian Lee
Chair
Integration Joint Board

Date: 29 June 2016

Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the IJB's annual accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code), is required to present a true and fair view of the financial position of the IJB at the accounting date and its transactions for the year.

In preparing these annual accounts, the Chief Financial Officer has:

- Selected appropriate accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice;
- Kept proper accounting records that were up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of East Renfrewshire Integration Joint Board at the reporting date and the transactions of the IJB for the period covering 7 October 2015 to 31 March 2016.

Lesley Bairden
Chief Financial Officer
Integration Joint Board

Date: 29 June 2016

REMUNERATION REPORT

Introduction

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No. 2014/200) requires local authorities and IJBs in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

The IJB does not directly employ any staff in its own right. All staff are employed through either East Renfrewshire Council or NHS Greater Glasgow and Clyde Health Board. The report contains information on the Joint Board's Chief Office's remuneration together with any taxable expenses relating to voting members claimed in the year.

Membership of the East Renfrewshire Integration Joint Board is non remunerated; for 2015/16 no taxable expenses were claimed by members of the Joint Board.

1. Integration Joint Board

The voting members of the IJB were appointed through nomination by East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board.

2. Senior Officers

The IJB does not directly employ any staff in its own right. All staff are employed through either East Renfrewshire Council or NHS Greater Glasgow and Clyde Health Board.

The Chief Officer is appointed by the IJB in consultation with East Renfrewshire Council and the NHS Greater Glasgow and Clyde Health Board. The Chief Officer is employed by East Renfrewshire Council and is funded equally between East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board.

The proportion of the Chief Officer's remuneration with effect from 7 October 2015 to 31 March 2016 relating to the Integration Joint Board is as detailed below;

Name and Post		Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration £
Julie Murray, Chief Officer	2015/16	20,612	-	20,612
	2014/15	20,484	164	20,648

(Note: 2014/15 represents the period 7 October 2014 to 31 March 2015 to allow comparison)

Voting Board Members		Total Taxable IJB Related Expenses 2015/16 £
Councillor Tony Buchanan	– East Renfrewshire Council	Nil
Councillor Jim Fletcher	– East Renfrewshire Council	Nil
Councillor Alan Lafferty (Vice-Chair) ₂	– East Renfrewshire Council	Nil
Councillor Ian McAlpine	– East Renfrewshire Council	Nil
Mrs Susan Brimelow	– NHS Greater Glasgow and Clyde	Nil
Ms Morag Brown ₃	– NHS Greater Glasgow and Clyde	Nil
Mr Ian Lee (Chair) ₁	– NHS Greater Glasgow and Clyde	Nil
Rev Dr Norman Shanks ₄	– NHS Greater Glasgow and Clyde	Nil

1 Leaves office 30 June 2016

2 Will take up Chair 1 July 2016

3 Will take up Vice Chair 1 July 2016

4 Leaves office 30 June 2016

The Pension entitlement for the Chief Officer for the year to 31 March 2016 is shown in the table below, together with the contribution made by the employing body to this pension during the year.

Name and Post	In Year Pension Contribution For year to 31 March 2016 £	Accrued Pension Benefit as at 31 March 2016	
		Pension £	Lump Sum £
Julie Murray, Chief Officer 2015/16	3,978	6,095	10,840
2014/15	3,953	5,639	10,773

(Note: 2014/15 represents the period 7 October 2014 to 31 March 2015 to allow comparison)

General Disclosure by Pay Bands

The regulations require the Remuneration Report to provide information on the number of persons whose remuneration was £50,000 or above. This information is provided in bands of £5,000.

The information provided relates to the total remuneration for 2015/16 and is not apportioned.

General Disclosure by Pay Bands

Remuneration Band	Number of Employees 31 March 2016
£100,000 - £104,999	1

Signed by

Ian Lee
Chair
Integration Joint Board

Date: 29 June 2016

Julie Murray
Chief Officer
Integration Joint Board

Date: 29 June 2016

Annual Governance Statement

Annual Governance Statement

The Annual Governance Statement explains how the IJB complies with the Code of Corporate Governance and meets the requirements of the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control.

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The IJB is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. This is designed to manage risk to a reasonable level, but cannot eliminate the risk to failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the IJB to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework

The main features of the governance framework established during 2015/16 are summarised below:

- The IJB, comprising all IJB Board members, was the key decision making body;
- The scope, authority, governance and remit of the IJB is set out in constitutional documents including the integration scheme, board terms of reference, scheme of administration and financial regulations;

- The IJB has established two governance sub committees; Performance and Audit Committee and the Clinical and Care Governance Committee;
- The IJB's purpose and vision are outlined in the IJB Strategic Plan which sets out how we will deliver the national health and wellbeing outcomes. This is underpinned by an annual implementation plan and performance indicators. Regular progress reports on the delivery of the Strategic Plan were provided to the Performance and Audit Committee and the IJB;
- The IJB has adopted a 'Code of Conduct' for all of its Board Members and employees, a register of interests is in place for all Board members and senior officers;
- The approach to risk management has been discussed with the Performance and Audit Committee;
- The IJB has in place a continuous development programme with an ongoing series of seminars covering a wide range of topics and issues;
- The IJB has established three localities, based on clusters of GP practices linked to the local areas of;
 - Eastwood 1 (Netherlee, Stamperland, Clarkston, Eaglesham, Waterfoot and Busby)
 - Eastwood 2 (Newton Mearns, Giffnock and Thornliebank)
 - Levern Valley (Barrhead, Neilston and Uplawmoor)

The governance framework was put in place during the year ended 31 March 2016.

The System of Internal Financial Control

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of these systems is undertaken by the Health Board and Council as part of the operational delivery of the Health and Social Care Partnership. In particular, these systems include:

- Financial regulations and codes of financial practice;
- Comprehensive budgeting systems;
- Regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital expenditure guidelines;
- Formal project management disciplines.

The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Financial Officer in Local Government (2010)'.

With regard to the entries taken from the Health Board and Council Accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Statements of Internal Financial Control where appropriate.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Senior Management Team who have responsibility for development and maintenance of the governance environment, the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Chief Internal Auditor reports directly to the IJB Performance and Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Performance and Audit Committee on any matter. In accordance with the principles of the code of corporate governance, regular reports were made to the IJB's Performance and Audit Committee during 2015/16.

The Internal Audit function has independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2015/16, the service operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards. The Chief Internal Auditor prepares an annual report to the Audit Committee, including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

Governance Issues during 2015/16

Whilst all operational and transactional governance issues are considered within our partners governance frameworks the IJB Performance and Audit Committee take an overview on all actions resulting from both internal and external audit reports, covering all live actions whether pre or post 7 October 2015.

The most significant audit actions result from processes relating to payments to providers and the implementation of a new financial system, where significant progress has been made.

Further Actions

The IJB has identified the following actions for 2016/17 that will assist with the further strengthening of corporate governance arrangements:

- Working with our partners we will complete the implementation of a new finance system. As with any system change we will continue to monitor and regularly report on progress to the Senior Management Team, and the Performance and Audit Committee, seeking advice and opinion from both internal and external audit as required.
- Developing our management information to better inform our strategic planning, financial and commissioning strategy, change programme and decision making processes.

Julie Murray
Chief Officer
Integration Joint Board

Date 29 June 2016

Independent Auditor's Report

Independent Auditor's Report to the members of East Renfrewshire Integration Joint Board and Accounts Commission for Scotland.

(Provided by Audit Scotland)

The report from Audit Scotland will be included in the final Audited Accounts to be presented in September 2016, following the due audit process.

THE FINANCIAL STATEMENTS

The (Surplus) or Deficit on the **Income and Expenditure Statement** shows the income received from and expenditure delegated back to NHS Greater Glasgow and Clyde Health Board and Council for the delivery of services.

STATEMENT OF INCOME AND EXPENDITURE

	2016/17 Gross Expenditure £000	2016/17 Gross Income £000	2016/17 Net £000
Health Services	40,827	41,000	(173)
Social Care Services	29,332	30,300	(968)
Corporate Costs	83	83	-
(Surplus)/Deficit on provision of services	70,242	71,383	(1,141)
Net income and expenditure	70,242	71,383	(1,141)

The 2015/16 surplus includes £0.869m in regards a planned transfer to reserves in respect of a number of specific projects being undertaken over financial years, with the balance arising from normal operational activity.

BALANCE SHEET

The Balance Sheet as at 31 March 2016 is a snapshot of the value at that reporting date of the assets and liabilities recognised by the IJB. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

Notes	3 March 2016 £000
Current Assets	1,141
Short term debtors	1,141
Current liabilities	-
Short term creditors	-
Net Assets	1,141
Reserves	(1,141)
Total Reserves	(1,141)

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2016 and its income and expenditure for the year then ended.

Lesley Bairden
Chief Financial Officer
Integration Joint Board

Date: 29 June 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.1 General Principles

The statement of Accounts summarises the IJB's transactions for the 2015/16 reporting period and its position as at 31 March 2016.

The East Renfrewshire Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a joint venture between East Renfrewshire Council and NHS Greater Glasgow & Clyde Health Board.

Integration Joint Boards are specified as Section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 supported by International Finance Reporting Standards (IFRS).

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year it takes place not simply when cash payments are made or received. In particular;

- all known specific and material sums payable to the IJB have been brought into account;
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

1.3 Going Concern

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future.

1.4 Accounting Convention

The accounting convention adopted in the Statement of Accounts is a historical cost basis.

1.5 Funding

East Renfrewshire IJB receives contributions from its funding partners, namely East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board to fund its services. Expenditure is incurred in the form of charges for services provided to the IJB by its partners.

1.6 Reserves

Reserves are created by appropriate amounts from the Statement of Income and Expenditure in the Movement In Reserves Statement.

Reserves have been created in order to finance expenditure in relation to specific projects. When expenditure to be financed from a reserve is incurred it will be charged to the appropriate service in that year and will be funded by an appropriation back to the Statement of Income and Expenditure in the Movement of Reserves Statement.

A general reserve has also been established as part of the financial strategy of the East Renfrewshire IJB in order to better manage the risk of any future unanticipated events that may materially impact on the financial position of the IJB.

1.7 Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised.

Where events take place before the date of authorisation provide information about conditions existing as at 31 March 2016 the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

Events taking place after the date when the Accounts were authorised are not reflected in the financial statement or notes.

1.8 Related Party Transactions

As partners in the East Renfrewshire IJB both East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board are related parties and material transactions with those bodies are disclosed in Note 2 in accordance with the requirements of International Accounting Standard 24.

1.9 Provision, Contingent Assets and Liabilities

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the statement of Income and Expenditure in the year that the IJB becomes aware of the obligation and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made they are charged to the provision held in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service.

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent assets or liabilities also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in a Note to the Accounts where they are deemed material.

1.10 Clinical and Medical Negligence

The IJB provides clinical services to patients under the statutory responsibility of NHS Greater Glasgow and Clyde Health Board. In connection with this it is the responsibility for any claims for medical negligence arising within the services it commissions, up to a certain threshold per claim. For claims in excess of this threshold NHS Greater Glasgow and Clyde Health Board and the Integration Joint Board are members of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) established by the Scottish Government which reimburses costs to its members where negligence is established.

The IJB would make provision for claims notified by the NHS Central Legal Office according to the value of the claim and the probability of settlement. Where a claim was not provided for in full the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts disclosed as a contingent liability any potential recovery would be disclosed as a contingent asset.

1.11 Corresponding Amounts

The East Renfrewshire Integration Joint Board assumed fully financial responsibility on 7 October 2015. Accordingly, these statements cover the period 7 October 2015 to 31 March 2016 as the first period of operation and as such there is no corresponding amounts for previous years.

1.12 VAT

The IJB is non a taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure and income within the Accounts depends upon which of the partners is providing the service as these bodies are treated differently for VAT purposes.

The services provided by the Chief Officer to the IJB are outside the scope of VAT as they are undertaken under a specific legal regime.

1.13 Post Employment Benefits – Pension Costs

The accounting requirements for pension costs in respect of Post Employment Benefits under IAS9 and FRS17 are reflected in the accounts of East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board as the respective employers of current and former staff members. The IJB does not directly employ any members of staff in its own right and accordingly has accrued no liability in regards to post employment pension benefits.

2. Related Party Transactions

East Renfrewshire IJB assumed delegated financial responsibility on 7 October 2015. From that date the following financial transactions were made with East Renfrewshire Council and NHS Greater Glasgow and Clyde Health Board relating to integrated health and social care functions.

Income – payments for integrated functions	2015/16 £000
NHS Greater Glasgow and Clyde Health Board	41,023
East Renfrewshire Council	30,360
TOTAL	71,383

Expenditure – payments for delivery of integrated functions	2015/16 £000
NHS Greater Glasgow and Clyde Health Board	40,850
East Renfrewshire Council	29,392
TOTAL	70,242

3. Corporate Expenditure

Corporate Expenditure	2015/16 £000
Staff Costs	28
Administration Costs	38
Audit Fee	17
TOTAL	83

The cost associated with running the Integration Joint Board has been met in full by the East Renfrewshire Council and NHS Greater Glasgow and Clyde reflecting the continuation of the arrangement for the previous Community Health & Care Partnership.

In addition the 2015/16 CNORIS (insurance cost) of £5,000 has been met in full by NHS Greater Glasgow & Clyde.

VAT is not included in the costs identified pending clarification of treatment by HMRC.

4. Short Term Debtors and Creditors

Short Term Debtors	2015/16 £000
NHS Greater Glasgow and Clyde Health Board	173
East Renfrewshire Council	968
TOTAL	1,141

Short Term Creditors	2015/16 £000
NHS Greater Glasgow and Clyde Health Board	-
East Renfrewshire Council	-
TOTAL	-

5. Reserves

As at 31 March 2016 the Integration Joint board has created earmarked reserves in order to fund expenditure in respect of specific projects. In addition a general reserve has been created as part of the financial strategy of the Joint Board in order to better manage the risk of any future unanticipated events that may materially impact on the financial position of the Integration Joint Board.

Earmarked Reserves	2015/16 £000
NHS Greater Glasgow & Clyde Planned Contribution to Reserve	
Learning Disability Specialist Services	375
Barrhead Health & Care Centre	104
	478
East Renfrewshire Council Planned Contribution to Reserve	
Integration Learning & Development Function	70
Community Capacity Building	80
Children & Families	240
	390
TOTAL - EARMARKED RESERVES	869
General Reserves	2015/16 £000
NHS Greater Glasgow & Clyde 2015/16 Underspend carried forward	163
East Renfrewshire Council 2015/16 General Underspend	109
TOTAL – GENERAL RESERVES	272
TOTAL RESERVES	1,141

6. Movement In Reserves

This statement shows the movement in the financial year on the reserve held by the Integration Joint Board , analysed into ' usable reserves ' (i.e. those that can be applied to fund expenditure) and ' non usable reserves'. The (Surplus) or Deficit on the Provision of Services reflects the true cost of providing services, more details of which are shown in the Statement of Income and Expenditure.

Movement in Reserves	2015/16 £000
Balance as at 6 October 2015 brought forward	-
(Surplus)/Deficit on provision of services	(1,141)
Other comprehensive Income & Expenditure	-
TOTAL COMPREHENSIVE INCOME & EXPENDITURE	(1,141)
BALANCE AS AT 31 MARCH 2016 CARRIED FORWARD	(1,141)

7. Contingent Assets and Liabilities

As at 31 March 2016 a potential recovery of costs previously incurred by East Renfrewshire Council has been identified pending the conclusion of an ongoing legal case. As the outcome of the legal case is uncertain and an estimate of the probable recovery is not able to be made with a degree of accuracy no provision has been made in the 2015/16 accounts for any such recovery. In the event of any recovery the receipt will reflect the pre and post IJB time periods.

There are no contingent liabilities.

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