

East Renfrewshire Integration Joint Board

2021/22 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for East Renfrewshire Integration Joint Board and the Controller of Audit
November 2022

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Key messages

2021/22 annual accounts

- 1 Our audit opinion on the annual accounts of East Renfrewshire Integration Joint Board (the IJB) is unmodified.

Financial management and sustainability

- 2 The IJB has appropriate and effective financial management arrangements in place. The 2021/22 budget identified a funding gap of £4.380 million. Identified savings and transfers from reserves were planned to address this. At the year-end an operational underspend of £0.837 million in 2021/22 was reported. Covid 19 pressures were met through Scottish Government funding.
- 3 The IJB's year-end reserve position was £20.752 million. However, the general reserve remains unchanged from the prior year at £0.272 million and is well below the IJB's reserve policy target for uncommitted general reserves to be 2% of the IJBs revenue budget (excluding significant fixed costs such as family health service). The general reserve is currently approximately 0.15% of the 2021/22 revenue budget.
- 4 The IJB's medium-term financial outlook (MTFO) covering the period 2022/23 to 2026/27 was refreshed in March 2022. This identified a funding shortfall of around £2.9 million for 2022/23, with cost pressures of around £5.5 million from 2023/24 onwards. As part of the budget strategy review, financial assumptions have been reviewed and updated. Total cost pressures are forecast to range from £17 million to £31 million over the next three-year period based on low, medium and high cost scenarios. East Renfrewshire Integration Joint Board should continue to work with partners to develop a revised financial strategy which ensures the organisation remains financial sustainable.

Governance, Transparency and Best Value

- 5 The IJB has appropriate governance arrangements in place that supports effective scrutiny, challenge and informed decision making.
- 6 The IJB has put in place appropriate arrangements to demonstrate the achievement of Best Value. This includes effective arrangements for managing performance and monitoring progress towards strategic objectives.

Introduction

1. This report summarises the findings arising from the 2021/22 audit of East Renfrewshire Integration Joint Board (the IJB).
2. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the 22/06/2022 meeting of the Performance and Audit Committee.
3. This report comprises the findings from:
 - the audit of the IJB's 2021/22 annual accounts; and
 - consideration of the four audit dimensions that frame the wider scope of public audit set out in the Code of Audit Practice 2016 including the arrangements in place at the IJB to secure Best Value.
4. The global coronavirus pandemic has had a considerable impact on the IJB and its partner bodies during 2021/22. This has had significant implications for services, sickness absence levels, and planned projects and activities.

Adding value through the audit

5. We add value to the IJB, through the audit by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations;
 - regular meetings with the Chief Financial Officers and Accountancy Manager (Deputy Chief Financial Officer), including discussion of any recently issued technical guidance and the impact on the accounts;
 - sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides; and,
 - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Responsibilities and reporting

6. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
7. Also, the IJB is responsible for compliance with legislation, and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

8. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

9. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the IJB's performance management arrangements;
- the suitability and effectiveness of corporate governance arrangements;
- the financial position and arrangements for securing financial sustainability; and,
- Best Value arrangements.

10. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#). and supplementary guidance.

11. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

12. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

Auditor Independence

13. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

14. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £27,960 (2020/21: £27,330) as set out in our 2021/22 Annual Audit Plan remains unchanged. John Boyd was appointed as engagement lead part way through the year. Following his appointment, a retrospective review of the audit planning and audit approach were undertaken. As the audit progressed, key areas of audit focus, areas of risk of material misstatement and audit work undertaken to obtain the relevant assurances were reviewed by the engagement lead. We are not aware of any relationships that could compromise our objectivity and independence.

15. This report is addressed to both the IJB and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due

course. We would like to thank the management and staff who have been involved in our work for their co-operation and assistance during the audit.

Audit appointment from 2022/23

16. The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

17. The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Ernst & Young LLP will be the appointed auditor for East Renfrewshire Integration Joint Board. We are working closely with the new auditors to ensure a well-managed transition.

18. A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

19. There are several significant changes introduced by the new Code, namely the audit of Best Value across the Integration Joint Board.

20. We would like to thank Board members, Performance and Audit Committee members, Executive Directors, and other staff, particularly those in finance for their co-operation and assistance over the last six years.

1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

Our audit opinion on the annual accounts of East Renfrewshire Integration Joint Board is unmodified.

Our audit opinion on the annual accounts is unmodified

21. The IJB's annual accounts for the year ended 31 March 2022 were approved by the Performance and Audit Committee on 23 November 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view of the state of affairs of the IJB and its income and expenditure for the year were properly prepared in accordance with the financial reporting framework.
- the management commentary, the audited part of the remuneration report and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

The annual audit report and accounts were submitted in line with our agreed audit timetable

22. Submission dates for the audited annual accounts and the annual audit report for 2019/20 and 2020/21 were deferred in line with the later dates for producing the annual accounts because of the impact of Covid-19. We agreed with senior officers of the IJB to take advantage of the flexibilities conferred under the Coronavirus (Scotland) Act 2020 and reprofile the timing and delivery of the 2021/22 audit to complete in November 2022. The annual accounts were signed off in line with the revised timetable.

23. The unaudited annual accounts were received on 22 June 2022. Finance staff provided good support to the audit team and the working papers provided electronically were of a good standard. This supported the delivery of an efficient and effective audit that meets our quality standards.

There were no objections raised to the annual accounts

24. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The IJB complied with the regulations. There were no objections to the 2021/22 annual accounts.

Overall materiality is £3.2 million

25. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values.

26. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the annual accounts. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

27. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Planning	Final
Overall materiality	£3.0 million	£3.2 million
Performance materiality	£1.8 million	£1.9 million
Reporting threshold	£0.150 million	£0.160 million

Source: Audit Scotland

We have no significant findings to report on the audited accounts

28. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have no issues to report from the audit

29. [Appendix 1](#) provides our assessment of risks of material misstatement in the annual accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the audit team are directed. [Appendix 1](#) also identifies the work we undertook to address these risks and our conclusions from this work.

30. We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan (tailor if additional significant ROMMs identified during the audit) audit. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

2021/22 Significant risks of material misstatement to the financial statements identified in the annual audit plan

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>As stated in International Standard on Auditing 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise are operating effectively.</p>	<p>Service auditor assurances obtained from the external auditors (Audit Scotland) of East Renfrewshire Council and NHS Greater Glasgow and Clyde, who carry out testing of accruals and prepayments, as well as focused testing of the regularity and cut-off assertions. This is in line with the 2021/22 Integration Joint Boards Protocol for Auditor Assurances issued by Audit Scotland.</p> <p>Agreement of contributions received from partner bodies to be included in the IJB's CIES to letters of assurance provided by East Renfrewshire Council and NHS Greater Glasgow and Clyde.</p> <p>Detailed testing of journal entries used in the preparation of the annual accounts.</p>	<p>Results & Significant Judgements:</p> <p>Testing of regularity and cut-off assertions as well as accruals and prepayments was undertaken by the external auditors of the IJBs partner bodies. No issues were identified which would have an impact on the processing of IJB transactions or our audit approach.</p> <p>The assurance letters received from partner bodies were agreed to the CIES. We concluded that the testing performed by the Council and NHS auditors provided sufficient assurance for the audit of the IJB. No issues were identified.</p> <p>Inquiries were made of individuals involved in the financial reporting process around appropriate or unusual activity relating to</p>

Audit risk	Assurance procedure	Results and conclusions
	Assessment of the estimation methodology applied by the IJB and the reasonableness of the estimates contained in the financial statements.	<p>journal entries as well as a review of the journals processed within in the financial year and no issues were identified.</p> <p>No significant accounting estimates were made by the IJB in the preparation of the accounts.</p> <p>Conclusion:</p> <p>Our testing did not identify any evidence of management manipulating accounting records or overriding control.</p>

There were no identified misstatements in the audited annual accounts.

31. No misstatements were identified in the audited accounts that exceeded our reporting threshold.

32. The 2020/21 set aside figure provided by NHS Greater Glasgow and Clyde was restated within the unaudited accounts. This reduced the overall set aside figure for the prior year by £0.148 million. Our review of the restatement concluded that the movement in prior year values was not material and did not require to be restated. The IJB have removed this restatement from the final 2021/22 accounts and corrected through in year movements.

Progress continues against prior year recommendations

33. The IJB is continuing to work to address the prior year audit recommendations. The IJB recognise that the recommendations will take longer to fully implement. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Main judgements

The IJB has appropriate and effective financial management arrangements in place. The 2021/22 budget identified a funding gap of £4.380 million. Identified savings and transfers from reserves were planned to address this. At the year-end an operational underspend of £0.837 million in 2021/22 was reported. Covid 19 pressures were met through Scottish Government funding.

The IJB's year-end reserve position was £20.752 million. However, the general reserve remains unchanged from the prior year at £0.272 million and is well below the IJB's reserve policy target for uncommitted general reserves to be 2% of the IJBs revenue budget (excluding significant fixed costs such as family health service). The general reserve is currently approximately 0.15% of the 2021/22 revenue budget.

The IJB's medium-term financial outlook (MTFO) covering the period 2022/23 to 2026/27 was refreshed in March 2022. This identified a funding shortfall of around £2.9 million for 2022/23, with cost pressures of around £5.5 million from 2023/24 onwards. As part of the budget strategy review, financial assumptions have been reviewed and updated. Total cost pressures are forecast to range from £17 million to £31 million over the next three-year period based on low, medium and high cost scenarios. East Renfrewshire Integration Joint Board should continue to work with partners to develop a revised financial strategy which ensures the organisation remains financial sustainable.

We have obtained audit assurances over the wider audit dimension risks relating to Sustainability identified in our 2021/22 Annual Audit Plan

34. [Exhibit 3](#) sets out the audit dimension risk relating to financial sustainability we identified in our 2021/22 audit. It summarises the audit procedures we

performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 4

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>1. Financial sustainability – medium and longer-term financial planning</p> <p>The medium-term financial plan presented to the Joint Board in March 2022 outlined financial challenges and uncertainties over the next five years to 2026/27, including the need to achieve savings through change and redesign.</p> <p>The 2022/23 financial plan outlined unfunded cost pressures of £3.147 million. The plan outlines that these costs will be met from identified savings of £0.272 million with the remaining balance of £2.875 million coming from the recovery and renewal programme and supported by budget phasing reserve.</p> <p>There is a risk that East Renfrewshire Integration Joint Board will be unable to achieve a sustainable outturn position going forwards, particularly given the uncertainty around Covid-19 and increasing service demands.</p>	<p>Reviewed the IJBs reported outturn position as part of the financial statements audit.</p> <p>Reviewed medium-term financial plan covering 2022/23 to 2026/27, submitted to Board in March 2022 for review and approval.</p> <p>Assessed the delivery of in-year savings programs.</p> <p>Reviewed the robustness of future savings plans identified.</p>	<p>Results & Significant Judgements</p> <p>From review of the IJBs budget monitoring reports we noted that the reported year end outturn position was an underspend. The final position as at 31 March 2022 was a surplus of £19.267 million.</p> <p>The IJBs unachieved savings for 2021/22 were £3.566 million. These were fully funded by the Scottish Government.</p> <p>The IJB's reserve position at 31 March 2022 is £20.752 million, which was an increase of £10.267 million in-year. However, £9.266 million of the total reserve balance relates to funding allocations received for covid-19.</p> <p>The medium-term financial plan covers the period 2022/23 to 2026/27. This was refreshed in March 2022 and identified a funding shortfall of around £2.9 million for 2022/23, with cost pressures of around £5.5 million from 2023/24 onwards. Further financial challenges are emerging around inflationary pressures. As outlined at paragraph 49, assumptions have been</p>

Audit risk	Assurance procedure	Results and conclusions
		<p>updated as part of the budget strategy exercise.</p> <p>Conclusion</p> <p>The IJB is likely to need in excess of £20 million of savings between 2022 – 2027 in order to deliver a balanced budget, as funding does not match the increasing demands on services and costs.</p>

Recommendation 1

The IJB should engage strategically with partner bodies to review future funding levels and service priorities to ensure service plans developed are affordable and deliver value for money.

Budget processes were appropriate

35. Detailed budget monitoring reports were submitted to the IJB Board throughout the year. The outturn to date and projected year-end outturn position were clearly stated in these reports while the actual year-end outturn position was in line with expectations.

36. The content of the budget monitoring reports reflects the financial impact of Covid-19 and includes an additional section that highlights additional Covid-19 income received and expenditure incurred. This ensured the IJB were aware of how Covid-19 impacted on the overall financial position and outturn.

37. We observed that senior management and members receive regular and accurate financial information on the IJB's financial position and have concluded the IJB has appropriate budget monitoring arrangements.

The IJB returned an underspend in 2021/22

38. The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records.

39. The IJB approved its 2021/22 budget of £160.251 million in March 2022. The budget identified a funding gap of £4.380 million, with planned savings and transfers from reserves as required to address this.

40. The Covid 19 pandemic had a significant impact during 2021/22. The IJB incurred a total of £8.945 million of Covid-19 related expenditure, of which

£3.145 million was drawn down from prior year earmarked reserves. The IJB received additional funding of £15.066 million in-year from the Scottish Government in relation to Covid-19. This resulted in a total of £9.266 million remaining unspent as at 31 March 2022, which was added to the ring-fenced reserves balance in year.

41. The IJB returned an underspend of £10.267 million against a budgeted underspend position of £0.544 million. The underspend includes £9.266 million of ring-fenced funding received from the Scottish Government for Covid-19 expenditure. [Exhibit 4](#) illustrates a high-level summary of funding contributions and total expenditure, which resulted in a surplus on the provision of services. It also shows the movements in reserves during the year.

Exhibit 4 Performance against budget

IJB budget summary	NHSGGC £m	ERC £m	Total £m	Financial outturn £m
Net funding contribution				
Funding contribution from partners	(126.738)	(67.288)	(194.026)	
Resource transfer			(11.934)	
Net funding contribution				(205.96)
Total expenditure				195.633
2021/22 surplus on the provision of services				(10.267)
Represented by:				
Funding received transferred to earmarked reserves			(2.272)	
Funding received transferred to ring-fenced reserves			(11.933)	
Reserves drawn down in year			3.938	(10.267)

Source: East Renfrewshire Integration Joint Board Annual Accounts

Reserve balances at the year-end have increased but the general fund reserve balance remains below the target level

42. Reserves are an integral part of the medium and longer-term financial planning of the IJB and its financial sustainability. Reserves are held as a contingency to mitigate the impact of unanticipated pressures and to meet specific future commitments. At 31 March 2022 the IJB held £11.933 million of ring-fenced funding for local and national priorities which have yet to be delivered. This includes £9.266 million of Covid-19 funding received which will be utilised going forward to support the ongoing response to the Covid-19 pandemic.

43. An additional £2.272 million was transferred to earmarked reserves for specific purposes, including budget saving phases. This brings the IJBs total earmarked reserve balance to £7.153 million.

44. Total reserves at 31 March 2022 were £20.752 million. When the reserves are analysed further, it is evident that a significant proportion of the reserve balance has been identified for a specific purpose in the future. Ring fenced reserves at 31 March 2022 totalled £13.327 million, earmarked reserves account for a further £7.153 million and the general reserve is unchanged from the prior year at £0.272 million.

45. The IJB's reserve policy aims for uncommitted general reserves of 2% of the IJBs revenue budget to be held (excluding significant fixed costs such as family health service). The general reserve is currently approximately 0.15% of the 2021/22 revenue budget. The general fund reserve balance at the year-end falls short of the targeted level.

46. The current reserves held by the IJB are considered appropriate in the short term, however there is a risk that additional general reserves may be required in the longer term given the unprecedented financial challenges facing the IJB. The IJB should consider how to align its general reserve level with its stated reserves policy.

Recommendation 2

The level of general reserves remains unchanged and is currently lower than the IJB's reserve policy target. The reserve policy should be reviewed, and appropriate action taken to bring the level of general reserves held into line with the Board's reserve strategy.

The IJB has a medium-term financial has been updated to reflect the expected impact of Covid-19. However, officers

recognise the ongoing uncertainty means financial assumptions require continuous review

47. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered. The IJB approved an updated five-year medium-term financial outlook in June 2021, covering the period 2022/23 – 2026/27. This was refreshed again in March 2022. The medium-term financial outlook supports the development of the current strategic plan. The financial outlook details a range of scenarios and factors that impact on the IJBs ability to deliver the strategic plan, including:

- Anticipated funding levels
- Cost pressures arising from inflation, service demand and changes in legislation
- Cost pressures arising as a result of the on-going response to the Covid-19 pandemic and the future consequences on service demand

48. The outlook is updated annually to recognise changes in the different factors and identifies a cost pressures of around £5.5 million each year from 2022/23 onwards.

49. As part of the 2022/23 budget strategy review current financial assumptions have been updated. Total cost pressures for the IJB range from £17 million to £31 million over the next three years based on scenarios of low, medium and high cost.

Future funding gaps are unlikely to be addressed through efficiency and transformation savings alone

50. The IJB has demonstrated a reasonable track record in the delivery of its agreed savings targets, although this has become increasingly difficult due to increased levels of demand and the pandemic response.

51. Savings targets have been set for 2022/23 and beyond, however efficiency savings and service reforms alone are unlikely to bridge the funding gaps identified in the longer-term without significant impact to the level of service currently delivered by the IJB.

52. The cost pressures identified within the medium-term financial outlook of around £20 million over the five years from 2022/23 is a challenging target. As a result, the IJB is required to make efficiency savings to maintain financial balance. Efficiency savings alongside service reform and prioritisation will address some of the funding gap, however with increasing demand pressures, officers consider that the longer-term gap cannot be bridged through efficiency savings alone. As per [recommendation 1](#), officers should continue to engage with partner bodies around future funding levels.

53. In September 2022, the Scottish Government commenced discussions with IJB's regarding the possible claw back of reserves to meet future funding

pressures. These discussions are ongoing, and the level of claw back will be reflected in the IJB quarter two return.

Financial systems of internal control operated effectively

54. The IJB does not have its own financial systems. It is reliant on the systems of partner bodies NHS Greater Glasgow and Clyde and East Renfrewshire Council for its key financial systems, including ledger and payroll. All IJB transactions are processed through the respective partners' systems and all controls over these systems are within the partner bodies, rather than the IJB.

55. As part of our audit approach, we sought assurances from the external auditors of NHS Greater Glasgow and Clyde and East Renfrewshire Council and confirmed there were no weaknesses in the systems of internal controls for either the health board or the council.

Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate

56. The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. The arrangements in place at NHS Greater Glasgow and Clyde and East Renfrewshire Council were reviewed as part of the external audits and the respective teams found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the IJBs website.

57. We reviewed the arrangements in place at NHS Greater Glasgow and Clyde and East Renfrewshire Council through consideration of the work undertaken by partner body auditors and concluded that appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

4. Governance, transparency and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information

Main Judgements

East Renfrewshire Integration Joint Board has appropriate governance arrangements in place that supports effective scrutiny, challenge and informed decision making.

The IJB has put in place appropriate arrangements to demonstrate the achievement of Best Value.

The IJB has effective arrangements for managing performance and monitoring progress towards strategic objectives.

Governance arrangements are appropriate and operate effectively

58. The IJB introduced emergency measures in response to the Covid-19 pandemic in March 2020. These included the establishment of a Local Resilience Management Team and the implementation of temporary decision-making arrangements. Whilst these emergency measures have been lifted, the meetings of the Joint Board and Performance and Audit Committee have continued to be held in a virtual environment through 2021/22. This has supported effective scrutiny, challenge, and informed decision-making.

59. The IJB shows a commitment to transparency with all Board and Performance and Audit committee minutes and papers being available on their website, as well as the register of members' interests, how to make a complaint and various performance and strategic reports.

60. Overall governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

Performance reporting was of a good standard

61. Management Commentaries included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced, and understandable analysis of a body's

performance as well as helping stakeholders understand the financial statements.

62. We consider that the IJBs management commentary provides an overview of the of the activities of the partnership and the challenges faced. The management commentary reports a true reflection of the financial outturn and provides context around the impact of Covid-19 on final outturn positions and reserves.

Arrangements are in place to secure Best Value

63. Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives, and holding partners to account.

64. The IJB aims to secure best value through its budget monitoring reports and performance reports, which include sufficient detail and quality to provide those making decisions with the information required. Best value criteria is considered as part of budget decisions and proposals and is an implicit part of reporting. Board members frequently challenge proposals presented to the Joint Board on the basis of what is best for users and with a view to securing best value.

65. The IJB further demonstrates its commitment to securing best value through their consideration of alternative models of service delivery. The HSCP Recovery and Renewal programme was established prior to the pandemic however was paused to enable the required response to Covid-19. Given the challenges facing the IJB and the impact of the pandemic, the focus of the programme changed to transformation with recovery being incorporated. The programme is now established and the Joint Board receive updates on the Recovery and Renewal Programme at each meeting.

66. The HSCP Recovery and Renewal consists of four overarching themes under which projects are aligned, including:

- Recovery, focussing on the transition from recovery to the new normal
- Wellbeing, focussing on staff and IJB partners. Projects include the development of a wellbeing action plan and wellbeing champions.
- Individuals experience, focussing on engagement with service users to reflect on changes to models of service delivery.
- Business systems and processes, focussing on information systems and process improvement.

Revisions to the Integration Scheme are to be concluded

67. The Integration Schemes require to be updated every five years. The integration scheme between East Renfrewshire Council and NHS Greater Glasgow and Clyde was last updated in 2018. The next update of the Integration Scheme is due in 2023. The IJB should liaise with partner bodies to ensure the required timescales are realised.

Review of adult social care services

68. An independent review of adult social care services was published in February 2021. This was requested by the Scottish Government in September 2020 with the primary aim of the review being to recommend improvements to adult social care services in Scotland. The review made a number of recommendations including the set-up of a National Care Service for Scotland that is equal to the NGS and that self-directed support must work better for people with decisions being based on their needs, rights and preferences.

69. The IJB have considered and assessed the review, as well as reporting the findings to the Board. The IJB continues to monitor developments and is actively engaged in discussions around the implementation of the review with partners and stakeholders. The IJB anticipates that the review will have significant impacts for the delivery of social care moving forward, however is ready to support any changes that are adopted and will look to include these in strategic and operational planning, as required.

The IJB was able to maintain service performance levels despite the pandemic

70. The pandemic is expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, are operating at a reduced level or have had to adapt to new ways of working.

71. The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

72. The Board has continued to monitor key performance targets throughout the year. The contents of the IJB's 2021/22 Annual Performance Report were in line with applicable requirements and guidance, and the report itself was considered by the Performance and Audit Committee on 21 September 2022.

73. The Annual Performance Report reflects the work of the Health and Social Care Partnership throughout 2021-22. There are a total of 51 key performance indicators, structured around the strategic priorities in the Interim Strategic Plan 2021/22. Of these 51 key performance indicators; 18 are at or better than target, 1 is close to target (within 5% of target), 16 are below target, 21/22 performance data for 5 of the indicators is currently unavailable and 11 of the indicators are for data only.

74. The IJB has appropriate performance management arrangements in place, which are used to target effective service delivery and support improvement activity. Performance levels are measured against a suite of key performance indicators, comparing current year with prior years. The 2021/22 Annual Performance Report highlights a number of areas where the IJBs performance has shown improvement in 2021/22, including the percentage of those whose care need has reduced following re-ablement (up from 31% in 2020/21 to 60% in 2021/22).

75. The 2021/22 Annual Performance Report also acknowledges a number of areas where improvement is required and sets out key actions the IJB will progress to achieve these improvements, including the percentage of people waiting no longer than 18 weeks for access to psychological therapies (increased from 74% in 2020/21 to 76% in 2021/22).

76. The IJBs performance reflects the impact of the pandemic on service provision. Given the medium to longer term pressures facing the health and social care sector as they look to remobilise services following the pandemic against a backdrop of increasing financial pressures, it is important that the IJBs key strategic targets and performance indicators are re-assessed to ensure they remain appropriate, achievable but challenging to meet the needs of service users in the area. The IJB has begun this work, including the establishment of a working group to review performance reporting. However, understanding the impact of the pandemic and re-basing the performance indicators is a longer-term project.

Recommendation 3

The IJB should continue to work on re-basing relevant targets, to ensure these reflect the impact of the pandemic and wider financial pressures facing the organisation on the IJBs performance.

77. The IJB has effective arrangements in place for managing performance.

National performance audit reports

78. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 we published some reports which may be of direct interest to the IJB as outlined in [Appendix 3](#).

79. From attendance at Board and Performance and Audit Committees, we are aware that the IJB has arrangements in place for considering and reviewing national reports, including any locally agreed actions.

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Financial sustainability – medium and longer-term financial planning</p> <p>The medium-term financial plan presented to the Joint Board in March 2022 outlined financial challenges and uncertainties over the next five years to 2026/27, including the need to achieve savings through change and redesign.</p> <p>The 2022/23 financial plan outlined unfunded cost pressures of £3.147 million. The plan outlines that these costs will be met from identified savings of £0.272 million with the remaining balance of £2.875 million coming from the recovery and renewal programme and supported by budget phasing reserve.</p> <p>Risk - there is a risk that East Renfrewshire Integration Joint Board will be unable to achieve a sustainable outturn position going forwards, particularly given the uncertainty around Covid-19 and increasing service demands.</p>	<p>The IJB should engage strategically with partner bodies to review future funding levels and service priorities to ensure service plans developed are affordable and deliver value for money.</p> <p>Exhibit 4</p>	<p>The maturity of our IJB has allowed to us to not only recognise the long-standing financial challenges we face, but also take a pragmatic approach to our financial planning. The future uncertainties are unprecedented and still include understanding the impact Covid-19 on demand and complexity of need. The IJB recognised that the 2022/23 budget would again be an iterative process, with funding changes relating to Covid-19 and other initiatives emerging as the year progressed.</p> <p>The IJB also recognised;</p> <ul style="list-style-type: none"> • that without support for Covid-19 costs, we would most likely need to invoke financial recovery planning. • that the reserves strategy in place, pre pandemic, to phase in savings would recommence • the pre-pandemic savings plans were

Issue/risk	Recommendation	Agreed management action/timing
		<p>significantly impacted by covid demands and policy changes.</p> <p>We continue with scenario planning, financial modelling and report the financial position to every IJB meeting. We will continue to work with our partners to articulate these challenges as part of our funding and performance discussions. The Scottish Government may determine some budget conditions that must be collectively met, usually a minimum contribution per partner along with any specific policy funding.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>
<p>2. General Reserve position</p> <p>The general reserve position at 31 March 2022 is £0.272 million, which is below the IJBs reserve strategy recommendation. The IJB reserves strategy recommends that the IJB hold uncommitted reserves of around 2% of the IJBs revenue budget.</p> <p>Risk – there is a risk that the uncommitted reserves held are not sufficient to meet longer-term financial pressures.</p>	<p>The level of general reserves remains unchanged and is currently lower than the IJB’s reserve policy target. The reserve policy should be reviewed, and appropriate action taken to bring the level of general reserves held into line with the Board’s reserve strategy.</p> <p>Paragraph 51</p>	<p>Whilst fully accepting we are not compliant with this policy this is a long-standing position for the IJB. As we have previously reported there is a tension between holding unallocated reserves when we have operated for a number of years with significant financial challenges. Our earmarked reserves strategy has allowed the IJB to prioritise service delivery. Without a significant increase in funding it is unlikely that the optimum 2% level of general reserve will be achieved. Given the future financial outlook it is unlikely there will be any opportunity to invest in our general reserve in the coming years.</p>

Issue/risk	Recommendation	Agreed management action/timing
		<p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>
<p>3. Key performance indicators</p> <p>The IJBs performance against the key performance indicators reflect the impact of Covid-19, however work is still ongoing to re-base these targets to ensure they reflect a realistic baseline position for the IJB to measure performance against.</p> <p>The IJB are currently working towards this, including establishing a working group to look at performance reporting however have noted this is a longer-term project.</p> <p>Risk – there is a risk that the key performance targets and the IJBs performance against these are not aligned, as a result of the impact of Covid-19.</p>	<p>The IJB should continue to work on re-basing relevant targets, to ensure these reflect the impact of the pandemic and wider financial pressures facing the organisation on the IJBs performance.</p> <p>Paragraph 80</p>	<p>Whilst many of our performance indicators are national or part of a wider Greater Glasgow and Clyde suite of measures we will endeavour to re-base those where we can as we work through our recovery from the pandemic. Covid-19 has had a direct impact on people's health and wellbeing. We still do not understand where we are in a post Covid demand for services. The impact on health including long Covid may still take some time to manifest. This means our performance indicators may need revision over a longer period of time.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>4. General reserve position</p> <p>The general reserve position at 31 March 2021 is £272,000 which is below the IJBs reserve strategies recommendation that it holds uncommitted reserves of around 2% of the IJBs revenue budget (excluding significant fixed costs), which equates to around £1 million.</p>	<p>The level of general reserves should be reviewed, and action taken to comply with the stated reserves policy and bring the level of general reserves held into line with the Boards target.</p>	<p>See action plan point 2 above.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>Risk – there is a risk that the uncommitted reserves held are not sufficient to meet longer-term financial pressures.</p>		
<p>5. Financial Sustainability</p> <p>The IJBs medium-term financial outlook has been updated to reflect the impact of Covid-19. Over the next five years from 2022/23 a potential funding gap has been identified of £22 million.</p> <p>It is unlikely that efficiency savings alone will be sufficient to bridge the funding gap identified over the longer-term without significant impact to the level of service currently delivered by the IJB.</p> <p>Risk – there is a risk that the IJB may not be able to deal with future financial challenges and deliver required savings without adversely impacting service delivery.</p>	<p>Continue to engage with partner bodies in relation to future funding levels, to ensure the IJB remains financially sustainable.</p>	<p>See action plan point 1 above.</p>
<p>6. Key performance indicators</p> <p>The IJBs performance against the key performance indicators reflect the impact of Covid-19, however the targets themselves have not been reviewed to ensure these reflect a realistic baseline position for the IJB to measure performance against.</p> <p>Risk – there is a risk that the key performance targets and the IJBs performance against</p>	<p>Review key performance indicators and, where appropriate, re-base relevant targets to ensure these reflect the impact of the pandemic on the IJBs performance.</p>	<p>See action plan point 3 above.</p>

Issue/risk	Recommendation	Agreed management action/timing
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these are not aligned, as a result of the impact of Covid-19.

Appendix 2. Summary of 2021/22 national performance reports and briefing papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

East Renfrewshire Integration Joint Board

Draft 2021/22 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

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Performance and Audit Committee

23 November 2022

East Renfrewshire Integration Joint Board Audit of 2021/22 annual accounts

Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review and final engagement leader quality review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 23 November 2022 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Performance and Audit Committee's consideration our draft annual report on the 2021/22 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Performance and Audit Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Chief Finance Officer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Appendix A: Proposed Independent Auditor's Report

Independent auditor's report to the members of East Renfrewshire Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Renfrewshire Integration Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the East Renfrewshire Integration Joint Board as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 26 September 2022. The period of total uninterrupted appointment is one year. I am independent of East Renfrewshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to East Renfrewshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on East Renfrewshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on East Renfrewshire Integration Joint Board's current or future financial sustainability. However, I report on East Renfrewshire Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Head of Finance and Resources (Chief Financial Officer) and the Performance and Audit Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Head of Finance and Resources (Chief Financial Officer) is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Head of Finance and Resources (Chief Financial Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Head of Finance and Resources (Chief Financial Officer) is responsible for assessing East Renfrewshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue East Renfrewshire Integration Joint Board's operations.

The Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how East Renfrewshire Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of East Renfrewshire Integration Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of East Renfrewshire Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Head of Finance and Resources (Chief Financial Officer) is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit;

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Boyd
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Appendix B: Letter of Representation (ISA 580)

John Boyd, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear John,

East Renfrewshire Integration Joint Board Annual Accounts 2021/22

1. This representation letter is provided in connection with your audit of the annual accounts of East Renfrewshire Integration Joint Board for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Performance and Audit Committee, the following representations given to you in connection with your audit of East Renfrewshire Integration Joint Board's annual accounts for the year ended 31 March 2022.

General

3. East Renfrewshire Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by East Renfrewshire Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of East Renfrewshire Integration Joint Board at 31 March 2022 and the transactions for 2021/22.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code, where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to East Renfrewshire Integration Joint Board's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed East Renfrewshire Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on East Renfrewshire Integration Joint Board's ability to continue as a going concern.

Liabilities

10. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

11. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

12. I have provided you with all information in relation to

my assessment of the risk that the financial statements may be materially misstated as a result of fraud

any allegations of fraud or suspected fraud affecting the financial statements

fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

13. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

14. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all East Renfrewshire Integration Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

15. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

16. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

17. I confirm that East Renfrewshire Integration Joint Board has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

18. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

Balance Sheet

19. All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Chief Finance Officer

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