

Integration Joint Board

Agenda item:

Date of Meeting: 16 September 2020

Title of Report: Audited Annual Accounts 2019-20

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- **Note** that Audit Scotland have completed their audit of the annual accounts for 2019-20 and have issued an unqualified independent auditor's report.
- **Consider** the 2019/20 Annual Audit Report prepared by Audit Scotland and **Note** the Key Messages and the action plan 2019/20 therein.
- **Consider** the verbal recommendation from the Audit & Risk Committee following their consideration of the Audited Accounts at their meeting on 15 September 2020.
- **Approve** the Audited Annual Accounts for 2019-20 to be signed for issue.

1. EXECUTIVE SUMMARY

1.1 The Integration Joint Board was required to produce a set of annual accounts for 2019-20. These accounts were produced within the statutory timescale and have been subject to independent audit by the Integration Joint Board's external auditors, Audit Scotland. The audit process has been completed and Audit Scotland have issued an unqualified independent auditors report. There are a number of key messages contained in the annual audit report from Audit Scotland which the Board is invited to note.

2. INTRODUCTION

2.1 The Integration Joint Board was required to produce a set of annual accounts for 2019-20. The unaudited accounts for 2019-20 were produced in line with the agreed timetable and statutory timescales. The unaudited accounts were approved by the Audit & Risk Committee on 23 June 2020 for submission to external audit. The audit process is now complete and the audited accounts require to be approved by the Integration Joint Board prior to 30 September 2020.

3. DETAIL OF REPORT

3.1 The Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a section 106 body as defined in the Local Government (Scotland) Act 1973. The financial statements

are therefore prepared in compliance with the Code of Practice on Local Authorities Accounting in the United Kingdom 2019-20 supported by International Financial Reporting Standards (IFRS) unless legislation or statutory guidance requires different treatment.

- 3.2 The annual accounts have been subject to independent audit by Audit Scotland and there were some minor changes required to the accounts as a result of this. The changes were mainly presentational. There have been no changes to the financial figures. The Audited Annual Accounts for 2019-20 are included as Appendix 2.
- 3.3 The independent auditors report is attached at Appendix 1. Audit Scotland are able to conclude that that Integration Joint Board's accounts present a true and fair view of the IJB. There are a number of key messages (see summary on page 3) contained in their report and the IJB is asked to note these. In addition there is an action plan at Appendix 1 (starting on page 19) with two new recommendations on financial sustainability and savings delivery, along with follow up of seven recommendations from the previous year. Of these, two are marked as complete, one is superceded and the remainder in progress.
- 3.4 The Audit & Risk Committee are due to review the Audited Annual Accounts at their meeting on 15 September, and a verbal report will be made on their recommendation to the Integration Joint Board. The Integration Joint Board is required to formally approve the Audited Annual Accounts prior to 30th September.

4. RELEVANT DATA AND INDICATORS

- 4.1 Information is derived from the financial systems of NHS Highland and Argyll and Bute Council.

5 CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 The annual accounts are a key statutory reporting requirement. They communicate both financial and key service delivery performance information in an accessible public document.

6. GOVERNANCE IMPLICATIONS

- 6.1 Financial Impact - The Integration Joint Board is required to consider and approve the Audited Annual Accounts for 2019-20 by 30th September 2020.
- 6.2 Staff Governance – None
- 6.3 Clinical Governance - None

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 None

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 8.1 None directly from this report.

9. RISK ASSESSMENT

9.1 No implications for changes to risks.

10. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

10.1 The unaudited annual accounts were advertised and made publicly available for inspection online from 29 June to 17 July 2020 (only online this year due to Covid-19 pandemic and council offices being closed). There were no objections noted from the public inspection. The audited accounts require to be published by 30 September 2020.

11. CONCLUSIONS

11.1 The Audited Annual Accounts for 2019-20 require to be approved by the IJB by 30 September 2020. These were submitted to Audit Scotland, the IJB external auditors, and an unqualified independent auditors report has been received. There were a small number of changes required to the accounts as part of the audit process and these were presentational in nature.

12. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

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APPENDICES:

Appendix 1: Independent Auditors Report 2019-20

Appendix 2: Audited Annual Accounts 2019-20