

Scottish Borders Health & Social Care  
Integration Joint Board

Meeting Date: 22 October 2018



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**2017/18 INTEGRATION JOINT BOARD ANNUAL AUDIT REPORT 2017/18**

<b>Purpose of Report:</b>	The purpose of this report is to present the independent auditor's Annual Audit Report for 2017/18 to the IJB.
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<b>Recommendations:</b>	<p>The Health &amp; Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> <li>a) <b>Note</b> the independent auditor's 2017/18 Annual Report and the key messages it presents.</li> <li>b) <b>Endorse</b> the audited Annual Accounts for 2017/18</li> </ul>
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Personnel:	N/A
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Carers:	N/A
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Equalities:	There are no equalities impacts arising from the report.
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Financial:	<p>No resourcing implications beyond the financial resources identified within the report.</p> <p>The report has been reviewed by the Chief Officer and approved by NHS Borders' Director of Finance and Scottish Borders Council's Chief Financial Officer for factual accuracy. Both partner organisations' Finance functions have contributed to its development and will work closely with IJB officers in delivering its outcomes.</p>
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Legal:	Supports the delivery of the Strategic Plan and is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
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Risk Implications:	To be reviewed in line with agreed risk management strategy.
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	The key risks outlined in the report form part of the draft financial risk register for the partnership.
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## Background

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Integration Joint Board is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973. This means the IJB must prepare and publish a set of Annual Accounts at the end of each financial year”).
- 2.2 These accounts must be reviewed by an Independent Auditor who will report their findings to the IJB Audit Committee as part of their Annual Audit Report. The report presents the Auditor’s opinion of the accounts and allows them to bring any matters of concern to the committee’s attention. The Code of Audit practice sets out the four dimensions which form the scope of the audit work carried out – Financial Management / Financial Sustainability / Value for Money / Governance and Transparency.

## 2017/18 – Annual Audit Report

- 3.1 The key messages highlighted within the Annual Audit Report are:

### *2017/18 Annual Accounts*

The Auditors have given the accounts an unqualified report which means they consider that the accounts meet the regulations and requirements of the Act and that they are a true and fair view of the IJB’s financial position

### *Financial Management and Sustainability*

The IJB reported a breakeven position for the year. This was achieved with the implementation of a recovery plan during the year and additional funding of £4.52 million from partners

It was noted that there is a high level of unidentified savings within the funding allocated to the IJB from Health, and that at the time of reporting the 18/19 budgets had not been signed off.

### *Governance, Transparency and Best Value*

The IJB has adequate governance arrangements in place to support the scrutiny of decisions by the Board. However improvements could be made – eg updating the Communications and Stakeholder Engagement Plan. The report identified the IJB’s purpose and vision was clearly outlined in its updated Strategic Plan.

Arrangements for the monitoring and reporting of risks relating to the IJB are not yet fully embedded.

The annual Performance report covered the required areas under the Act and performance reporting to the Board should continue to be further developed.

### *Action Plan and Risk*

The report also included Appendices containing an Action Plan setting out recommendations for improvements for the IJB and a section on Risk which considered any risks identified in the audit planning process. The findings in these appendices largely reflect the fact that the IJB is still maturing in terms of its

planning, management, reporting and governance and the absence of key personnel impacted on some of these aspects.

## **Summary**

- 4.1 The unqualified report and the acknowledgement of the existence of suitable processes and procedures provide the IJB with assurance over the financial aspects of its operation. However the report identifies a number of areas for further development which are being taken forward.
- 4.2 A copy of the 2017/18 Annual Audit Report is attached and the Annual Accounts for 2017/18 can be provided on request.