

Scottish Borders Health & Social Care
Integration Joint Board Audit Committee

Meeting Date: 12 August 2019



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2018/19 INTEGRATION JOINT BOARD ANNUAL AUDIT REPORT

Purpose of Report:	The purpose of this report is to request the IJB Audit Committee recommends the 2018/19 Annual Audit Report for approval by the IJB at its next meeting.
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Recommendations:	<p>The IJB Audit Committee is asked to:</p> <p>a) Recommend the independent auditor's 2018/19 Annual Audit Report (AAR) is submitted to the IJB for approval at its meeting on 14th August 2019.</p>
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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.</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. 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 AAR. 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.
- 2.3 The IJB Audit Committee is responsible for advising the IJB on whether or not they should approve the Annual Audit Report.

2018/19 – Annual Audit Report

- 3.1 The 2018/19 audit of Borders IJB was undertaken by Audit Scotland. The key messages highlighted within the AAR are:

2018/19 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 additional funding of £3.2m from Scottish Borders Council and £5.24 million from NHS Borders for core delegated functions.

The Auditors noted the Chief Financial Officer post should be made permanent as soon as possible and that the 2019/20 resource allocations from partner bodies had not been formally approved at the time of the audit.

Governance, Transparency and Best Value

The Auditors noted that the monitoring and reporting of risks relating to the IJB has improved in 2018/19. However they indicated improvements could be made in attendance at Board meetings and that the IJB Audit Committee could expand the work it considers.

They also noted the IJB had self assessed itself as only partially established in most areas as part of the Ministerial Strategic Group for H&CC.

Action Plan and Risk

The report also included Appendices for an Action Plan and for Risks. The Action Plan sets out recommendations for improvements for the IJB. The responses of

the CO and CFO to these recommendations are also presented within the Action Plan

The risks noted within Appendix 2 of the AAR reflect the issues presented throughout the report and within the Action Plan.

Summary

- 4.1 The unqualified report and the acknowledgement of the existence of suitable processes and procedures provide the IJB Audit Committee with assurance over the financial aspects of its operation. The recommendations made within the report have been acknowledged and where relevant actions agreed.
- 4.2 The IJB Audit Committee is recommended to submit the 2018/19 AAR to the IJB for approval.