

Midlothian Integration Joint Board



Thursday 9th September 2021, 2.00pm

2020/21 Audited Annual Accounts

Item number: 4.1

Executive summary

As a statutory body, the IJB is required to produce a set of annual accounts at the end of its financial year (31 March). These accounts are then reviewed by the IJB's external auditors who report their opinion of the IJB's annual accounts to the IJB's Audit and Risk Committee. The Independent auditors have given the accounts an 'unqualified' opinion which means that they meet the requirements of the regulations and give a fair and true view of the IJB's financial position in 2020/21. The accounts are required to be signed off by 30 September and signed by the Chair of the IJB, the Chief Officer of the IJB, the Chief Finance Officer of the IJB and the Independent Auditor. The Independent Auditor reported his view to the meeting of the IJB's Audit and Risk committee on 2nd September 2021. The IJB's Audit and Risk committee is satisfied with the report of the Independent Auditor and recommends that the Annual Accounts are approved by the IJB.

Board members are asked to:

- 1. Note the report of the independent auditor*
 - 2. Approve the IJB's annual accounts for 2020/21*
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2020/21 Audited Annual Accounts

1 Purpose

- 1.1 The IJB has prepared annual accounts for the financial year 2020/21, these have now been audited by the IJB's Independent Auditors and the auditors have reported their view to the IJB's audit and risk committee of 2 September 2021.

2 Recommendations

- 2.1 As a result of this report Members are being asked to:-
- Note the report of the independent auditor
 - Approve the IJB's annual accounts for 2020/21

3 Background and main report

- 3.1 As a body governed by section 110 of the Local Government Scotland Act (1973) and the appropriate regulations and subsequent Acts, the IJB must prepare a set of annual accounts. The accounts must fulfil the requirements of the Act and the regulations and must give a true and fair view of the IJB's financial position.
- 3.2 The accounts must then be reviewed by an Independent Auditor who will report their findings to the Audit and Risk committee which will allow the auditors to bring any matters to the committee's attention.
- 3.3 In summary the auditor's report is unqualified - that is that they consider that the accounts meet the regulations and requirements of the Act and that the accounts are a true and fair view of the IJB's financial position.
- 3.4 The IJB's Audit and Risk Committee has received the report of the appointed auditors and recommend that the IJB accepts these Accounts and that the Accounts are signed on the IJB's behalf by the appropriate members of the IJB.
- 3.5 The draft unaudited annual accounts for 20/21 were approved by the IJB at its 17th June meeting. The following changes were agreed to the draft document and the final document by the CFO and the external auditors
- 3.5.1 Signatories – the advice is that the current incumbents should sign as chair and CFO. This was noted in the text (page 5 and top of page 6) and the appropriate signatories changed at the bottom of each section. This also noted that Claire Flanagan was currently on a leave of absence but would return in the spring of 2020.

- 3.5.2 Membership of the IJB – It was noted that Laura Hill would provide Carer Representative Input (marked as Vacant in the membership list) in 21/22 and that Lesley Kelly became the voluntary Sector Representative in February 2021.
- 3.5.3 An amendment to the text supporting the Health and Social Care Bonus Payment (page 7) was made to reflect that the payment is being managed by a dedicated portal administered by Scotland Excel
- 3.5.4 Further text was added to lay out the funding received and funding used to support pressures caused by the Covid epidemic (top of page 17)
- 3.5.5 Further text was added to clarify the IJB's reserve position (page 18)
- 3.5.6 Further text was added (top of page 22) to discuss the mitigation and management of the risks, challenges and uncertainties that had been identified above (pages 20 and 21)
- 3.5.7 The Annual Governance Statement (page 28 onwards) was amended by
- i) Noting that the IJB approved emergency recess arrangements (page 29) and
 - ii) Inserting a paragraph noting that the partners' (Midlothian Council and NHS Lothian) review of the Integration scheme was now overdue and explained that this was a consequence of the pandemic and that the current scheme would remain in place until a new scheme was agreed.
- 3.5.8 Under the significant accounting policies (page 40) additional information was included to show the income received from the Scottish Government to cover the additional costs of the Covid pandemic.
- 3.5.9 In addition there was the correction of some typographical errors and the correction of some dates (e.g. page 1 Audit arrangements had been from April 2019 to March 2021, now changed to 2020 to 2021)

4 Policy Implications

- 4.1 There are no policy implications from this report.

5 Directions

- 5.1 There are no implications on directions from this report.

6 Equalities Implications

- 6.1 There are no equalities implications from this report

7 Resource Implications

- 7.1 There are no resource implications from this report.

8 Risk

8.1 The risks raised by this report are already included within the IJB risk register.

9 Involving people

9.1 The IJB's annual accounts will be published on the IJB website.

10 Background Papers

10.1 None.

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DATE	2 nd September 2021

Appendices:

Appendix 1 – Independent Auditors report

Appendix 2 – 2020/21 Annual Accounts