



REPORT TO: SPECIAL MEETING OF THE MORAY INTEGRATION JOINT BOARD ON 30 JULY 2020

SUBJECT: UNAUDITED ANNUAL ACCOUNTS 2019-20

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1. To inform the Board of the Unaudited Annual Accounts of the Moray Integration Joint Board (MIJB) for the year ended 31 March 2020.

2. RECOMMENDATION

2.1. It is recommended that the MIJB agrees to :

- i) **consider the unaudited Annual Accounts prior to their submission to the external auditor, noting that all figures remain subject to audit;**
- ii) **note the Annual Governance Statement contained within the unaudited Annual Accounts; and**
- iii) **note the accounting policies applied in the production of the unaudited Annual Accounts, pages 39 to 47 of the accounts.**

3. BACKGROUND

- 3.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 requires that an integration joint board is subject to the audit and accounts regulations and legislation of a body under Section 106 of the Local Government (Scotland) Act 1973.
- 3.2 The Local Accounts (Scotland) Regulations 1985 (as amended) ('the Regulations'), places a statutory obligation on the MIJB to submit draft Annual Accounts for the year ended 31 March 2020 to its external auditors by 30 June 2020 and the audited annual accounts are required to be approved by the MIJB and published by the 30 September each year. The Coronavirus (Scotland) Act 2020 provides opportunity for an Integration Authority to extend this timescale and relates mainly to the timing of the audit. Audited accounts, under the Act are required to be published by 30 November 2020.
- 3.3 A copy of the unaudited accounts is attached at **APPENDIX 1**

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 In relation to the Coronavirus (Scotland) Act 2020, Audit Scotland have assessed the resources they have available to conduct the audit and have made a decision to exercise the powers to extend the timescales as set out in the legislation. The Chief Financial Officer has had regular contact with the external auditor to ensure reporting and inspections periods are appropriate and has adapted timelines accordingly, whilst ensuring the accounts preparation is completed in a timely manner.
- 4.2 The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2 – 16/17 (the Code) which is underpinned by the International Financial Reporting Standards (IFRS) .
- 4.3 Audit Scotland, under the Coronavirus (Scotland) Act 2020 are required to complete their audit by 30 November 2020. The audited accounts and the External Auditor's report will be submitted to the MIJB at its meeting of 26 November 2020 prior to publication.
- 4.4 The Comprehensive Income and Expenditure Statement shows a deficit of £0.070m on the provision of services for the year. At the start of the financial year £0.257m of reserves had been brought forward. £0.070m has been utilised through the general fund reserve leaving a reserve to be carried forward to 1 April 2020 of £0.187m. This only remaining reserve held by the MIJB is earmarked to fund the Scottish Government commitments of the Primary Care Transformation Programme.
- 4.5 The out-turn position for the 2019/20 financial year resulted in an overspend of £2.073m. In accordance with the MIJB Integration Scheme, in the event of an overspend, the partners are required to make one-off payments in order to meet this. The proportionate split of this payment had been agreed earlier in the financial year with the respective finance leads, following identification that an overspend would be likely at the end of the year. The resulting funding increase to address the £2.073m was £1.306m NHS Grampian and £0.767m Moray Council.
- 4.6 As at 31 March 2020 there were significant variances between budget and actual on several services. These are evident in the Comprehensive Income and Expenditure Statement and are detailed in a separate report being presented to this Board entitled '*Revenue Budget Outturn for 2019/20*'. A summary on the major variances is included within the Management Commentary as part of the Unaudited Annual Accounts.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2019 – 2029 'Moray Partners in Care'

The unaudited Annual Accounts have been completed and are available for audit inspection within the specified timescale.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the MIJB is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973. The MIJB's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 which is underpinned by IFRS.

(c) Financial implications

The unaudited Annual Accounts provide all required information about the MIJB in relation to its financial position at 31 March 2020. The overriding principle in relation to annual accounts preparation is to provide a true and fair view

(d) Risk Implications and Mitigation

There are no risk issues arising directly from this report. The unaudited Annual Accounts will be subjected to audit by external auditors, Audit Scotland, which will provide assurance that the Accounts for 2019/20 give a true and fair view of the financial position and expenditure and income of the MIJB for the year ended 31 March 2020.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

None arising directly from this report as there has been no change to policy as a result of this report.

(h) Consultations

In preparation of the unaudited Annual Accounts, consultations have taken place between finance staff of both Moray Council and NHS Grampian. The Chief Officer and other key senior officers have been consulted for comment where appropriate

6. CONCLUSION

- 6.1 The unaudited Annual Accounts, subject to audit, show an overspend on the provision of services of £0.070m for MIJB for the year ending 31 March 2020. At the beginning of the year the MIJB, held in its general reserve £0.257m. The closing balance on the general fund reserve as at 31 March 2020 is £0.187m and has been earmarked for specific purposes as detailed in the unaudited annual accounts 2019/20.**

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
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