

## **West Lothian Integration Joint Board**

Date: 31 May 2016

Agenda Item: 10

### **IJB ANNUAL ACCOUNTS COMPLIANCE**

#### **REPORT BY CHIEF FINANCE OFFICER**

##### **A PURPOSE OF REPORT**

The purpose of this report is to set out final accounts requirements and timescales for the IJB and proposed reporting arrangements to meet compliance with the Local Authority Accounts (Scotland) Regulations 2014.

##### **B RECOMMENDATION**

1. To note the requirements set out in the report.
2. To approve the draft governance statement for inclusion in the unaudited annual accounts
3. To note that the unaudited annual accounts will be considered by the Audit Risk and Governance Committee on 24 June 2016,
4. To agree to give authority to the Audit Risk and Governance Committee to consider and approve the audited annual accounts at its meeting on 23 September 2016, allowing Audit Scotland's deadline of 30 September to be met

##### **C TERMS OF REPORT**

###### **C.1 Background**

Under the Local Government (Scotland) Act 1973, the Accounts Commission is responsible for appointing the external auditors of local government bodies including councils, joint boards and bodies falling within section 106 of the Act. The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that Integration Joint Boards (IJBs) should be treated as if they were bodies falling within section 106 of the 1973 Act.

###### **C.2 Annual Accounts Responsibilities**

It is the responsibility of the Chief Finance officer of the IJB to prepare the financial statements in accordance with relevant legislation and the Code of Practice on Local Authority Accounting. This requires the maintenance of proper accounting records and the preparation of financial statements which give a true and fair view of the state of affairs of the IJB at 31 March 2016.

### **C.3 Annual Governance Statement**

The Annual Governance Statement requires to be approved and submitted as part of unaudited annual accounts provided to Audit Scotland by 30 June 2016. Taking account of this a draft Annual Governance Statement is appended to this report for approval by the Board.

### **C.4 Annual Accounts Requirements and Timescales**

The Audit Scotland Annual Audit Plan reported to the Board on 23 March 2016 set out requirements and timescales for the annual accounts process. The Local Authority Accounts (Scotland) Regulations 2014 require that the unaudited annual accounts, including the governance statement, are submitted to the appointed external auditor no later than 30 June each year. The regulations include a number of provisions in relation to the unaudited accounts including a requirement for the accounts to be considered by the Board, or a committee whose remit includes audit or governance, prior to submission to the external auditor.

Taking account of the role of the IJB Audit Risk and Governance Committee it would be appropriate for the unaudited annual accounts to be considered at the committee meeting scheduled on Friday 24 June 2016. This is consistent with the remit of the committee approved by the Board on 5 April 2016.

It should also be noted that IJBs must give public notice of the right to inspect the annual accounts and this should be done in advance of submission of the accounts to external audit. In addition, there is a requirement to publish the unaudited accounts on the IJB website following submission to Audit Scotland and until the publication of the audited accounts.

The 2014 regulations require the audited accounts to be approved by 30 September. Following approval, and by 31 October at the latest, the audited annual accounts require to be signed and dated by the IJB Chair, Director and Chief Finance officer, and then provided to the auditor. The Controller of Audit then requires audit completion and issue of an independent auditor's report (opinion).

Audit Scotland have confirmed they will be unable to complete their audit of the IJB and associated audit report to meet the timescales of the Board meeting arranged for 23 August 2016 and the next meeting of the Board is not proposed until 18 October 2016. Taking account of this, it is proposed that the annual audited accounts along with Audit Scotland's audit report are presented to the Audit Risk and Governance Committee for consideration and approval at its scheduled meeting on 23 September 2016.

The IJB is required to publish on its website the signed audited annual accounts, and the audit certificate, by 31 October. The annual audit report is required to be published on the website by 31 December.

## **D CONSULTATION**

Relevant officers in NHS Lothian and West Lothian Council.

## **E REFERENCES/BACKGROUND**

Local Government (Scotland) Act 1973

Public Bodies (Joint Working) (Scotland) Act 2014

Local Authority Accounts (Scotland) Regulations 2014

## **F APPENDICES**

Appendix 1 – Draft Annual Governance Statement.

## **G SUMMARY OF IMPLICATIONS**

<b>Equality/Health</b>	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted. The relevance assessment can be viewed via the background references to this report.
<b>National Health and Wellbeing Outcomes</b>	None.
<b>Strategic Plan Outcomes</b>	None.
<b>Single Outcome Agreement</b>	None.
<b>Impact on other Lothian IJBs</b>	None.
<b>Resource/Finance</b>	The Audit Scotland fee for 2015/16 has been agreed as £5,000.
<b>Policy/Legal</b>	The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that Integration Joint Boards should be treated as if they were bodies falling within section 106 of the Local Government (Scotland) Act 1973.
<b>Risk</b>	None

## **H CONTACT**

Patrick Welsh, Chief Finance Officer, West Lothian Integration Joint Board  
Tel. No. 01506 281320  
E-mail: [patrick.welsh@westlothian.gov.uk](mailto:patrick.welsh@westlothian.gov.uk)

31 May 2016