



## Angus Integration Joint Board - Annual Accounts 2016/17

### Contents

Management Commentary	pages 2-5
Annual Governance Statement	pages 6-8
Remuneration Report	pages 9-11
The Statement of Responsibilities	page 12
Comprehensive Income and Expenditure Statement	page 13
Movement in Reserves Statement	page 14
Balance Sheet	page 15
Notes to the Accounts	pages 16-20
Note 1 – Significant Accounting Policies	
Note 2 – Events after the Balance Sheet Date	
Note 3 – Expenditure and Income Analysis by Nature	
Note 4 – Taxation and Non Specific Grant Income	
Note 5 – Offsetting Debtors and Creditors	
Note 6 - Debtors	
Note 7 – Creditors	
Note 8 – Reserves	
Note 9 – Agency Income and Expenditure	
Note 10 – Related Parties	
Independent Auditor's Report	page 21-23

## Management Commentary

### 1. Introduction

Angus Integration Joint Board (Angus IJB) was established on 3<sup>rd</sup> October 2015 as a body corporate by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014. The IJB took over delegated responsibility for Health and Social Care in Angus from 1<sup>st</sup> April 2016. This set of annual accounts is the IJB's first set of annual accounts since taking over that responsibility and covers the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. The IJB is required to prepare annual accounts under the Local Authority Accounts (Scotland) Regulations 2014 and Regulations under Section 106 of the Local Government (Scotland) Act 1973 and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This Management Commentary outlines key messages regarding the objectives and strategy of the Angus IJB, its financial reporting and performance for the 2016/17 financial year and provides an indication of risks which may impact upon the IJB in the future.

### 2. Purpose and objectives

Angus IJB is a formal Partnership between NHS Tayside and Angus Council (the Parties) as described in the Angus IJB Integration Scheme. That Integration Scheme describes the health and social care functions that have been delegated by the Parties to Angus IJB from 1<sup>st</sup> April 2016.  
(<https://www.angus.gov.uk/media/angus-integration-scheme>)

The IJB's Strategic Plan for 2016-2019 was approved at a meeting of Angus IJB Board on 23<sup>rd</sup> March 2016. The following is an extract from the Strategic Plan:-

*"From April 2016 Angus Council, NHS Tayside, the third and independent sectors are working together in a new Angus Health and Social Care Partnership (HSCP). The Angus HSCP has been established under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The partnership has been formed following the signing, by the parent bodies, of an Integration Scheme setting out the legal arrangements. The work of the partnership is overseen by the Integration Joint Board."*

Angus IJB provides Community Health and Social Care Services for the population of Angus (c117,000 - National Records of Scotland mid-2016 population estimate) across an area that is co-terminus with Angus Council. Services provided are fully described in the Integration Scheme and include, amongst others, services for Older People, Mental Health Services, Learning Disability Services, Physical Disability Services and Substances Misuse Services. As one of three IJBs in Tayside, Angus IJB also hosts Tayside wide services including Out of Hours and Speech Therapy and is the lead Health and Social Care Partnership for Primary Care in Tayside.

### 3. Strategic Plan

Progress towards the objectives of the Strategic Plan are regularly reported to the IJB Board and the bi-monthly Strategic Planning Group. A first year review of the Strategic Plan is required by the IJB by the end of June 2017 accompanied by a Service Delivery Plan, Market Facilitation Plan and Annual Performance Report. The Angus IJB Strategic Plan contained four main priorities as follows:-

- Priority 1 – Improving Health, Wellbeing and Independence.
- Priority 2 – Supporting care needs at Home.
- Priority 3 – Developing integrated and enhanced Primary care and community services.
- Priority 4 – Improving integrated care pathway for priorities in care.

The strategic improvement actions identified in the Strategic Plan all relate to one of the four priorities. Many of the objectives are implemented through the four Locality Improvement Plans.

### 4. Operational Review

The IJB has successfully delivered services throughout 2016/17 in line with the Integration Scheme. While the Strategic Plan and operational imperatives create a busy landscape for the IJB in terms of operational service delivery much progress has been made including:-

- The completion of sheltered housing changes originally agreed by Angus Council prior to April 2016 and the successful introduction of a social enterprise tenancy support model, supported by an enhanced community alarm service.
- Further progression with the Help to Live at Home programme including a revised delivery model for home care with significantly increased home care delivery and more direct contact time with service users. (See report 33/17 at [http://www.angus.gov.uk/sites/angus-cms/files/2017-06/Item\\_13\\_Report%2033\\_17%20HTLH%20Programme%20Progress%20Report.pdf](http://www.angus.gov.uk/sites/angus-cms/files/2017-06/Item_13_Report%2033_17%20HTLH%20Programme%20Progress%20Report.pdf)).

- The undertaking of a partnership review of residential and nursing care home provision, both in-house and external.
- The development of priorities for accommodation for people with learning disabilities, progression of the rehabilitation of some Strathmartine Hospital patients and the progression of the replacement for the Gables residential care home.
- Taking forward the increased integration of the Partnership's Occupational Therapy services and Substance Misuse Services.
- The consolidation of existing Enhanced Community Services and the approval of plans to roll out this development across the whole of Angus. (See report 85/16 at [https://www.angus.gov.uk/media/angus\\_health\\_and\\_social\\_care\\_integration\\_joint\\_board\\_14\\_december\\_2016](https://www.angus.gov.uk/media/angus_health_and_social_care_integration_joint_board_14_december_2016))
- The consolidation of in patients bed numbers in line with planned needs reflecting both the increased home care capacity and the consolidated investment in Enhanced Community Services.

The IJB has had to manage a number of challenges throughout the year including workforce issues particularly prevalent in medical and nurse staffing. This presents an ongoing risk for the IJB.

## 5. Financial Management

The IJB's finances are overseen by the IJB's Chief Finance Officer with support from Finance functions within Angus Council and NHS Tayside. This support is provided as part of overall arrangements for corporate support services whereby Angus Council and NHS Tayside provide a range of services, including Finance, Human Resources and Legal & Democratic Services, without charge to Angus IJB.

Prior to April 2016, the IJB had developed the financial governance infrastructure required to allow it to assume new responsibilities from 1<sup>st</sup> April 2016. That financial governance infrastructure continues to be reviewed and refreshed.

## 6. Analysis of Financial Statements

A main objective of these Annual Accounts is to provide information about the financial position, financial performance and cash flows of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources. During 2015/16, the IJB was non-operational and consequently comparisons with previous years are of limited value.

The 2016/17 Annual Accounts comprise:-

- a) Comprehensive Income and Expenditure Statement – This statement shows that the IJB made an overall surplus of £582k (i.e. under spent by £582k) in 2016/17 on the total income of £162m. This under spend (0.4% of 2016/17 income) was within Adult Services (Social Care) and will be carried forward into 2017/18 through the IJB's reserves.  
During the financial year the IJB received reports setting out projected overspends on devolved NHS resources. Due to the IJB's Integration Scheme, at the end of the financial year NHS Tayside has increased its contribution to the IJB to offset those overspends. The Annual Accounts reflect the position after the increased contributions of £2.007m have been allowed for. The over spends covered by the increased contributions were principally attributable to Prescribing costs being in excess of available funding.
- b) Movement in Reserves – The IJB carried nil reserves into 2016/17 but, due to the operating surplus noted above, has year-end reserves of £582k. These are held in line with the IJB's reserves policy.
- c) Balance Sheet – In terms of routine business the IJB does not hold assets, however the reserves noted above are reflected in the year-end balance sheet.
- d) Notes, comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2016/17 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

## 7. Financial Outlook

Angus IJB has now agreed budget settlements with Angus Council and NHS Tayside, subject to final confirmation, for 2017/18 as follows:-

Budgets to be delegated from Angus Council - £44.290m

Budgets to be delegated from NHS Tayside - £119.739m  
 Total budgets to be devolved to the IJB - £164.029m.

Both settlements present significant challenges in terms of accommodating demographic and inflationary type pressures. Angus IJB receives regular updates regarding progress with regard to managing the challenges inherent in the budget settlements including the delivery of required levels of efficiencies or cost reductions.

The position regarding recurring 2017/18 shortfalls in budget settlements is as follows:-

Devolved Budget	Angus Council	NHS Tayside (Excluding Prescribing)	Prescribing	Total
	£000	£000	£000	£000
Initial Shortfall	1,648	1,427	3,030	6,105
Plans in place	1,380	1,378	1,119	3,877
Residual Shortfall (June 2017)	268	49	1,911	2,228

This table clearly demonstrates the importance of Angus IJB being able to deliver all the plans currently in place and the need to identify further measures, particularly regarding Prescribing, that will resolve the overall residual shortfall. There remains a need to develop financial planning across the whole breadth of the partnership and to undertake all financial planning in a manner reflecting the challenging financial environment the IJB will be operating in.

The financial outlook for the IJB was previously described within the IJB's Strategic Plan, an extract of which appears below:-

*"The Partnership's financial planning environment will be challenging reflecting that of the public sector generally and Angus Council and NHS Tayside specifically. Both organisations face significant financial challenges and the budgets to be devolved to the Partnership...reflect the need to deliver significant efficiencies. "*

The IJB will monitor all funding streams available from the Scottish Government and the overall financial positions of NHS Tayside and Angus Council as ultimately all three will have an impact on the financial resources available to Angus IJB.

In terms of financial sustainability it is important to note that the Angus Integration Scheme states that "In the event that an overspend is evident following the application of recovery plan, use of reserves or where the Strategic Plan can not be adjusted, the following arrangement will apply:

- 1<sup>st</sup> and 2<sup>nd</sup> financial year of Integration Joint Board – the overspend will be met by the Party to which the spending direction for service delivery is given i.e. the Party with operational responsibility, unless agreed otherwise through a tri-partite agreement between the Integration Joint Board and the parties;
- 3<sup>rd</sup> financial year of the Integration Joint Board onwards – the overspend will be shared in proportion to the spending Direction for each party for that financial year. Adjusting these spending directions to ensure the Parties are on a like for like basis."

Therefore 2017/18 represents the last year before the planned change in the above arrangements - often referred to as "risk-sharing" arrangements. Angus IJB will work with both Parties to ensure a successful migration from the arrangements in place in years 1 and 2 to the long term arrangement.

## 8. Management of Risks

Angus IJB has an approved Risk Management Policy and Strategy in place. The IJB monitors a series of strategic and operational risks using agreed methodologies. Risks monitored include financial, clinical care and professional governance, performance management and workforce risks. Updates are provided bi-monthly to the Angus HSCP Clinical Care and Professional Governance Forum chaired by the Health & Social Care Partnership's Clinical Director, and then summarised for the IJB Board quarterly.

From a financial planning perspective the IJB faces a number of risks many of which are consistent across Public Services generally. Beyond a number of specific financial risks (e.g. those that relate to prescribing and workforce), the generic financial risks of the IJB reflect the combination of managing increased demand for services due to demographic factors (e.g. Older Peoples Services, Learning Disability) and managing inflationary type pressures (e.g. Living Wage) against a background of challenging financial settlements while overseeing, often complex, service and strategic changes.

Workforce issues continue to present a challenge throughout the IJB. While the IJB works to limit the service delivery impact of workforce challenges, there can also be financial implications. Areas of particular concern include General Practitioner recruitment, recruitment of Home Care and Nursing staff into Independent Sector service providers and NHS Medical, Nursing and AHP staff. These issues are not exclusive to Angus and Angus IJB will work hard towards mitigating the impact of national workforce issues. However, availability of workforce may ultimately have a financial impact and this may impact on future service provision.

## 9. Public Performance Reporting

Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014 states that Integration Authorities must prepare an annual performance report for each reporting year. A performance report is described as a report which sets out an assessment of performance by each Integration Authority in planning and carrying out its integration functions. Each Authority is required to report on its performance against a set of prescribed national outcomes and indicators.

Angus IJB regularly receives Performance Report updates. Angus IJB's first annual performance report is for the reporting year 2016/17 and was issued in June 2017 (see report 32/17 at [https://www.angus.gov.uk/media/agenda\\_item\\_12\\_report\\_no\\_ijb32\\_annual\\_strategic\\_progress\\_and\\_performance\\_report](https://www.angus.gov.uk/media/agenda_item_12_report_no_ijb32_annual_strategic_progress_and_performance_report) and associated appendix at [https://www.angus.gov.uk/media/agenda\\_item\\_12\\_report\\_no\\_ijb32\\_annual\\_strategic\\_progress\\_and\\_performance\\_report\\_appendix\\_1](https://www.angus.gov.uk/media/agenda_item_12_report_no_ijb32_annual_strategic_progress_and_performance_report_appendix_1)).

## 10. Further Information

These Annual Accounts refer to both the Angus IJB Integration Scheme and Angus IJB Strategic Plan. These can be found at:-

Angus IJB Integration Scheme: <https://www.angus.gov.uk/media/angus-integration-scheme>

Angus IJB Strategic Plan:

[https://www.angus.gov.uk/directories/document\\_category/health\\_and\\_social\\_care\\_partnership\\_strategic\\_plan\\_2016\\_19](https://www.angus.gov.uk/directories/document_category/health_and_social_care_partnership_strategic_plan_2016_19)

Angus IJB publishes all formal Board papers at:

[https://www.angus.gov.uk/social\\_care\\_and\\_health/angus\\_health\\_and\\_social\\_care\\_partnership/integration\\_joint\\_board\\_agendas](https://www.angus.gov.uk/social_care_and_health/angus_health_and_social_care_partnership/integration_joint_board_agendas)

Further information regarding the Annual Accounts can be obtained from Chief Finance Officer, Angus IJB, St Margaret's House, Orchardbank Business Park, Forfar, DD8 1AF.

## 11. Conclusion and Acknowledgements

We are pleased to record that during 2016/17 the IJB has successfully delivered health and social care services to the population of Angus and, for hosted services, to the population of Tayside. We acknowledge this has been a challenging year and the IJB's success has only been achieved through the hard work of staff employed in Angus Council and NHS Tayside and other partner organisations.

Looking forward, while the IJB faces continuing challenging financial circumstances it also plans to continue to take advantage of the opportunities available through Health and Social Care Integration to best deliver affordable health and social care services for the population of Angus.

Vicky Irons	Hugh Robertson	Alexander Berry
Chief Officer	Chairperson	Chief Finance Officer
30 August 2017	30 August 2017	30 August 2017

## Annual Governance Statement

### Introduction

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1<sup>st</sup> April 2016. Angus IJB duly assumed responsibility for services from 1<sup>st</sup> April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1<sup>st</sup> April 2016.

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

### Scope and Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk and to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Angus Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

The system can only provide reasonable and not absolute assurance of effectiveness.

### The Governance Framework and System of Internal Control

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members including a Chief Officer appointed by the Board.

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising 4 further IJB members. During 2016/17, the Audit Committee met 3 times and the membership at the year end was as follows:-

Councillor Jim Houston (attended 3 of 3 meetings)  
Alison Rogers (attended 2 of 3 meetings)  
Jim Foulis (attended 1 of 1 meeting, member for part year only)  
David Barrowman (attended 3 of 3 meetings)  
Peter Burke (appointed after final 2016/17 meeting).

The main features of the governance framework in existence during 2016/17 were:

- Approved Integration Scheme, Scheme of Delegation, Standing Orders and Financial Regulations.
- Bi-monthly public meetings of the IJB.
- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Team and Senior Leadership Team meetings.
- Formal bi-monthly Strategic Planning Group overseeing the IJB's Strategic Plan and its implementation and development.
- Bi-monthly Clinical and Care Governance Committee.
- Bi-monthly Staff Governance Committee.
- Audit Committee meetings approximately 4 times per annum (3 in 2016/17) with responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments or audits of the IJB and to scrutinise the Annual Accounts and Governance Statement of the IJB.
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors for financial years 2016/17 to 2020/21.
- Chief Officer in post for duration of 2016/17.
- Chief Finance Officer in post for the duration of 2016/17 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support provided by both NHS Tayside and Angus Council.

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2016/17 this included the following:

- Approval and implementation of an IJB Risk Strategy.
- Approval and implementation of an IJB Performance Reporting Framework.
- Provision of regular financial monitoring reports to the IJB.
- Provision of regular budget settlement reports to the IJB.
- Approval and delivery of an Annual Internal Audit Plan.
- Issuing of Directions to Partner organisations.
- Approval and implementation of a Complaints handling procedure.
- Implementation of Clinical and Care Governance monitoring arrangements.
- Reliance on the procedures, processes and systems of partner organisations.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA publication) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA publication). The Head of Internal Audit reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the IJB Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the Audit Committee.

#### Development Issues for 2017/18

The IJB is required to review the effectiveness of its governance structures regularly. The IJB acknowledges that as a relatively new body, working in a complicated environment, further development and review of governance structures is still required. A number of areas for continued development and review have been described at recent Audit Committee meetings (including 19 April 2017). The developments and areas of review for 2017/18 will include:-

- Development of Large Hospital Set Aside arrangements in conjunction with NHS Tayside
- Development of improved Hosted Services arrangements including improved sharing of information between the three Tayside IJBs.
- Review the quality of corporate support arrangements that the IJB is reliant upon and that are currently provide by Angus Council and NHS Tayside.
- Review the overall governance framework that supports the relationship between Angus Council and NHS Tayside and Angus IJB.
- Develop further the role of localities including clarifying local financial planning arrangements.
- Continue to review the training requirements for Board members and new Board members in particular.
- Undertake a broad review of the IJB's overall governance arrangements after the first full year of Integration.

It is important to note that during 2016/17, the IJB's Internal Auditors undertook review of the Financial Management of Adult Services. This Internal Audit received a D ("Inadequate") grading. The IJB has subsequently compiled a series of Management responses to this Internal Audit and these will be progressed with the relevant Corporate Support Services.

#### Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2016/17 governance updates have regularly been provided to the IJB's Audit Committee. In addition the IJB's Chief Internal Auditor has reviewed the IJB's governance arrangements and in the IJB's 2016/17 Annual Internal Audit report notes...

1. *As Chief Internal Auditor, this annual report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2016/17*
2. *Based on work undertaken I have concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2016/17*
3. *In addition, I have not advised management of any concerns around the following:*
  - a. *Consistency of the Governance Statement with information that we are aware of from our work;*
  - b. *The format and content of the Governance Statement in relation to the relevant guidance;*
  - c. *The disclosure of all relevant issues.*

While there remain a number of areas of governance that are still developing and require to be developed further, it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2017, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance

arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally systems are in place to regularly review and improve the internal control environment.

Hugh Robertson	Vicky Irons
Chairperson	Chief Officer
30 August 2017	30 August 2017



## Angus IJB Remuneration Report

### Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

### Senior officers and board members

Both the Chief Officer and Chief Finance Officer of Angus IJB are employed by NHS Tayside and the remuneration and pension benefits of both are reported here.

At 31<sup>st</sup> March 2017, Angus IJB has 6 voting members and 12 non-voting members reflecting the Integration Scheme. The IJB held 6 meetings during 2016/17.

Voting Members:-

Angus Council

Councillor Glennis Middleton – Vice Chair (attended 6 of 6 meetings)

Councillor Jim Houston (attended 6 of 6 meetings)

Councillor David May (attended 5 of 6 meetings)

NHS Tayside

Hugh Robertson, Non Executive Board Member – Chair (attended 6 of 6 meetings)

Judith Golden, Non Executive Board Member (attended 3 of 6 meetings)

Alison Rogers, Non Executive Board Member (attended 5 of 6 meetings).

Non-voting Members:-

Vicky Irons, Chief Officer

Kathryn Lindsay, Chief Social Work Officer

Peter Burke, Carers Representative

Mavis Leask, Staff Representative (Angus Council)

Ivan Cornford, Independent Sector Representative

David Barrowman, Service User Representative

Alexander Berry, Chief Finance Officer

Douglas Lowdon, Registered Medical Practitioner

Jim Foulis, Associate Nurse Director

Bill Muir, Third Sector Representative

Barbara Tucker, Staff Representative, NHS Tayside

Alison Clement, Clinical Director

NHS Tayside has been requested to determine a registered medical practitioner whose name is included in the list of primary medical services performers to be a non-voting member of the Board but this has still to be confirmed.

Councillor Middleton was Chair of the IJB until 2 October 2016 when she was succeeded by Hugh Robertson.

Following the Local Government elections in May 2017, the IJB now has three new Angus Council nominated representatives on the IJB in 2017/18. These new representatives are Councillor David Fairweather (Vice Chair), Councillor Julie Bell and Councillor Lois Speed.

### Remuneration : IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Angus Council and NHS Tayside. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs or taxable expenses borne by the partner.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair.

**Remuneration : Officers of the IJB**

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board. Both the Chief Officer and Chief Finance Officer of Angus IJB are employed by NHS Tayside and the remuneration and pension benefits of both are reported here.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer adheres to the legislative and regulatory framework of NHS Tayside. For the Chief Officer, the remuneration arrangements and performance appraisal is consistent with other Executive Directors and Senior Managers and is governed by decisions of the NHS Tayside Remuneration Committee. Decisions have been strictly in accordance with the provision of circulars issued by the Scottish Government Health and Social Care Directorates and are subject to regular audit scrutiny. The membership of NHS Tayside's Remuneration Committee is reported in the Directors Report in NHS Tayside's Annual Accounts.

Other Officers

No other staff are appointed by the IJB under a similar legal regime to the Chief Officer. An assessment has been made of the other non-voting board members who meet the criteria for disclosure and consequently the Chief Finance Officer is included in the disclosures below.

The following table provides details of the remuneration paid to the relevant Angus IJB's officers for the period 1 April 2016 to 31 March 2017.

Total 2015/16 £	Post	Senior Employee	Salary, fees & allowances £	Taxable Expenses £	Total 2016/17 £
40,120 (FYE – 81126)	Chief Officer	V Irons	83,178	0	83,178
30,101 (FYE – 60867)	Chief Finance Officer	A Berry	62,228	998	63,226
70,221 (FYE – 141993)	Total		145,406	998	146,404

Where 2015/16 Full Year Effects (FYE) are shown these reflect full year pro-rata effect of 2015/16 part year costs.

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Post	Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
		For Year to 31/03/16 £	For Year to 31/03/17 £		Difference from 31/03/16 £	As at 31/03/17 £
Chief Officer	V Irons	5,978	12,394	Pension	1,545	25,433
				Lump sum	15	67,058
Chief Financial Officer	A Berry	4,485	9,272	Pension	1,913	16,566
				Lump sum	2,283	42,969
	Total	10,463	21,666	Pension	3,458	41,999
				Lump Sum	2,298	110,027

**Disclosure of Employees by Remuneration Band**

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50000 or above, in bands of £5000. The figures therefore include those senior employees on which additional remuneration information is provided in the table above.

Number of Employees in Band 2015/16	Remuneration Band	Number of Employees in Band 2016/17
0	£60,000 - £64,999	1
0	£65,000 - £69,999	0
0	£70,000 - £74,999	0
0	£75,000 - £79,999	0
0	£80,000 - £84,999	1
0	Total	2

**Audit Review**

All information disclosed within the tables in the Remuneration Report is audited by the IJB's appointed External Auditors. The other sections of the Remuneration Report are reviewed by the External Auditors to ensure that they are consistent with the financial statements.

Vicky Irons	Hugh Robertson
Chief Officer	Chairperson – Angus IJB
30 August 2017	30 August 2017

**THE STATEMENT OF RESPONSIBILITIES**

**The Integration Joint Board’s Responsibilities**

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the authority has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Audit Committee at its meeting on 30 August 2017.

Signed on behalf of Angus Integration Joint Board

Hugh Robertson
Chairperson – Angus IJB
30 August 2017

**The Chief Finance Officer’s Responsibilities**

The Chief Finance Officer is responsible for the preparation of the Integration Joint Board’s Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the annual accounts give a true and fair view of the financial position of the Angus Integration Joint Board as at 31 March 2017 and its income and expenditure for the year then ended.

Alexander Berry
Chief Finance Officer
30 August 2017

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the period of providing services, in accordance with generally accepted accounting practices, which are funded by budget requisitions from the parties listed in the Integration Scheme.

The 2015/16 Comprehensive Income and Expenditure analysis has been restated to reflect the IJB's organisational structure, as required for the 2016/17 financial statements.

2015/16		2016/17
Net Expenditure £000		Net Expenditure £000
0	Older Peoples Service	54,191
0	Mental Health	10,244
0	Learning Disabilities	15,944
0	Physical Disabilities	3,642
0	Substance Misuse	1,512
0	Community Services	11,263
0	Planning / Management Support	1,269
94	IJB Operational Costs	207
0	GP Prescribing	23,483
0	General Medical Services	16,356
0	Family Health Services	11,411
0	Large Hospital Set Aside	11,759
<b>94</b>	<b>Cost Of Services</b>	<b>161,281</b>
(94)	Non-Specific Grant Income (Note 4)	(161,863)
<b>0</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(582)</b>
<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(582)</b>

The IJB was established on the 3 October 2015 and did not have delegated authority for services in 2015/16. Integrated health and social care services commenced from 1<sup>st</sup> April 2016. Consequently the 2016/17 financial year is the first fully operational year for the IJB and the figures above reflect this.

The IJB's Comprehensive Income and Expenditure Statement shows the net cost of Partners providing directed services. It does not separately identify income received from service users as this remains the statutory responsibility of the Partners.

There are no statutory or presentation adjustments which effect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently an Expenditure and Funding Analysis is not provided in these annual accounts.

**Movement in Reserves Statement**

This statement shows the movement in the year on the IJB's reserves. The IJB only holds a General Fund Balance within overall usable reserves. There were no reserves held at 31 March 2016 and no movement in reserves during 2015/16.

Movement in reserves 2016/17	General Fund Balance (Usable Reserve) £000
Opening Balance at 31 March 2016	0
Total Comprehensive Income and Expenditure	(582)
Increase or Decrease in 2016/17	(582)
Closing Balance at 31 March 2017	(582)

## Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2016 £000		Notes	31 March 2017 £000
	Current Assets		
<b>5</b>	<b>Short term debtors</b>	<b>6</b>	<b>582</b>
	Current Liabilities		
<b>5</b>	<b>Short term creditors</b>	<b>7</b>	<b>0</b>
<b>0</b>	<b>Net Assets</b>		<b>582</b>
<b>0</b>	<b>Usable Reserves</b>		<b>582</b>

Usable reserves may be used to provide services and to assist the IJB with longer term financial planning subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

The audited accounts were authorised for issue by the Chief Finance Officer on the 30 August 2017.

Alexander Berry
Chief Finance Officer
30 August 2017

## Notes to the Financial Statements

### Note 1 – Significant Accounting Policies

#### General Principles

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. The Financial Statements summarise the authority's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment. The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income may not be received, expected income is adjusted.

#### Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Angus Council and NHS Tayside (the Parties). Expenditure is incurred as the IJB directs specified health and social care services from the Parties for the benefit of service recipients in Angus.

#### Going Concern

For 2017/18 the IJB has agreed budget settlements with Angus Council and NHS Tayside, subject to final confirmation. The IJB has a series of plans in place to assist the IJB deliver a 2017/18 balanced budget. However there remain underlying risks regarding, for example Prescribing. The Angus Integration Scheme states that in the event of the IJB ultimately overspending in 2017/18 then any overspend will be met, depending on circumstances, by Angus Council or NHS Tayside. On that basis the IJB's can be treated, from a financial reporting perspective, as a going concern.

#### Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

#### Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions liability in its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the remuneration report. The charges from the employing partner are treated as employee costs.

#### Overheads and Support Services

For the year 2016/17, all corporate support services provided by NHS Tayside and Angus Council, and as described in the IJB's Integration Scheme, are provided without charge by NHS Tayside and Angus Council.

#### Provisions, Contingent Liabilities and Contingent Assets



Provisions are liabilities of uncertain timing or amount. A provision is recognised as a charge of expenditure to the IJB's Comprehensive Income and Expenditure Statement when there is an obligation as at 31 March due to a past event, settlement of the obligation is probable, and a reliable estimate of the amount can be made.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Comprehensive Income and Expenditure Statement, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Comprehensive Income and Expenditure Statement, but is disclosed in a note only if it is probable to arise and can be reliably measured.

### Reserves

The IJB is able to hold reserves albeit these will be reserves held through one of the Partner agencies as the IJB will not directly hold cash balances. Reserves may be designated for specific purposes or for the general purposes of the IJB. The balance of the general purpose reserve as at 31 March shows the extent of resources which the IJB can use in later years to support service provisions though these balances need to be considered in the context of the overall financial position of the IJB as per the Integration Scheme (sections 8.17, 8.21, 8.22).

### Indemnity Insurance

As a member of CNORIS (Clinical Negligence and Other Risks Indemnity Scheme) the IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Angus Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they are directed to provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore comparable to normal insurance arrangements.

The IJB currently has no known or potential claims against it.

### Value Added Tax (VAT)

The IJB is not VAT registered however for expenditure incurred on behalf of the IJB by partners, the VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where Angus Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and NHS Tayside will charge the full cost to the IJB.

### Note 2 – Events after the Balance Sheet Date

The audited annual accounts reflect events after 31<sup>st</sup> March 2017 up to the date the audited accounts were authorised for issue. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. For 2016/17, no such adjustments have been required.

### Note 3 – Expenditure and Income Analysis by Nature

2015/16 £000		2016/17 £000
0	Services commissioned from Angus Council	56,067
0	Services Commissioned from NHS Tayside	105,007
88	Other IJB Operating Expenditure <sup>1</sup>	187
1	Insurance and Related Expenditure <sup>2</sup>	3
5	Auditor Fee : External Audit Work <sup>3</sup>	17
(44)	Partners Funding Contribution (Angus Council)	(44,026)
(50)	Partners Funding Contribution (NHS Tayside)	(117,837)
<b>0</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(582)</b>

The IJB was established on 3 October 2015 and did not have delegated authority for services in 2015/16. Integrated health and social care services commenced from 1<sup>st</sup> April 2016. Consequently the 2016/17 financial year is the first fully operational year for the IJB and the figures above reflect this.

1. Costs associated with Chief Officer and Chief Finance Officer.
2. 2016/17 CNORIS costs (see note 1).
3. Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

**Note 4 – Taxation and Non Specific Grant Income**

2015/16 £000		2016/17 £000
(44)	Contributions from Angus Council	(44,026)
(50)	Contributions from NHS Tayside	(117,837)
<b>(94)</b>	<b>Total</b>	<b>(161,863)</b>

The "contributions" received by Angus IJB represent the funding provided by the Parties (Angus Council and NHS Tayside).

The funding contribution from the NHS Board shown above includes £11,759k in respect of Large Hospital 'set aside' resources relating to acute hospital resources. While the associated services are provided by NHS Tayside, which retains responsibility for service management, the IJB has formal responsibility for the strategic planning of Large Hospital "set aside" resources including considering the level of planned consumption of these resources.

**Note 5 – Offsetting Debtors and Creditors**

The IJB does not hold cash and cash equivalents. Instead the funding partners utilise, as directed by the IJB, the amount of funding due to the IJB to pay for services.

The IJB and the funding partners have confirmed that there is a 'right of offset', and that there is an intention to allow settlement of balances to be undertaken on a net basis. On this basis the IJB's financial statements present the balances due to and from the funding partners on a net basis rather than as separate creditors and debtors.

The offsetting of debtors and creditors by the IJB primarily relates to the funding contributions due from the funding partners as at 31 March (a debtor balance), and the commissioning expenditure relating to 2016/17 that the IJB is committed to paying the funding partners for, as at 31 March (a creditor balance).

**Note 6 – Debtors**

2015/16 £000		2016/17 £000
0	<b>Angus Council</b>	582
5	<b>NHS Tayside</b>	0
5	<b>Debtors</b>	582

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2017.

**Note 7 – Creditors**

2015/16 £000		2016/17 £000
0	<b>Angus Council</b>	0
5	<b>NHS Tayside</b>	0
5	<b>Debtors</b>	0

**Note 8 – Reserves**

The IJB holds a balance on the general fund for two main purposes:

- To ear-mark, or build up funds, which are to be used for specific purposes.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework. While the target level is 2% of net expenditure it is acknowledged that at the outset, due to the financial constraints within which the IJB is operating, it will be difficult to establish contingency reserves at the target level.

Balance at 3 October 2015 £000	Transfer in 2015/16 £000	Transfer Out 2015/16 £000	Balance at 31 March 2016 £000		Transfer In 2016/17 £000	Transfer Out 2016/17 £000	Balance at 31 March 2017 £000
0	0	0	0	General Fund	582	0	582

#### Note 9 – Agency Income and Expenditure

On behalf of all IJBs within the NHS Tayside area, Angus IJB acts as the host Partnership for Out of Hours, Speech Therapy, Continence, Pharmacy and Forensic Medical Services. The IJB directs services on behalf of Dundee and Perth & Kinross IJBs and reclaims the full costs involved. The payments that are made on behalf of other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2015/16 £000		2016/17 £000
0	Expenditure on Agency Services	8,741
0	Reimbursement for Agency Services	(8,741)
0	Net Agency Expenditure excluded from the CIES	0

#### Note 10 - Related Parties

The IJB is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. Disclosure of these transactions allows readers to assess the extent to which the IJB might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the IJB.

#### Scottish Government

The Scottish Government has significant influence over the general activities of the IJB – it is responsible for providing the statutory framework within which the IJB is constituted and will operate, through partner agencies provides the majority of the IJB's funding and prescribes the terms of many of the transactions that the IJB has with other parties (e.g. Angus Council, NHS Tayside).

#### Members

Members of the IJB Board have control over the IJB's financial and operating policies to the extent they are transacted through the IJB.

#### Other Public Bodies (subject to common control by Scottish Government)

The IJB has related party relationships with Angus Council and NHS Tayside. In particular the nature of the Partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

**Table 1 – Transactions with Angus Council**

2015/16 £000		2016/17 £000
44	Funding Contributions received	44,026
0	Expenditure on Services	(56,067)
44	Net Transactions with the Council	(12,041)

This table shows that expenditure within Angus Council is £12,041k greater than Angus Council funding contributions. The difference largely represents IJB funding received from NHS Tayside being directed into Angus Council.

Key Management personnel: Angus Council employs the Staff (Council) and Chief Social Work Officer representatives on the IJB Board but there is no discrete charge for this representation.

**Table 2 – Transactions with NHS Tayside**

2015/16 £000		2016/17 £000
50	Funding Contributions received	117,837
0	Expenditure on Services	(105,007)
(88)	Key Management Personnel	(187)
(6)	Expenditure on Other IJB Costs	(20)
(44)	Net Transactions with NHS Tayside	12,623

Key Management personnel: NHS Tayside employs two Non-voting Board members, the Chief Officer and Chief Financial Officer. These posts are discretely costed and reflected in the Remuneration Statement. NHS Tayside also employs the Nursing, Staff (NHS), Registered Medical Practitioner and Clinical Director representatives on the IJB Board but there is no discrete charge for this representation.

**Table 3 – Balances with Angus Council**

31 March 2016 £000		31 March 2017 £000
0	Debtor Balances – Amounts due from Angus Council	582
0	Creditor Balances – Amounts due to Angus Council	0
0	Net Balance with Angus Council	582

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2017.

**Table 4 – Balances with NHS Tayside**

31 March 2016 £000		31 March 2017 £000
5	Debtor Balances – Amounts due from NHS Tayside	0
(5)	Creditor Balances – Amounts due to NHS Tayside	0
0	Net Balance with NHS Tayside	0

## **Independent auditor's report to the members of Angus Integration Joint Board and the Accounts Commission**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Angus Integration Joint Board for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of Angus Integration Joint Board as at 31 March 2017 and of its surplus on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Angus Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of the Chief Finance Officer for the financial statements**

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of Angus

Integration Joint Board and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Other information in the annual accounts**

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Report on other requirements**

#### **Opinions on other prescribed matters**

I am required by the Accounts Commission to express an opinion on the following matters. In my opinion, the auditable part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

#### **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Gillian Woolman  
Assistant Director  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

30 August 2017