

South Ayrshire Health and Social Care Partnership

REPORT

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board
Held on	16th September 2020
Agenda Item	6
Title	Audited Annual Accounts for 2019-20 & External Audit Report
<p>Summary The purpose of this report is to present the audited Annual Accounts for 2019-20 Appendix 1, to the IJB for approval, together with the signed Management Representation, letter by the Chief Finance Officer Appendix 2 and to consider the External Auditors ISA 160 report Appendix 3, detailing the outcome of the Audit of the Annual Accounts and recommended action plan for improvement.</p>	
Presented by	Lisa Duncan, Chief Finance Officer
<p>It is recommended that the Integration Joint Board:</p> <ul style="list-style-type: none"> i. considers and approves the audited accounts for 2019-20; ii. notes the Management Representation letter; iii. notes the content of the External Auditors report detailing the outcome of the audit and recommended actions for improvement and iv. notes the progress to date on the recommended actions for improvement contained in the External Auditors report. 	
<p>Route to Meeting:</p> <p>Previously approved at Performance & Audit Committee and reviewed by IJB Budget Working Group.</p>	

Implications checklist – check box if applicable and include detail in report									
Financial	<input checked="" type="checkbox"/>	HR	<input type="checkbox"/>	Legal	<input type="checkbox"/>	Equalities	<input type="checkbox"/>	Sustainability	<input type="checkbox"/>
Policy	<input type="checkbox"/>	ICT	<input type="checkbox"/>						

Directions required to NHS Ayrshire & Arran South Ayrshire Council, or both	1. No Direction Required	<input checked="" type="checkbox"/>
	2. Direction to NHS Ayrshire and Arran	<input type="checkbox"/>
	3. Direction to South Ayrshire Council	<input type="checkbox"/>
	4. Direction to NHS Ayrshire and Arran and South Ayrshire Council	<input type="checkbox"/>

**SOUTH AYRSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP
INTEGRATION JOINT BOARD
16th September 2020
Report by Director of Health & Social Care**

**AUDITED ANNUAL ACCOUNTS FOR 2019-20 AND EXTERNAL
AUDIT REPORT**

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the audited Annual Accounts for 2019-20, to the IJB for approval, together with the signed Management Representation, letter by the Chief Finance Officer and to consider the External Auditors ISA 160 report, detailing the outcome of the Audit of the Annual Accounts and recommended action plan for improvement.

2. RECOMMENDATION

2.1 It is recommended that the Integration Joint Board:

- i. considers and approves the audited accounts for 2019-20;**
- ii. notes the Management Representation letter;**
- iii. notes the content of the External Auditors report detailing the outcome of the audit and recommended actions for improvement and**
- iv. notes the progress to date on the recommended actions for improvement contained in the External Auditors report.**

3. BACKGROUND INFORMATION

- 3.1 The IJB is specified in legislation as a 'section 106' body under the terms of Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment. The Local Authority (Scotland) Accounts Advisory Committee (LASAAC) issued Additional Guidance for the Integration of Health and Social Care in March 2019. This guidance has been developed to support consistency of treatment and the appropriate implementation of financial reporting for integration.
- 3.2 The IJB Members must consider the unaudited accounts at a meeting held no later than the 31st of August. The IJB, or a committee whose remit includes audit and governance must consider the audited accounts and aim to approve the Annual Accounts for signature no later than 20th of September, with publication no later than 31st of October.

- 3.3 Local Government Finance Circular 10/2020 was issued by the Scottish Government on 21 May 2020. This circular entitled “Local Authority Accounts 2019/20 – Covid-19” outlines that the Scottish Government has advised that it considers the provisions made in Schedule 6 of The Coronavirus (Scotland) Act 2020 to be sufficient to allow each local authority body to determine its own revised timetable for Annual Accounts.
- 3.4 The Scottish Government anticipate that unaudited Annual Accounts will be published no later than 31 August, with the public inspection period to take place immediately following the publication of the unaudited accounts. Scottish Ministers consider it reasonable that a local authority body publishes its audited Annual Accounts no later than 30 November 2020.
- 3.5 The unaudited accounts were presented to IJB on the 25th of June, and published on the South Ayrshire Council website for public inspection until the 31st of July.
- 3.6 The draft audited Annual Accounts 2019/20 were presented to the Audit and Performance Committee along with the External Audit draft ISA 260 report on the 8th of September 2020. Both reports are now presented to the IJB for formal approval. A copy of the management representation letter which will be signed and passed to the External Auditor following IJB approval of the Annual Accounts is included as an appendix to this report.

4. REPORT

- 4.1 The annual report and accounts for the IJB have been prepared in accordance with appropriate legislation and guidance and are presented at Appendix 1.
- 4.2 The external audit report published by Deloitte’s refers to historic performance, but does identify a number of areas of concern. Action is being taken to address these issues.
- 4.3 The recommended action number 6, referring to the requirement to provide appropriate resources to ensure actions identified from the Significant Case Review (SCR) were progressed and achieved. Following a review of social work demand and capacity in the autumn of 2019 it was determined that additional resources were needed to meet the necessary workload. Within the 2020-21 budget funding for three Community Care Assistants was approved to progress with social care reviews. The budget was approved on the 25th of March. Subsequently, the country was put into a lockdown situation to manage the Covid-19 pandemic. This has resulted in a delay in recruitment of these posts. It is, however, anticipated that interviews will take place by the end of September.
- 4.4 The full implementation of Carefirst has been impacted both by the Covid-19 emergency and a number of complexities within the project. Social distancing measures have, for example impacted on plans for training. In addition, due to the age of the legacy system and the links between financial details and

case records, implementation has proved challenging. The HSCP Digital Board have requested the decoupling of the case files and finance details the options are currently being investigated. If the decoupling can be achieved, the case records can go live at an earlier date.

- 4.5 The audit report also draws out concerns over the decision-making process in relation to the proposed closure of the Kyle Day Service. Work is ongoing to review the decision-making process with a view to improving future practice. The HSCP undertook a consultation exercise in January which was not concluded as a consequence of the Covid-19 emergency. Given the passage of time further engagement activity is being considered.
- 4.6 In parallel, in accordance with the Action Plan emerging from the work of the Ministerial Strategic Group, work is being undertaken to provide greater clarity around the governance and scrutiny arrangements for IJB decision-making. Draft proposals were considered by the Three Way Meeting on 4 September. Work is in progress to further develop the proposals for consideration by partner agencies.

5. STRATEGIC CONTEXT

- 5.1 The production and audit of annual accounts is a statutory requirement.
- 5.2 The production of the annual accounts and management commentary contributes to the IJB Strategic Objective to manage resources effectively, and make best use of our integrated capacity.

6. RESOURCE IMPLICATIONS

6.1 Financial Implications

- 6.1.1 The report explains the use of financial resources in 2019/20.

6.2 Human Resource Implications

- 6.2.1 There are no Human Resource Implications arising as a result of this report.

6.3 Legal Implications

- 6.3.1 Production and audit of accounts is a statutory requirement.

7. CONSULTATION AND PARTNERSHIP WORKING

- 7.1 The audited annual accounts have been prepared through joint working between South Ayrshire Council and NHS Ayrshire and Arran.

8. RISK ASSESSMENT

- 8.1 The IJB's financial position has been rated high risk by the Board in its current Strategic Risk Register and as such is likely to impact adversely on the implementation of key current Strategic Plan Strategic Objectives.

9. EQUALITIES IMPLICATIONS

9.1 None.

10. SUSTAINABILITY IMPLICATIONS

10.1 None.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

Audited Annual Accounts

10.09.20