

**EAST DUNBARTONSHIRE
INTEGRATION JOINT BOARD**

Commonly known as the

**EAST DUNBARTONSHIRE
HEALTH & SOCIAL CARE PARTNERSHIP
BOARD**

ANNUAL ACCOUNTS

2016/17

CONTENTS

Management Commentary	3
Statement of Responsibilities	9
Remuneration Report	11
Annual Governance Statement	16
Comprehensive Income and Expenditure Statement	23
Movement in Reserves Statement	24
Balance Sheet	25
Notes to the Financial Statements.....	26
1. Significant Accounting Policies.....	26
2. <u>Critical Judgements & Estimation Uncertainty</u>	28
3. <u>Events After the Reporting Period</u>	28
4. <u>Expenditure and Income Analysis by Nature</u>	29
5. <u>IJB Operational Costs</u>	29
6. <u>Support Services</u>	29
7. <u>Taxation and Non-Specific Grant Income</u>	30
8. <u>Debtors</u>	30
9. <u>Creditors</u>	31
10. <u>Usable Reserve: General Fund</u>	31
11. <u>Agency Income and Expenditure</u>	32
12. <u>Related Party Transactions</u>	33
13. <u>Contingent Liabilities</u>	34
14. <u>VAT</u>	34
Independent Auditors Report.....	35

MANAGEMENT COMMENTARY

Introduction

This document contains the financial statements for the 2016/17 operational year for East Dunbartonshire Health & Social Care Partnership (ED HSCP).

The management narrative outlines the key issues in relation to the HSCP financial planning and performance and how this has provided the foundation for the delivery of the priorities described within the Strategic Plan. The document also outlines future financial plans and the challenges and risks that the HSCP will face in meeting the continuing needs of the East Dunbartonshire population.

The Health & Social Care Partnership

East Dunbartonshire Health and Social Care Partnership (HSCP) is the common name of East Dunbartonshire Integration Joint Board which was formally established in September 2015 in accordance with the provisions of the Public Bodies (Joint Working) (Scotland) Act (2014) and corresponding Regulations in relation to a range of adult health and social care services. The Integration Scheme was revised and approved by the Scottish Government in August 2016 to extend delegated functions in relation to NHS Community Children's Services;

Children's Social Work Services; and Criminal Justice Social Work Services.

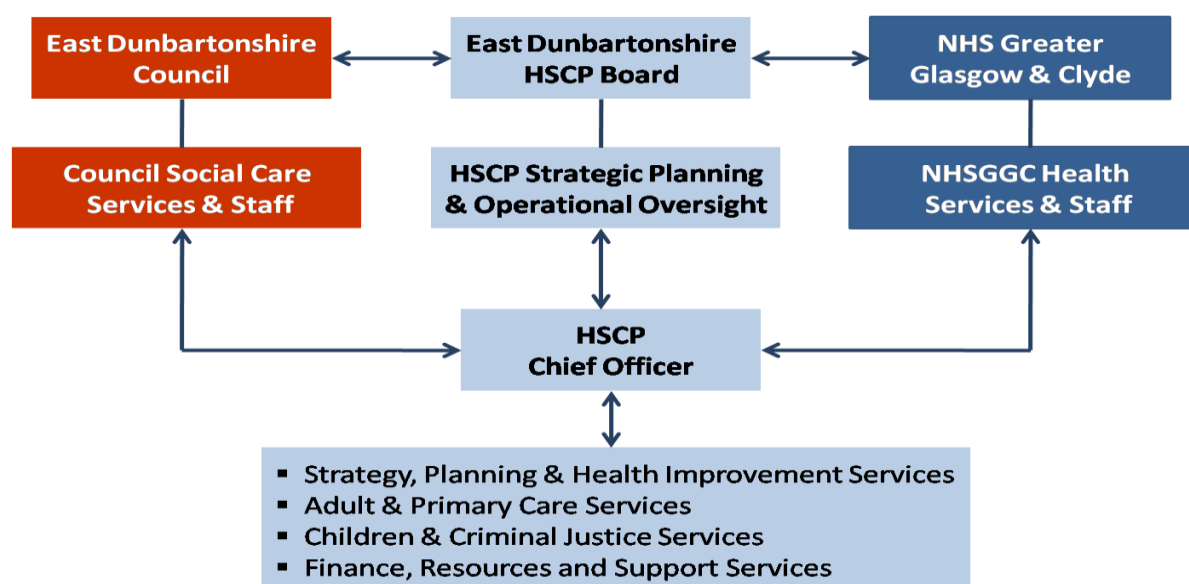
The HSCP Board, East Dunbartonshire Council (EDC) and NHS Greater Glasgow & Clyde (NHSGGC) aim to work together to strategically plan for and provide high quality health and social care services that protect children and adults from harm, promote independence and deliver positive outcomes for East Dunbartonshire residents.

East Dunbartonshire HSCP Board has responsibility for the strategic planning and operational oversight of a range of health and social care services whilst EDC and NHSGGC retains responsibility for direct service delivery of social work and health services respectively, as well as remaining the employer of health and social care staff.

The HSCP Board's specific responsibility comprises of:

- Directions;
- Accounts
- Strategic Plans
- Strategic documents & governance papers

Exhibit 1 represents accountability arrangements for the planning and delivery of community health and social care services.



The Strategic Plan describes how the Health & Social Care Partnership, with partners across all sectors, service users and carers, work towards improving wellbeing and building strong communities across East Dunbartonshire. The aim is to provide seamless quality services that are person centred, effective and efficient.

The Plan outlines the vision and values (Exhibit 2) of the HSCP as well as strategic priorities to be achieved over a three year period. It is based on national policy which is designed to ensure people have a good quality of life, that they remain healthy and independent, and are able to stay in their own home or community for as long as possible, with the emphasis being on positive outcomes and preventative approaches.

Exhibit 2



This is underpinned by a detailed Strategic Needs Assessment that informed decisions regarding the type and distribution of services required to achieve maximum population benefit and effective and efficient use of resources.

The Strategic Plan has been designed to meet the outcomes and performance measures for integration within the Scottish Government's National Performance Framework, focussed on achieving the nine national health and wellbeing outcomes.

The Plan is supported by a range of operational plans, work-streams and financial plans to support delivery.

The Strategic Plan also links to the Community Planning Partnership's Local Outcome Improvement Plan (previously SOA), whereby the HSCP has the lead for in a number of key areas.

Performance is monitored using a range of performance indicators outlined in a performance management framework and quarterly performance reports to the HSCP Board, Community Planning Board and other committees. Service uptake, waiting times and other pressures are closely reviewed and any negative variation from the planned strategic direction is reported to the HSCP Board through exception reporting arrangements which includes reasons for variation and planned remedial action to bring performance back on track.

HSCP BOARD OPERATIONS FOR THE YEAR 2016/17

The HSCP achieved 68% of its performance indicator targets for 2016/17 (based on Quarter 4 data), an improvement of 7% on 2015/16. This includes performance across all delegated functions to the partnership for Adults, Older People, Children and Criminal Justice Services.

In terms of Outcome 1, *people are able to look after and improve their own health and well-being and live in good health for longer*, there are a number of areas of positive performance for the Partnership that demonstrates effective delivery in this area.

For example, the number of successful smoke quits at 12 weeks in the 40% most deprived areas of East Dunbartonshire and the number of alcohol brief interventions per year exceeded targets pointing to a healthier population managing their own health outcomes.

In relation to Outcome 2, *people are able to live independently at home or in a homely setting in their community*, there are a range of good performance indications.

Of particular significance is the achievement of continued positive performance in the usage of acute bed days lost to delayed discharges with the maintenance of zero

delayed discharges for adults with incapacity. This is a key area which ensures people who are assessed as fit for discharge, from hospital, return home or to a homely setting as soon as possible.

There has been substantial investment in this area through delayed discharge funding, and in particular the development of an Intermediate care facility in Westerton Care Home which has had a positive impact on performance under this outcome. Further investment through the Change Fund and then the Integration Fund has delivered positive performance in relation the provision of homecare services for those with intensive needs, during the evenings, overnight and over the weekend.

There is also good performance in the area of Children's & Criminal Justice services in relation to timescales from referral to treatment for Child & Adolescent Mental Health (CAMH) services, parenting support, child protection and Looked After and Accommodated Children (LAAC) review timescales and reports to the Court for Criminal Justice Social Work.

All of these indicators exceeding targets during 2016/17.

There are some areas where improvement is required, most notably around the rate of unplanned acute bed days for those aged 75+ and an un-scheduled care commissioning plan has been developed and approved by the IJB to take forward a range of initiatives to improve performance in this area as a key priority for the partnership. This will be linked to work underway across NHS GG&C to ensure the set aside budget is more meaningful and linked to performance in reducing the usage of unplanned bed days within the Acute sector and the development of preventative, community based alternatives which keep people at home or in a homely setting.

The HSCP Board Performance Management Framework will be further developed to ensure we have a robust process for scrutinizing performance across

the full range of objectives which are to be delivered through the HSCP.

Operational Highlights for 2016/17 include:-

- The development of an Intermediate Care Facility within a local nursing home providing 8 step down beds for patients ready to be discharged from hospital. This has provided a better co-ordinated, more effective rehabilitation opportunity enabling more (>30%) of patients to return home, with fewer moving into long term care.
- Continued development of community-led recovery-orientated resources to enable people with drug and alcohol difficulties or mental health issues to receive low intensity, often peer led support, and reduce reliance on formal services.
- Development of Pineview, a 3 person intensive residential facility for adults with complex learning disabilities and autism. This has enabled group living for hard to place individuals and repatriation from expensive distant commissioned resources.
- Progressed the final phase of a strategic review of Homecare, including the roll out of electronic time scheduling. This has created a more responsive, cost effective service delivering to a more complex service user group.

HSCP BOARD'S FINANCIAL POSITION AT 31 MARCH 2017

The activities of the Health and Social Care Partnership are funded through an arrangement whereby the Council and Health Board agree their respective contributions and it is for the partnership thereafter to deliver on the priorities set out in the Strategic Plan. The scope of budgets agreed for inclusion within the HSCP for 2016/17 from each of the partnership bodies were:-

HSCP Board Budgets 2016/17 (from the 1st April 2016 to the 31st March 2017)

HSCP Board Health Budget	£79,416,000
HSCP Board Social Work Budget Adult Services	£42,404,000
HSCP Board Social Work Budget Children & Criminal Justice Services (From 11 th August 2016)	£7,365,000
HSCP Board Social Work Budget Other	£ 1,194,000
Set Aside – Share of Prescribed Acute functions	£17,381,000
TOTAL	£147,760,000

The budget includes an element of funding provided by the Scottish Government to deliver on the key outcomes for the Partnership in the form of delayed discharge (£0.51m), integrated care funding (£1.2m) and Social Care funding (£4.3m).

The Health Budget includes an element relating to Oral Health Services (£10.4m) which is a service hosted by East Dunbartonshire HSCP and delivered across Greater Glasgow & Clyde (GG&C).

The full extent of this budget is reflected in these accounts as prescribed within the Integration Scheme. There are services hosted within other GG&C partnerships which have similar arrangements and which support the population of East Dunbartonshire such as MSK Physio, Podiatry, and Continence Care etc.

The extent to which these services (incl Oral Health) are consumed by the population of East Dunbartonshire is reflected within the Income and Expenditure Statement to give a true cost of delivering services to support the population of East Dunbartonshire. The detail of these services is set out in note 11 to these Accounts.

The set aside budget relates to certain prescribed acute services including A&E, General Medicine, Respiratory care, Geriatric long stay etc. where the redesign and development of preventative, community based services may have an impact and reduce the overall unplanned admissions to the acute sector, offering better outcomes for patients and service users.

Further work will be progressed over the next year to develop a more accurate costing framework for unscheduled care services to make this allocation more real so that this more accurately reflects usage of these services and facilitates the resource shift required to deliver sustainable services within the community as opposed to a hospital setting. An allocation has been determined by the NHSGG&C for East Dunbartonshire of £17.4m for 2017/18.

These notional budgets are based on direct costs per bed day for each relevant speciality within the IJB based on average activity for the 3 years 2011/12 – 2013/14 provided by NHSGGC Information Services department and cost for 2013/14 taken from the NHS Scotland Cost Book. Accident & Emergency outpatient attendances will be included at 3 year average activity and direct cost per attendance for 2013/14. This has been inflated by 1% for 2016/17 allocations.

During 2016/17, a due diligence exercise was carried out to consider the sufficiency of the budget provided to support the delivery of Children's Social Work and Criminal Justice Services which became part of the Partnership from the 11th August 2016. This identified significant financial pressure in relation to residential care packages which have been the subject of regular reports to the HSCP Board and will require on-going monitoring.

KEY RISKS AND UNCERTAINTIES

The period of public sector austerity and reduction in the overall level of UK public sector expenditure is anticipated to extend over the medium term horizon.

Future Scottish Government grant settlements remain uncertain with further reductions in government funding predicted to 2019/20. The EU referendum result on the 23rd June 2016 created some further uncertainty and risk for the future for all public sector organisations.

The Partnership will prepare a financial plan aligned to its strategic priorities. The aim is to plan ahead to meet the challenges of demographic growth and policy pressures, taking appropriate action to maintain budgets within expected levels of funding and to maximise opportunities for delivery of the Strategic Plan.

Additional funding of £107m has been provided, across Scotland, to Health and Social Care Partnerships for 2017/18 to support providers to pay the living wage to care workers and may provide some capacity to address social care pressures.

The most significant risks faced by the HSCP over the medium to longer term are:-

- The increased demand for services alongside reducing resources. In particular, the demographic increases predicted within East Dunbartonshire is significant with the numbers of older people aged 65+ is set to increase by 54% over the period 2012-2037 (an average increase of 9% every 5 years).

In addition, more significantly older people aged 85+ is set to increase by 201.4% over the period 2012-2037 (an average increase of 25% every 5 years).

East Dunbartonshire has a higher than national average proportion of older people, therefore any increases can have a significant impact on the need for services as people get older and more vulnerable.

- The cost and demand volatility across the prescribing budget which is the subject of a risk sharing arrangement across NHS G&C is currently under review.
- The achievement of challenging savings targets from both partner agencies that

face significant financial pressures and tight funding settlements, expected to continue in the medium to long term.

- The capacity of the private and independent care sector who are struggling to recruit adequate numbers of care staff to support service users which is being felt more acutely south of the border but remains a concern locally.

Financial governance arrangements have been developed to support the HSCP Board in the discharge of its business. This includes financial scoping, budget preparation, standing orders, financial regulations and the establishment of an Audit Committee to ensure the adequacy of the arrangements for risk management, governance and the control of the delegated resources.

ANALYSIS OF THE FINANCIAL STATEMENTS (FINANCIAL PERFORMANCE)

The partnership's financial performance is presented in these Annual Accounts. The table on page 23 shows a net underspend of £4.1m on the partnership funding available for 2016/17.

This was the subject of regular reporting throughout the financial year and relates primarily to a favourable position in relation to the Social Care Funding from the Scottish Government (£1.7m). An element of this funding was provided to meet the costs associated with implementing the Scottish Living Wage across care home, care at home and housing support services from the 1st October 2016. This created an in year surplus due to the full funding allocation being made available in 2016/17 to meet a part year requirement. The full cost will become liable during 2017/18.

In addition there were surpluses across Children's Social Work budgets (£0.46m) as a result of vacancies across the service which supported pressure on residential school expenditure and a small surplus on adult service budgets (£0.28m) across learning disability and mental health services supporting pressure in relation to

older people services (care home and homecare provision). There was some additional surplus in relation to other budgets delegated to the partnership in relation to the Private Sector Housing Grant (PSHG), care & repair and fleet recharges (£0.24m).

NHS Community budgets also delivered a surplus (£1.4m) in relation to delays in filling vacancies across community functions including Oral Health, District Nursing and Rehabilitation Services. There was also a surplus on the Integrated Care Fund which was not fully allocated in year and delayed discharge monies which were directed to fund an Intermediate Care Facility (part year costs only).

The surplus generated during 2016/17 will further the Partnership's reserves position and will provide some resilience for future year financial pressures and any slippage in savings targets. There will also be an element ear-marked for service re-design in furtherance of the priorities set out in the Strategic Plan. The level of partnership reserves is now £5.3m as set out in table on page 24.

The HSCP continues to face significant financial pressures from demographic growth particularly amongst the elderly population generating demand and increased costs across a range of adult care services.

Both partner organisations continue to face significant financial challenge.

The NHSGG&C has savings of in the region of £95m to secure during 2017/18 with a number of initiatives underway to deliver on this challenge. Of the circa. £95m savings target, £16.6m relates to Health & Social Care Partnerships of which £1.5m relates to East Dunbartonshire with potential for a further share of £3.6m (ED - £0.5m share) relating to un-achieved savings dating back to 2015/16 for Community Health Partnerships(CHP)(s). This is currently the subject of ongoing discussion with NHSGG&C and a solution hopeful during 2017/18 as to how these monies should be treated in future years.

East Dunbartonshire Council is also facing significant challenges with £11.7m to close the funding gap during 2017/18 predominantly delivered through the Council's transformation and budget reduction programme with the aim of protecting the provision of frontline service delivery. The financial settlement to the partnership is particularly challenging with a further £3.6m of savings to be delivered during 2017/18.

In total the level of savings on Partnership savings to be delivered is £5.1m for 2017/18 and it is expected that this position will continue for future years given the challenging financial settlements expected to both EDC and NHSGGC.

There is some recurring funding available to Health & Social Care Partnerships from the Scottish Government in 2017/18 in the form of Integration Funding (ED - £0.9m) and Delayed Discharge Funding (ED - £0.5m) and additional funding from a share of £107m (ED- £1.84m). This is aimed at increasing the living wage across the care home and care at home sectors, supporting implementation of the Cares Act and changes to local authority charging policies in respect of war veterans.

Mr I Fraser 26/9/17

HSCP Board Chair

Mrs S Manion 26/9/17

HSCP Chief Officer

26/9/17

Ms J Campbell

Chief Finance & Resources
Officer

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Integration Joint Board

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 board has 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 & Resources 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.

I confirm that these Annual Accounts were approved for signature at a meeting of the Audit Committee on 26th September 2017.

Signed on behalf of the East Dunbartonshire Integration Joint Board.

Mr I Fraser
IJB Chair

26/9/17

Responsibilities of the Chief Finance & Resources Officer

The Chief Finance & Resources Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and asset 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 & Resources 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 Code (in so far as it is compatible with legislation)

The Chief Finance & Resources Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the East Dunbartonshire Integration Joint Board as at 31 March 2017 and the transactions for the year then ended.

Ms J Campbell
Chief Finance &
Resources Officer

26/9/17

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.

Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by East Dunbartonshire Council and NHS Greater Glasgow & Clyde in equal numbers being three nominations from each partner agency. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board Non-Executive Director.

The remuneration of Senior Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulation 2007. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure, such as the Chair or Vice Chair of a committee, sub-committee or board (such as the Integration Joint Board).

The remuneration of Non-Executive Directors is regulated by the Remuneration Sub-committee which is a sub-committee of the Staff Governance Committee within the NHS Board. Its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorates.

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 borne by the partner. The details of the Chair and Vice Chair appointments and any taxable expenses paid by the IJB are shown below.

Taxable Expenses 2015/16 £	Name	Post(s) Held	Nominated by	Taxable Expenses 2016/17 £
Nil	R. Geekie	Chair (IJB) and Leader of the Council April 2016 to March 2017	East Dunbartonshire Council	Nil
Nil	I Fraser	Vice Chair (IJB) and Non- Executive Director April 2016 to March 2017	NHS Greater Glasgow & Clyde	Nil
Nil	M. O'Donnell	Board Member (IJB) and Councillor	East Dunbartonshire Council	Nil
Nil	A. McNair	Board Member (IJB) and Councillor	East Dunbartonshire Council	Nil
Nil	I. Ritchie	Board Member (IJB from 01/09/16) and Non-Executive Director	NHS Greater Glasgow	Nil
Nil	J Legg	Board Member (IJB from 01/09/16) and Non-Executive Director	NHS Greater Glasgow	Nil
Nil	Total			Nil

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. All staff working within the partnership are employed through either NHSGGC or East Dunbartonshire Council and remuneration for senior staff is reported through those bodies. This report contains information on the IJB Chief Officer and the Chief Finance & Resources Officer's remuneration together with details of any taxable expenses relating to IJB voting members claimed in the year.

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 will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB. The Chief Officer, Mrs Susan Manion, was appointed on the 12th December 2016 and is employed by NHS GG&C and seconded to the Integration Joint Board. The previous Chief Officer, Mrs Karen Murray retired on the 30th September 2016. An Interim Chief Officer was appointed for the intervening period, Mr James Hobson, however the costs attaching to this secondment were met by NHS GG&C.

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

The IJB Chief Finance & Resources Officer is employed by NHS GG&C. The Council and Health Board share the costs of all senior officer remunerations.

Total 2015/16 £	Senior Employees	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total 2016/17 £
70,000 -75,000 (Part year only from the 3 rd September 2015)	K. Murray Chief Officer 1 April 2016 to 30 September 2017	56,000 (Part year until the 30 th September 2016 - FYE 108,000)	0	56,000
0	S Manion Chief Officer 12 December 2016 to 31 March 2017	28,000 (Part year from the 12 December 2016 - FYE 90,000)	0	28,000
0	J. Campbell Chief Finance & Resources Officer 9 May 2016 to 31 March 2017	61,000 (Part year from the 9 May 2016 – FYE 68,000)	0	61,000
70,000 – 75,000	Total	145,000	0	145,000

FYE = Full Year Equivalent

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.

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 £000	As at 31/03/17 £000
K. Murray	17,000	8,000	Pension	-50	0
Chief Officer April 2016 to September 2016			Lump sum	-150	0
S. Manion	0	4,000	Pension	0 – 5	0 – 5
Chief Officer December 2016 to March 2017			Lump sum		0
J. Campbell	0	9,000	Pension	0 – 5	0 - 5
Chief Finance & Resources Officer May 2016-March 2017			Lump sum		0
Total	17,000	21,000	Pension	-40	0 - 10
			Lump Sum	-150	0

The officers detailed above are all members of the NHS Superannuation Scheme (Scotland). . The pension figures shown relates to the benefits that the person has accrued as a consequence of their current appointment and role within the IJB. The contractual liability for employer pension's contribution rests with NHS GG&C. On this basis there is no pension liability reflected on the HSCP Board balance sheet.

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2015/16	Remuneration Band	Number of Employees in Band 2016/17
	£50,000 - £54,999	3
	£55,000 - £59,999	2
	£60,000 - £64,999	2
	£65,000 - £69,999	
1	£70,000 - £74,999	3

Mr I Fraser
IJB Chair

26/9/17

Mrs S Manion
Chief Officer

26/9/17

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is placed on the NHS GG&C and East Dunbartonshire 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.

This is designed to manage risk to a reasonable level, but cannot eliminate the risk to failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The system of internal control is based on a framework designed to identify and prioritise the risks to the achievement of the Partnerships key outcomes, aims and objectives and comprises the structures, processes, cultures and values through which the partnership is directed and controlled.

The system of internal control is an ongoing process designed to identify and prioritise those risks that may impact the ability of the Partnership to deliver its aims and objectives. In doing so it evaluates the likelihood and impact of those risks and seeks to manage them efficiently, effectively and economically.

Governance arrangements have been in place throughout the year and up to the date of approval of the statement of accounts.

Key features of the governance framework during 2016/17 are:

- The Integration Joint Board (IJB) is a formal full partner of the East Dunbartonshire Community Planning Partnership Board (CPPB) and will provide regular relevant update to the CPPB on the work of the Health & Social Care Partnership
- The Integration Joint Board comprises six voting members – three non-executive Directors of the Health board and three local Councillors from the Local Authority. The Board are charged with responsibility for the planning of Integrated Services through directing the Council and the Health board to deliver on the strategic priorities set out in the Strategic Plan. In order to effectively discharge their responsibilities, board members are supported with a development programme aimed at providing opportunities to explore individual

member and Board collective responsibilities and values that facilitate decision making, develop understanding of service provision within the HSCP and engage with staff delivering these services and specific sessions on the conduct of the business of the IJB.

- IJBs are 'devolved public bodies' for the purposes of the Ethical Standards in Public Life (Scotland) Act 2000 which requires them to produce a code of conduct for members. The members of the IJB have adopted and signed up to the Code of Conduct for Members of Devolved Public Bodies and have committed to comply with the rules and regularly review their personal circumstances on an annual basis.
- The IJB has produced and adopted a Scheme of Administration that defines the powers, relationships and organisational aspects for the IJB. This includes the Integration Scheme (which was revised in June 2016), Standing Orders for meetings, Terms of reference and membership of IJB committees, the Scheme of Delegation to Officers and the Financial Regulations.
- The Strategic Plan for 2015-2018 was approved at the inaugural meeting of the HSCP Board on the 3rd September 2015. It sets out the identified strategic priorities for the HSCP under each of the nine national outcomes and describes for each priority what success will look like and the outcome measures to be used to monitor delivery. There is an established Strategic Planning Group (SPG) which oversees the delivery of the Strategic Plan comprising legislatively determined membership. This is supported by a range of planning groups to take forward particular priorities which reports through the SPG and to the IJB.
- Financial regulations have been developed for the Health & Social Care Partnership in accordance with the Integrated Resources Advisory Committee (IRAG) guidance and in consultation with the Director of Finance & Shared Services of East Dunbartonshire Council and the Assistant Director of Finance of NHS Greater Glasgow and Clyde. They set out the respective responsibilities of the Chief Officer and the Chief Finance & Resources Officer in the financial management of the monies delegated to the partnership.
- Establishment of an Audit Committee. The Audit Committee will advise the Partnership Board and its Chief Finance & Resources Officer on:
 - The strategic processes for risk, control and governance and the governance statement.
 - The financial governance and accounts of the Partnership Board, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
 - The planned activity and results of both internal and external audit as they relate to the activities of the Partnership Board.
 - The adequacy of management response to issues identified by audit activity, including external audit's management letter/report.
 - The effectiveness of the internal control environment.

- Assurances relating to the corporate governance requirements for the Partnership Board.
- Appointment of the internal audit service or for purchase of non-audit services from contractors who provide audit services.

Roles and Responsibilities of the Audit Committee and Chief Internal Auditor

Board members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Audit Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2017 (PSIAS) and two or three times per year monitors the performance of the Partnership's internal audit service. The appointed Chief Internal Auditor has responsibility to review independently and report to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of conformance with PSIAS.

The internal audit service undertakes an annual programme of work, approved by the Audit Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control. The East Dunbartonshire Council's Head of Internal Audit is the *de facto* Chief Internal Auditor for the Partnership. In this role, their assurance is based on the EDC internal audit reports relating to the Partnership for which they have direct responsibility. Assurance is always from a variety of sources, and one of those sources is the reports of the internal auditors (PwC) of NHS Greater Glasgow and Clyde that relate to the partnership as reported by the Chief Finance & Resources Officer.

The Chief Internal Auditor has conducted a review of all EDC produced Internal Audit reports issued in the financial year and Certificates of Assurance from the EDC and partnership Senior Management Team. In conclusion, although no system of internal control can provide absolute assurance nor can Internal Audit give that assurance, on the basis of audit work undertaken during the reporting period, there have been no significant issues reported by Internal Audit.

Furthermore, on the basis of the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control is operating effectively within the organisation. This can be evidenced through:-

- Performance Reporting – Regular performance reports are presented to the IJB to monitor progress on an agreed suite of measures and targets against the priorities set out in the strategic plan. This includes the provision of exception

reports for targets not being achieved identifying corrective action and steps to be taken to address performance not on target.

- Clinical and Care Governance arrangements have been developed and led locally by the Associate Clinical Director for the HSCP and involving the Chief Social Work Officer for East Dunbartonshire Council.
- A Risk Management Register has been developed which covers the partnership's risk policy, procedure, process, systems, risk management roles and responsibilities.
- Internal / External Review of Governance Arrangements – there has been specific work undertaken by each partners audit functions on the integrity of financial governance, financial assurance and risk assessment arrangements as they relate to the integration of adult health and social care services.
- Information Governance – the Public Records (Scotland) Act 2011 (Section 1(1)) requires the HSCP Board to prepare a Records Management Plan setting out the proper arrangements for the authority's public records. In addition, under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a Freedom of Information Publication Scheme – this was published in March 2017.

In relation to the entries taken from the Health Board and Council Accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Statements of Internal Financial Control where appropriate.

Review of Effectiveness

East Dunbartonshire IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. This review is informed by the work of the Chief Officer and the Senior Management Team who have responsibility for the development and maintenance of the governance environment, the Annual Governance Report, the work of internal audit functions for the respective partner organisations and also by comments made by external auditors and other review agencies and inspectorates.

The partnership has put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice.

A retrospective assessment of the partnership's compliance with the 'Delivering Good Governance in Local Government: Framework' was undertaken by Senior Officers and the outcome of this assessment was reported to the IJB on the 22nd June 2017. This identified that current practice across the partnership is broadly compliant with some areas for improvement detailed below.

On the basis of internal audit work, a range of audit assignments have been completed that are relevant to the operation of internal controls of relevance to the IJB. These were generally found to operate as intended with reasonable assurance provided on the integrity of control. A number of recommendations have been made for areas for further improvement and action plans developed to address the risks identified.

Internal audit reviews of NHS Greater Glasgow and Clyde as a whole reported the following issues that they considered should be reported in the health board's annual governance statement:

- Waiting times management and reporting (only limited assurance that action plans are completed and being used);
- IT Resilience (improvements to disaster recovery programme were required);
- Business continuity management (a lack of Board-wide and strategic direction to business continuity); and
- Reporting and monitoring arrangements of efficiency savings (further action is required in respect of unallocated savings plans at directorate level).

There have been regular Integration Joint Board meetings since the partnership came into being which have received a wide range of reports to enable effective scrutiny of the partnerships' performance including regular Chief Officer Updates, Financial reports, quarterly performance reports and service development reports which contribute to the delivery of the Strategic Plan. There been a number of development sessions for members as well as induction visits to some of the operational hubs of service delivery. These have been very positive and have resulted in a programme of development activities being agreed for 2017/18 including a re-visiting of some areas as a result of the newly appointed Councillors to the IJB following the local elections in May 2017.

Assurances have been provided on the adequacy of internal controls with Heads of Service accountable for ensuring these are adhered to through an annual checklist on compliance within their respective service areas with oversight by the Chief Officer.

An assessment was carried out, in retrospect, of the arrangements in place to ensure compliance with the principles set out in the 'Delivering Good Governance in Local Government: Framework' and the partnership was deemed to be compliant across the range of principles detailed.

Governance Improvement Plans

There are a number of areas of improvement identified which will be progressed during 2017/18 which will seek to enhance governance arrangements within the partnership:

- External Reports – there are a number of areas of scrutiny as partnerships develop and the HSCP will take cognisance of these and develop action plans which seek to improve governance arrangements in line with best practice.
- EDC Internal Audit Reports – There have been a number of areas subject to scrutiny through organisation internal audit processes including homecare, Clients budgetary accounts and direct payments which are of interest to the HSCP. These highlighted areas requiring further improvement and formal action plans have been developed to mitigate the risks identified – these will continue to be monitored for compliance during 2017/18, as are earlier reports.
- NHS GG&C internal audit reports that related to HSCP - There have been a number of areas subject to scrutiny, including delayed discharge (use of additional funding), HSCP governance arrangements, risk management and clinical governance. These will be subject to PwC processes for risk mitigation.
- Information Governance – The Public Records (Scotland Act) 2011 (Section 1(1)) requires the HSCP Board to prepare a Records Management Plan setting out the partnership's proper arrangements for its public records. Under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a freedom of information publication scheme to be approved by the Scottish Commissioner – this was published in March 2017. This will include the development and approval of a Complaints handling process for the partnership.
- Risk Management – the development of a HSCP risk register will be further enhanced by the development of a HSCP Risk Management Policy & Strategy.
- In April 2016 CIPFA/SOLACE published a report titled 'Delivering Good Governance in Local Government: Framework. A report was presented to the IJB on the 22nd June 2017 which formally adopted the principles set out within this document and established a local code of corporate governance for the partnership which will be subject to annual review with any improvement actions detailed and progressed to ensure performance against these principles. Areas for improvement included:
 - Defining outcomes in terms of sustainable economic, social and environmental benefits. The production of a financial plan for the partnership will improve performance in this area and work is underway to produce a medium to longer term financial plan alongside the next iteration of the Strategic Plan for 2018 – 2021.
 - Determining the interventions necessary to optimise the achievement of intended outcomes. Planning groups have been established within the partnership which will take forward detailed action plans on the delivery of strategic objectives and work is well developed in the area of unscheduled care, a key priority area.
- It was noted by Audit Scotland that there was no formal mechanism in place for the internal audit service provider for NHS Greater Glasgow & Clyde to consult with the Audit Committee regarding the audit work they planned to carry out in

relation to the Partnership, nor was there a protocol for PwC reports to be presented to the Audit Committee. An improved process is being discussed at the Audit & Risk Committee and will be progressed with the appointment of the new Chief Internal Auditor support the partnership with appropriate linkages established with the wider NHS Board audit work..

Assurance

The system of governance (including the system of internal control) operating during 2016/7 provides reasonable assurance that transactions are authorised and properly recorded; that material errors or irregularities are either prevented or detected within a timely period; and that significant risks impacting on the achievement of our strategic priorities and outcomes have been mitigated.

Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the East Dunbartonshire Integration Joint Board's systems of governance.

Mr I Fraser

26/9/17

IJB Chair

Mrs S Manion

26/9/17

Chief Officer

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

2015/16 Net Expenditure £000	Area of Expenditure	Gross Expenditure £000	Gross Income £000	2016/17 Net Expenditure £000
	<u>Local Authority Services:</u>			
24,064	Adults Services	57,220	(1,722)	55,498
0	Children & Criminal Justice Services	7,598	(692)	6,906
597	Other Council Services	959	0	959
24,661	Total Local Authority Services	65,777	(2,414)	63,363
	<u>Health Services:</u>			
7,222	Community Health Services	9,965	(842)	9,123
25,350	Family Health Services	44,715	(1,283)	43,431
5,913	Hosted – Oral Dental Health Services	10,999	(782)	10,217
9,570	Set Aside for Delegated Services provided in Acute Services	17,381		17,381
48,060	Total Health Services	83,060	(2,908)	80,152
17	IJB Operational Costs(note 5)	201		201
72,738	Cost of Services Directly Managed by ED HSCP	149,038	(5,322)	143,716
	Services Hosted by other NHS GG&C IJBs (note 11)	13,835	(1,403)	12,432
	Services hosted by East Dunbartonshire IJB for other IJB's (note 11)	(10,220)	718	(9,502)
72,738	Total Cost of Services to East Dunbartonshire IJB	152,653	(6,007)	146,646
(74,126)	Taxation and Non-Specific Grant Income (note 7)		(150,690)	(150,690)
(1,388)	(Surplus) or Deficit on Provision of Services	152,653	(156,697)	(4,044)
(1,388)	Total Comprehensive Income and Expenditure			(4,044)

The IJB was established on the 27th July 2015. Integrated delivery of health and care services did not commence until the 3rd September 2016 for all Adult health and Social Care services. There was an amendment to the Scheme of Establishment in August 2016 which brought all Children's Health, Social Work and Criminal Justice services within the responsibility of the IJB. Consequently the 2016/17 financial year is the first fully operational financial year for the IJB in the delivery of Adult health and Social Care Services and a part year for Children's Health, Social Work & Criminal Justice services. The figures above reflect this position.

Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2016/17	General Fund Balance	Ear-Marked Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2016	(1,177)	(211)	(1,388)
In Year drawdown of Reserves	7	146	153
Total Comprehensive Income and Expenditure	(1,539)	(2,505)	(4,044)
Increase or Decrease in 2016/17	(1,532)	(2,359)	(3,891)
Closing Balance at 31 March 2017	(2,709)	(2,570)	(5,279)

Movements in Reserves During 2015/16	General Fund Balance	Ear-Marked Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2015	0	0	0
Total Comprehensive Income and Expenditure	(1,177)	(211)	(1,388)
Increase or Decrease in 2015/16	(1,177)	(211)	(1,388)
Closing Balance at 31 March 2016	(1,177)	(211)	(1,388)

BALANCE SHEET

The Balance Sheet shows the value as at the 31st March 2017 of the IJB's assets and liabilities. 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
1,405	Short term Debtors	8	5,290
	Current Assets		
(17)	Short-term Creditors	9	(11)
	Current Liabilities		
1,388	Net Assets		5,279
1,388	Usable Reserve: General Fund	10	(2,709)
	Usable Reserve: Earmarked	10	(2,570)
1,388	Total Reserves		5,279

The unaudited accounts were issued on 22 June 2017 and the audited accounts were authorised for issue on 26 September 2017.

Ms J Campbell
Chief Finance &
Resources Officer

26/9/17

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

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 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 settlement in cash occurs. 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 and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, East Dunbartonshire Council and NHS Greater Glasgow & Clyde (NHS GG&C). Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in East Dunbartonshire.

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 on 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. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

Charges from funding partners for other staff are treated as administration costs.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet 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. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

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 Balance Sheet, 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 Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

Reserves

The IJB's reserves are classified as either Usable General or Usable Ear-marked Reserves.

The balance of the General Fund as at 31 March 2017 shows the extent of resources which the IJB can use in later years to support service provision and complies with the Reserves Strategy for the partnership.

The ear marked reserve shows the extent of resource available to support service re-design in achievement of the priorities set out in the Strategic Plan including monies which have been allocated for specific purposes but not spent in year.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. The NHS GG&C and East Dunbartonshire Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they 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 analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

2. Critical Judgements and Estimation Uncertainty

A critical judgement made in the Financial Statements relating to complex transactions is in respect of the values included for services hosted within East Dunbartonshire HSCP for other IJBs within the Greater Glasgow and Clyde area.

At the end of the financial year an assessment of costs associated with activity for these services related to non-East Dunbartonshire residents is made and an appropriate share of the costs is removed from the accounts of East Dunbartonshire HSCP Board and transferred to those other IJBs. The costs removed are based upon budgeted spend such that any overspend or underspend remains with the hosting partnership.

3. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance & Resources Officer on 26th September 2017. Events taking place after this date are not reflected in the financial statements or notes. 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.

4. Expenditure and Income Analysis by Nature

2015/16 £000		2016/17 £000
<u>Health Services</u>		
	Employee Costs	16,010
	Property Costs	2,256
	Supplies and Services	1,389
	Administration Costs	1,222
	Family Health Service	44,802
	Set Aside	17,381
	Hosted Services (net)	2,930
	Income	(2,908)
48,060	Total Health Services	83,082
<u>Social Work Services</u>		
	Employee Costs	16,910
	Property Costs	166
	Supplies and Services	914
	Contractors	46,661
	Transport	900
	Administrative Costs	225
	Income	(2,413)
24,661	Total Social Work Services	63,363
17	IJB Operational Costs	201
(74,126)	Partners Funding Contributions and Non-Specific	(150,690)
(1,388) Surplus or Deficit on the Provision of Services		(4,044)

5. IJB Operational Costs

2015/16 £000		2016/17 £000
	Staff Costs	184
17	Audit Fees	17
17 Total Operational Costs		201

External Audit Costs

The appointed Auditors to ED HSCP were Audit Scotland. Fees payable to Audit Scotland in respect of external audit service undertaken in accordance with the Code of Audit Practice in financial year 2016/17 were £17.4k, of which £5.8k was actually paid in year. Given the IJB cannot physically pay for invoices, this will be paid through the Council or the Health Board and charged as a cost in the IJB Accounts.

6. Support Services

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the Health Board and Council free of charge as a 'service in kind'. The support services provided is mainly

comprised of: provision of the Interim Chief Officer (*for the period September 2016 – December 2016*), financial management and accountancy support, human resources, legal, committee administration services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

All support services provided to the IJB were considered not material to these accounts.

7. Taxation and Non-Specific Grant Income

£000		2016/17 £000
26,059	Funding Contribution from East Dunbartonshire Council	50,963
48,067	Funding Contribution from NHS Greater Glasgow & Clyde	99,727
74,126	Taxation and Non-specific Grant Income	150,690

The funding contribution from the NHS Board shown above includes £17.4m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources. The NHS Contribution also includes an element relating to the usage of services hosted by other IJB's on behalf of East Dunbartonshire (net contribution £2.9m).

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

8. Debtors

31 March 2016 £000		31 March 2017 £000
7	NHS Greater Glasgow & Clyde	1,380
1398	East Dunbartonshire Council	3,910
	Non-public sector	
1,405	Debtors	5,290

The short term debtor relates to the reported surplus on the respective health and social care expenditure and is money held by the parent bodies as reserves available to the partnership.

9. Creditors

31 March 2016		31 March 2017
£000		£000
	NHS Greater Glasgow & Clyde	
17	East Dunbartonshire Council	11
17 Creditors		11

There short term creditor relates to fees owed to Audit Scotland in respect of the audit fee for 2016/17. for 2016/17. The fee payable for the year is £17.4k, of which £5.8k was actually paid in year.

10. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- 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.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

2015/16				2016/17			
Balance at 1 April 2015	Transfers Out 2015/16	Transfers In 2015/16	Balance at 31 March 2016		Transfers Out 2016/17	Transfers In 2016/17	Balance at 31 March 2017
£000	£000	£000	£000		£000	£000	£000
0	0	(86)	(86)	Scottish Govt. Funding - SDS	86	(106)	(106)
		(36)	(36)	Mental Health project	0		(36)
		(29)	(29)	Delayed Discharge			(29)
		(60)	(60)	Communications Post	60		0
				Social Care Fund		(1,704)	(1,704)
0	0	0	0	Keys to Life Funding		(11)	(11)
0	0	0	0	Autism Funding		(19)	(19)
				Police Scotland – CPC Funding		(5)	(5)
				Integrated Care / Delayed Discharge Funding		(523)	(523)
0				Oral Health Funding		(138)	(138)
	0	(211)	(211)	Total Earmarked	146	(2,506)	(2,571)
0	0	(1,177)	(1,177)	Contingency	7	(1,538)	(2,708)

0	0	(1,388)	(1,388)	General Fund	153	(4,044)	(5,279)
---	---	---------	---------	--------------	-----	---------	---------

11. Agency Income and Expenditure

On behalf of all IJBs within the NHS Greater Glasgow & Clyde area, the IJB acts as the lead manager for Oral Dental Health services. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the 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
Expenditure on Agency Services – Oral Health	9,502
Reimbursement for Agency Services	(9,502)
0 Net Agency Expenditure excluded from the CIES	0

Similarly, other IJBs within the NHS Greater Glasgow and Clyde area act as the lead manager for a number of delegated services on behalf of East Dunbartonshire IJB. The payments that are made by the other IJBs on behalf of East Dunbartonshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement, since this expenditure is incurred for the residents of East Dunbartonshire.

The net amount of expenditure and income relating to those agency arrangements is shown below.

2015/16 £000	2016/17 £000
MSK Physio	524
Retinal Screening	61
Podiatry	506
Primary Care Support	408
Continence	379
Sexual Health	656
Earning Disability	91
Mental Health Services	1,546
Addiction	948
Prison Healthcare	153
Healthcare in Police Custody	176
General Psychiatry	2,374
Old Age Psychiatry	4,610
Reimbursement for Agency Services	(12,432)
0 Net Agency Expenditure excluded from the CIES	0

12. Related Party Transactions

The IJB has related party relationships with the NHS Greater Glasgow & Clyde Health Board and the East Dunbartonshire Council. 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.

Transactions with NHS Greater Glasgow & Clyde

2015/16 £000		2016/17 £000
(48,067)	Funding Contributions received from the NHS Board	(99,727)
48,060	Expenditure on Services Provided by the NHS Board	83,082
	Key Management Personnel: Non-Voting Board Members	92
	Support Services	0
(7) Net Transactions with the NHS Board		(16,553)

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Chief Finance & Resources Officer. These costs are met in equal share by the NHS GG&C and East Dunbartonshire Council. The details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Balances with NHS Greater Glasgow & Clyde

31 March 2016 £000		31 March 2017 £000
7	Debtor balances: Amounts due from the NHS Board	1,380
	Creditor balances: Amounts due to the NHS Board	0
7 Net Balance with the NHS Board		1,380

Transactions with East Dunbartonshire Council

2015/16 £000		2016/17 £000
(26,059)	Funding Contributions received from the Council	(50,963)
24,661	Expenditure on Services Provided by the Council	63,363
	Key Management Personnel: Non-Voting Board Members	98
	Support Services	0
1,398 Net Transactions with the Council		12,498

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Chief Finance & Resources Officer. These costs are met in equal share by the NHS GG&C and East Dunbartonshire Council. The details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Balances with East Dunbartonshire Council

31 March 2016 £000		31 March 2017 £000
1,398	Debtor balances: Amounts due from the Council	3,910
	Creditor balances: Amounts due to the Council	0
1,398	Net Balance with the Council	3,910

13. Contingent Assets & Liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent liabilities or assets also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts where they are deemed material.

The IJB is not aware of any material contingent asset or liability as at the 31st March 2017.

14. VAT

The HSCP Board is not a taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure in the HSCP Board's accounts depends on which of the partner organisations is providing the service as these agencies are treated differently for VAT purposes.

The services provided to the HSCP Board by the Chief Officer are outside the scope of VAT as they are undertaken under a special legal regime.

Independent auditor's report to the members of East Dunbartonshire 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 East Dunbartonshire 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, 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 the East Dunbartonshire 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 the East Dunbartonshire 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 Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial 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 Financial 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 the East Dunbartonshire Integration Joint Board and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial 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 Financial 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.

Fiona Mitchell-Knight
Assistant Director of Audit
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

26 September 2017