



Angus Integration Joint Board - Annual Accounts 2015/16

Contents

Management Commentary	pages 1-4
Annual Governance Statement	pages 5-6
Remuneration Report	pages 7-9
The Statement of Responsibilities	page 10
Comprehensive Income and Expenditure Statement	page 11
Balance Sheet	page 11
Notes to the Accounts	pages 12-15
Note 1 – Statement of Accounting Policies	
Note 2 – Accounting Standards Issued, Not Adopted	
Note 3 – Non Specific Grant Income	
Note 4 – Corporate Expenditure	
Note 5 – External Audit Costs	
Note 6 – Related Parties	
Note 7 – Events after the Balance Sheet Date	
Note 8 – Contingent Liabilities	
Independent Auditor's report	pages 16-17

Management Commentary

1. Introduction

Angus Integration Joint Board (Angus IJB) was established on 3rd October 2015 as a body corporate by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014. This set of annual accounts is the IJB's first set of annual accounts and covers the period from 3rd October 2015 to 31st March 2016. 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 2015/16.

This Management Commentary outlines key messages regarding the objectives and strategy of the Angus IJB and its financial reporting for the 2015/16 financial year and also provides an indication of issues and risks which may impact upon the finances of 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 will be delegated by the Parties to Angus IJB from 1st April 2016. For the financial year 2015/16, the IJB was established but had not taken on responsibility for the delivery of functions.

The IJB's Strategic Plan for 2016-2019 was approved at a meeting of Angus IJB Board on 23rd 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.

The intention of the legislation in bringing about the new arrangements is to provide:

- Better Services and Outcomes - to improve services and supports for patients, carers, service users and their families*
- Better Integration - to provide seamless, joined-up quality health & social care for people in their homes or in a homely setting where it is safe to do so*
- Improved Efficiencies - to ensure that resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer term and often complex needs, many of whom are older.*

Integration will allow us to think innovatively about how a growing population of people in need of support can be supported differently and how we can respond to peoples' expressed wishes to remain at home for longer. Our multi-agency approach will be delivered through working in four localities that make up Angus, delegating financial responsibility over time so more locally based decisions can be made on appropriate services. The partnership will also continue to work with NHS secondary care to reduce avoidable admissions to hospital, to reduce the need for emergency admissions to hospital, and to secure discharge from hospital at the earliest opportunity.

The vision for health and social care in Angus is one which is shared not just within the integrated organisation, but with our communities. Our vision and priorities have been tested through public engagement in a range of different ways, including at locality commissioning events held in September 2015. There has been significant support for our ... identified priorities."

3. Financial Management

The IJB's finances are overseen by the IJB's Chief Finance Officer, appointed in October 2015, 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, for example, Finance, Human Resources and Committee Services support without charge to Angus IJB.

The IJB has developed the financial governance infrastructure required to allow it to assume new responsibilities from 1st April 2016 including the development of local financial regulations and the creation of an Audit Committee.

The 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. For 2015/16, the IJB was non-operational and consequently there are only a small number of transactions to report in the Annual Accounts. The quantity of information included in future years Annual Accounts will increase to reflect the responsibilities undertaken from 1st April 2016.

The 2015/16 Annual Accounts comprise:-

- a) Comprehensive Income and Expenditure Statement for the period;
- b) Balance Sheet
- c) Notes, comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2015/16 do not include a Movement in Reserves Statement or a Cash Flow Statement for the period as these are nil or not relevant to the structure of the IJB for the period to March 31st 2016. The IJB had nil reserves at 3 October 2015 and 31 March 2016, the start and end of the accounting period but it has a reserves policy for future years. In addition, the IJB does not hold any cash or cash equivalents.

4. Financial Outlook

Angus IJB's Strategic Plan included an "Annual Financial Statement" that noted the IJB's budgets of £157m for 2016/17 comprising £44m devolved from Angus Council and £113m devolved from NHS Tayside. There will be a need to develop financial planning across the whole breadth of the partnership, to develop the financial planning regarding localities and Large Hospital services 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 recently 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 in 2016/17 reflect the need to deliver significant efficiencies.

Efficiency initiatives totalling £2.466m (rising to £2.566m in 2017/18) associated with Angus Council resources devolved to the Partnership, have been developed and approved through Angus Council and are reflected in the budget settlement between Angus Council and Angus HSCP.

Efficiency savings targets for 2016/17 associated with NHS Tayside resources being devolved to the Partnership have been set at 5.5% as part of the budget settlement between NHS Tayside and Angus HSCP. This is as described in NHS Tayside's "Financial Framework 2016/17-2020/21". For IJB Services (excluding Prescribing) this equates to c£2.6m. Plans to deliver these savings are at an early stage of formulation.

In addition, Angus HSCP has a significant forecast variance (over £2.0m) between historic General Practice Prescribing costs and associated budgets for 2016/17 (noting these budgets are after allowing for a 5.5% efficiency savings target). Prescribing will continue to be a major focus for Angus HSCP and major factor in financial planning in 2016/17 and beyond.

Decisions regarding working towards savings targets and managing services within available resources will be taken forward through due planning and governance procedures.

As with 2016/17, future financial planning assumptions for both Angus Council and NHS Tayside will form part of the discussion regarding the resources available to Angus IJB in future years. Both Angus Council and NHS Tayside have published medium term financial plans that set out the scale of efficiencies they are required to make for 2016/17 and estimates for future years. These are set out in the table below to provide context to the environment Angus IJB will operate within. While there is a defined process for agreeing resources that will be devolved to Angus IJB from both partners, this process will be undertaken against the background of the constraint faced by both partners.

Partner	2017/18	2018/19
Angus Council ¹	5.4%	4.3%
NHS Tayside ²	1.3%	1.2%

Notes

1. This information is an extract of Angus Councils Medium Term Financial Strategy (September 2015)

2. *This information is derived from NHS Tayside 2016/17 Financial Framework – 2016/17 – 2020/21. These figures assume that all planned 2016/17 savings are delivered on a recurring basis, NHS Tayside's Financial Framework assumes 40% of 2016/17 savings are delivered on a recurring basis with consequent impact on future years."*

The IJB will also monitor closely the 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 position of Angus IJB.

5. Management of Risk

Throughout 2015/16 the IJB has monitored the risks associated with the implementation phase of Health and Social Care Integration. This included reviewing risks associated with financial governance issues, partnership scoping, financial planning, budgetary issues and reporting frameworks. A final update regarding the risks associated with implementation was set out for the IJB Board in May 2016.

There are ongoing risks that are still under consideration including a review of the budget settlement with NHS Tayside (June 2016) and a planned review of the budget settlement with Angus Council (August 2016).

The most significant risks faced by the IJB over the short and medium term are deliverability of devolved savings targets from NHS Tayside, viability of the devolved Prescribing budget from NHS Tayside, the financial implications of the implementation of the Scottish Living Wage within the context of the initial 2016/17 budget settlement with Angus Council and risks associated with Partnership Funds (funds received from the Scottish Government) in future years.

AS set out in the Angus Integration Joint Board Integration Scheme, for the financial years 2016/17 and 2017/18, any unresolved IJB year end overspends will be the responsibility of the Partner with operational responsibility for service delivery of any overspending services.

6. 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.

In May 2016, Angus IJB Board received a report setting out work on Performance reporting to date and approving collaboration with Dundee and Perth and Kinross Partnerships to develop a common reporting platform with an agreed suite of indicators for adoption at a Tayside-wide level.

Angus IJB's first annual performance report will be for the reporting year 2016/17.

7. 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: http://www.angus.gov.uk/downloads/file/1900/angus_integration_scheme

Angus IJB Strategic Plan:

http://www.angus.gov.uk/downloads/download/356/health_and_social_care_partnership_strategic_plan_2016-19

Angus IJB publishes all formal Board papers at: <http://www.angus.gov.uk/downloads/20448/meetings>

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.

8. Conclusion and Acknowledgements

We are pleased to record that during 2015/16 the IJB successfully completed all the necessary requirements to allow it to undertake the delivery of Services and plan for service delivery from 1st April 2016. We acknowledge this 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 challenging financial circumstances it also plans to take advantage of the important opportunities available through Health and Social Care Integration to best deliver affordable health and social care services for the population of Angus.

Vicky Irons	Councillor Glennis Middleton	Alexander Berry
Chief Officer	Chairperson	Chief Finance Officer
31 August 2016	31 August 2016	31 August 2016

Annual Governance Statement

Introduction

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

In October 2015, the Scottish Government approved the Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1st April 2016. During 2015/16, Angus IJB was therefore operating with a governance framework suitable for the implementation phase of the IJB while developing a governance framework in preparation for April 2016 when it assumes operational responsibilities. On that basis this governance statement is set out to describe the position in terms of the 2015/16 governance framework and the work undertaken to prepare for 2016/17, to provide an indication of the areas for future development in our governance and to provide a view regarding overall effectiveness of the IJB's governance framework.

2015/16 Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the board is directed and controlled. It enables the board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The IJBs governance framework continues to evolve but the elements in place during 2015/16 were built around the following:-

- The appointment of a Chief Officer in May 2015 and a Chief Finance Officer in October 2015.
- Regular meetings of the Board which comprises 6 voting members and 12 non-executive directors and, prior to October 2015, regular meetings of a Shadow Board.
- Regular development sessions for IJB Board members.
- Regular meetings of a Strategic Planning Group throughout the year to assist the development of the IJB's Strategic Plan. The Strategic Plan was approved in March 2016.
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors.
- Appointment of Audit Scotland as External Auditors for financial year 2015/16.
- Completion of a significant financial assurance process which reviewed the resources being devolved to the IJB and assessed the adequacy of the proposed devolved budgets. In line with Scottish Government guidance, this process was reviewed by Angus IJB's Internal Auditors who provided assurance that the due diligence processes undertaken comprehensively covered the requirements of the national financial assurance guidance and, in their view, the reports to the Angus IJB provided a full and detailed picture of the financial position of the budgets in scope. In addition, in their opinion, the due diligence and summary of risks reports met all the requirements of the national financial assurance guidance in relation to risk assessment and they commended the approach taken in providing IJB members with an overall view of financial risks

Preparations for 2016/17

In March 2016, the IJB Board approved a Strategic Plan setting out the direction of the IJB for the period 2016-2019. The Strategic Plan included Angus IJB's Annual Financial Statement setting out the available budgets. During the year, the IJB approved a series of processes and documents to further enhance its evolving governance from 2016/17 as follows:-

- Financial regulations
- Standing Orders
- Code of Conduct
- Scheme of Delegation
- Agreeing formation of an Audit Committee including remit and responsibilities
- Directions to Partners
- Risk Strategy
- Complaints handling
- Performance Framework
- Clinical and Care Governance framework
- Agreement of Internal Audit arrangements
- Staff Governance and Organisation Development plan
- Approval of Scottish Accord in the Sharing of Personal Information(SASPI) protocols
- Appointment of Standards Officer.

These will be reviewed as appropriate to ensure they remain fit for purpose as the IJB's role develops.

Future Developments

There are a number of areas of development required in 2016/17, many of these follow on from work already undertaken or will flow from Internal Audit recommendations or the outcomes of other assessments. The developments will include:-

- Initial meetings of Audit Committee.
- Confirmation of 2016/17 Internal Audit plan.
- Undertaking Performance Management in line with agreed procedures.
- Progressing Clinical and Care Governance in line with agreed plan.
- The IJB will seek to address any gaps in governance identified by the Internal Audit of the self – assessment.
- The IJB's full management reporting structures will be confirmed in the early part of 2016/17 as new management structures are embedded.
- Hosting arrangements will be finalised with other Tayside IJBs in a tri-partite agreement.

While there remain a number of areas of governance that are work in progress, it is the view of the IJB Chief Officer and Chairperson that at 31 March 2016, progress with governance arrangement was sufficient to allow the IJB to successfully take on its agreed responsibilities. It is also the accepted position of the Chief Officer and Chairperson that a number of reviews and revisions will be required during 2016/17.

Review of Effectiveness

The IJB has responsibility for reviewing the effectiveness of its control environment including the system of internal control. As this is a transitional year, it is too early to formally assess the effectiveness of the governance framework, however the following assurances are available to support current progress.

The IJB has also undertaken a review of its overall governance framework using a self assessment checklist compiled by the IJB's 2015/16 Internal Auditors. Angus IJB's Internal Audits have produced an Annual Internal Audit Report and that report concluded that the Chief Internal Auditor view was "The IJB had adequate and effective internal controls in place proportionate to its responsibilities in 2015/16". The report also noted that the content of the Governance Statement was consistent with the information Internal Audit were aware of from their work.

The IJB will also undertake to consider self-assessment checklists included in Audit Scotland audits of Health and Social Care Integration published in December 2015 and March 2016.

The role of the Chief Finance Officer in Angus IJB generally complies with the five principles contained in the CIPFA Statement on the role of the Chief Finance Officer in Local Government. In 2016/17, the detailed governance requirements and Chief Finance Officer responsibilities, personal skills and professional standards set out in the Statement will be reviewed further.

Going forward, reviews of the effectiveness of the IJB's control environment will consider a range of assurances provided by the Chief Officer, Chief Finance Officer, NHS Tayside and Angus Council and from the work of Internal Audit and External Audit and other inspection agencies.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Angus IJB's evolving systems of governance and that current progress demonstrates compliance with generally accepted standards of good corporate governance. It is also noted that the IJB expects to review and develop its systems further during 2016/17.

Vicky Irons	Councillor Glennis Middleton
Chief Officer	Chairperson
31 August 2016	31 August 2016

Angus IJB Remuneration Report for the period 3 October 2015 to 31 March 2016

Background

The Local Authority Accounts (Scotland) Amendment Regulations 2014 (“The 2014 Regulations”) require Integration Joint Boards to prepare a Remuneration Report as part of the annual statutory accounts.

In accordance with this requirement this report sets out:-

- The number of employees whose remuneration was in excess of £50,000 per annum;
- The remuneration and pension rights of senior employees.

For employees employed through NHS Tayside the remuneration arrangements and performance appraisal of Executive Directors and Senior Managers are 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.

Remuneration policy is determined by the Cabinet Secretary for NHS Scotland employers and directed through official circulars. This is regulated through a National Performance Management Committee (NPMC), established to assure Ministers and public on the robustness of the performance management and appraisal processes for Executives across NHS Scotland and to ensure that any increases in pay are only made on evidence-based performance, and the National Evaluation Committee which holds responsibility for senior job grading - and is unique in the UK in this respect. In light of wider public sector financial pressure, the effective management of senior salaries remains a key feature, as is the targeted reduction of overall senior management numbers. All decisions made by the Remuneration Committee are consistent with this policy framework.

The remainder of the employment package is the same as other members of staff in respect of pension and other entitlements. Executives and senior managers above certain salary levels will pay higher proportionate contributions to the pension scheme. All executives were required to agree to new contracts when the revised pay arrangements were introduced in 2005. This included a standard contract with a 3 month notice period. There are no specific termination payments. These are in line with the Agenda for Change Handbook.

Senior officers and board members

Both the Chief Officer and Chief Finance Officer of Angus IJB are employed by NHS Tayside. While the IJB is not empowered to directly employ staff, it has a legal requirement to employ a chief officer and, for the purposes of the Remuneration Report, the Chief Officer is regarded as an employee of the IJB and her post is funded by the IJB.

Angus IJB has 6 voting members and 8 non-voting members reflecting the Integration Scheme as follows:-

Voting Members:-

Angus Council

Councillor Glennis Middleton – Chair
Councillor Jim Houston
Councillor David May

NHS Tayside

Hugh Robertson, Non Executive Board Member
Judith Golden, Non Executive Board Member
Alison Rogers, Non Executive Board Member

Non-voting Members:-

Vicky Irons, Chief Officer
Tim Armstrong, Chief Social Work Officer
Alison Myles, Carers Representative
Mavis Leask, Staff Representative (Angus Council)
Chris Curnin, Independent Sector Representative
David Barrowman, Service User Representative

Alexander Berry, Chief Finance Officer
Douglas Lowdon, Registered Medical Practitioner
Sue Mackie, Registered Nurse
Neil Prentice, Third Sector Representative
Lesley McCallum, Staff Representative, NHS Tayside
Andrew Thomson, Registered Medical Practitioner
(Primary Medical Services)

Councillors and non-executive board members do not receive remuneration or allowances from the IJB but are remunerated by the relevant partner body.

Remuneration of Senior Employees

The following table provides details of the remuneration paid to Angus IJB's senior officers for the period 3 October 2015 to 31 March 2016. During this accounting period, there was only the Chief Officer.

Post	Senior Employee	Salary, fees & allowances £	Taxable Expenses £	Non-cash expenses £	Total Remuneration £
Chief Officer	V Irons ¹	50,510	0	0	50,510
Total		50,510	0	0	50,510

Notes

1. V Irons was in post from 01 May 2015

General Disclosure of Employees by Remuneration Band

The following table details the number of employees whose remuneration was in excess of £50,000 per annum. The employee figures include local government employees (LGE), NHS employees (NHS) and chief officials (CO) (based upon the post the employee occupied at 31 March). The figures therefore include those senior employees on which additional remuneration information is provided in the table above.

Remuneration Band	2015/16		2015/16	
	LGE	NHS	CO	TOTAL
£50,000 - £54,999	0	1	0	0
£55,000 - £59,999	0	0	0	0
£60,000 - £64,999	0	0	0	0
£65,000 - £69,999	0	0	0	0
£70,000 - £74,999	0	0	0	0
£75,000 - £79,999	0	0	0	0
£80,000 - £84,999	0	0	0	0
£85,000 - £89,999	0	0	0	0
£90,000 - £94,999	0	0	0	0
£95,000 - £99,999	0	0	0	0
Total	0	1	0	0

Pension Benefits – Senior Employees

The pension entitlements of senior employees for the period 3 October 2015 to 31 March 2016 (accounting period) are shown in the table below, together with the contribution made by NHS Tayside (as the employer) to each senior employee's pension during the year. All senior employees shown in the table are members of the NHS Superannuation Scheme and the accrued pension benefit figures shown are those that the individual has accrued as consequence of their total NHS service in previous posts, with Angus IJB or has transferred into the Fund from another employer.

The IJB is expected to fund employer pension contributions as they become payable during the period of the chief officer's service. On this basis there is no pensions liability reflected on the IJB balance sheet.

Post	Senior Employee	In Year Pension Contributions paid by NHS Tayside to the Pension Fund accounting period to 31/3/16 £	In Year Pension Contributions paid by NHS Tayside to the Pension Fund accounting period to 31/3/16 £	Accrued Pension Benefit at 31/3/16 £	Accrued Pension Benefit at 31/3/16 lump sum £
Chief Officer	V Irons	5,978	N/A	24,540	69,147
Total	TOTAL	5,978	N/A	24,540	69,147

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	Councillor Glennis Middleton
Chief Officer	Chairperson – Angus IJB
31 August 2016	31 August 2016

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 31 August 2016.

Signed on behalf of Angus Integration Joint Board

Councillor Glennis Middleton
Chairperson of Angus Integration Joint Board
31 August 2016

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Integration Joint Boards 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 2016 and its income and expenditure for the period then ended.

Alexander Berry
Chief Finance Officer
31 August 2016

Comprehensive Income and Expenditure Statement for the period 3 October 2015 to 31 March 2016

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

	2015/16			
	Gross Spend £000	Gross Income £000	Net Spend £000	Net Budget £000
Corporate Services Expenditure (Note 4)	94	0	94	94
Cost Of Services	94	0	94	94
Non-Specific Grant Income (Note 3)			(94)	
(Surplus) or Deficit on Provision of Services			0	
Total Comprehensive Income and Expenditure			0	

Balance Sheet as at 31 March 2016

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the authority (assets less liabilities) are matched by the reserves held by the Board.

	31/03/2016 £000
Current Assets	
Short term debtors	5
Current Liabilities	
Short term creditors	5
Net Assets	0
Reserves	0

The accounts were issued for audit on the 29 June 2016 and the audited accounts were authorised for issue by the Chief Finance Officer on the 31 August 2016.

Alexander Berry
 Chief Finance Officer
 31 August 2016

Note 1 – Statement of Accounting Policies

A. General Principles

The Annual Accounts summarise the IJB's transactions for the period 3 October 2015 to 31 March 2016 and its position at 31 March 2016. The IJB is required to prepare annual accounts by the Local Authority Accounts (Scotland) Regulations 2014, with Section 12 of the Local Government in Scotland Act 2003 requiring them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of certain assets.

B. 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:

- Revenue from the sale of goods is recognised when the IJB transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the IJB;
- Revenue from the provision of services is recognised when the IJB can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the IJB;
- Supplies are recorded as expenditure when they are consumed;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

C. Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:-

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events. However, where a category of events would have a material effect, a disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

D. Non-specific Grants and Contributions

Whether paid on account, by instalments or in arrears, grants and third party contributions and donations are recognised as due to the IJB when there is reasonable assurance that:-

- the IJB will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the IJB are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the person or body providing the grant or contribution.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants / contributions) or Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

For 2015/16 income received from NHS Tayside and Angus Council to support costs of services is treated as a "Non-specific Grant Income".

E. Overheads and Support Services

For the period 3 October 2015 to 31 March 2016, 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.

F. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that is likely to require settlement by a transfer of economic benefits or service potential and where a reliable estimate can be made of the amount of the obligation. For instance, the IJB may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the IJB becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision within the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service where there is certainty that reimbursement will be receivable if the IJB settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the IJB a possible obligation 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 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 liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the IJB a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

G. Clinical and Medical Negligence

The IJB is a member of the CNORIS (Clinical Negligence and other Risks Indemnity Scheme). Under this arrangement, the IJB is responsible for meeting negligence claims up to a certain threshold. Costs above the threshold are reimbursed to the IJB from a central fund as part of the CNORIS arrangements.

The IJB would make provision for claims notified by the NHS Central Legal Office according to the value of the claim and the probability of settlement. Where a claim was not provided for in full the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts provided for would be recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

H. Reserves

The IJB is able to hold reserves albeit these will be reserve held through one of the Partner agencies as the IJB will not directly hold cash balances. Reserves may be designated for specific purposes (e.g. in line with Scottish Government directions) or for the general purposes of the IJB. In the latter case, these balances will need to be considered in the context of the overall financial position of the IJB as per the Integrations Scheme (sections 8.17, 8.21, 8.22).

I. 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 - Accounting Standards Issued, but Have not Yet Been Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/17 Code:

- Amendments to IAS 19 *Employee Benefits* (Defined Benefit Plans: Employee Contributions)
- Annual Improvements to IFRSs 2010 – 2012 Cycle
- Amendment to IFRS 11 *Joint Arrangements* (Accounting for Acquisitions of Interests in Joint Operations)
- Amendment to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* (Clarification of Acceptable Methods of Depreciation and Amortisation)
- Annual Improvements to IFRSs 2012 – 2014 Cycle
- Amendment to IAS 1 *Presentation of Financial Statements*
- The changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis.

The implementation of the above amendments are not expected to have a material impact on the 2016/17 financial statements.

Note 3 - Non Specific Grant Income

	2015/16 £000
Contributions	(94)
Total	(94)

The "Contributions" received by Angus IJB represent the funding provided by the Parties (NHS Tayside and Angus Council) to support the costs of the IJB.

Note 4 – Corporate Services Expenditure

	2015/16 £000
Staff Costs	88
Administrative costs	1
Audit Fees (Note 5)	5
Total	94

Administrative cost includes the costs associated with membership of CNORIS as described in Note 1.

Note 5 - External Audit Costs

The IJB has incurred the following costs in relation to the audit of the Annual Accounts carried out by the Board's external auditors:

	2015/16 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the period	5

The fees payable to Audit Scotland will be paid after 31st March 2016. These fees and associated contributions from NHS Tayside are therefore reflected in the IJB's Balance Sheet at 31st March 2016.

Note 6 - 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 was 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 undertakes material transactions with Angus Council and NHS Tayside. Transactions and balances outstanding are detailed in Tables 1 & 2 below.

Table 1 - Related Parties – income and expenditure

During the year, transactions with related parties arose as follows:

	2015/16 Expenditure £000	2015/16 Income £000
Angus Council	44	44
NHS Tayside	50	50
Total	94	94

Table 2 - Related Parties – debtors and creditors

Amounts at the end of the financial year, either due to or by the IJB, were all in accordance with normal business and there were no material issues as to the question of the amounts being properly due.

	2015/16 Creditors £000	2015/16 Debtors £000
Angus Council	0	0
NHS Tayside	5	5
Total	5	5

Note 7 – Events after the Balance Sheet Date

The unaudited annual accounts were authorised for issue on 29 June 2016. Events taking place after this date are not reflected in the annual accounts or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the annual accounts and notes have been adjusted in all material respects to reflect the impact of this information. No such adjustments have been required.

Note 8 – Contingent liabilities

There are no contingent liabilities at 31 March 2016.

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

I certify that I have audited the financial statements of Angus Integration Joint Board for the period 3 October 2015 to 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet and the related notes. 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 2015/16 (the 2015/16 Code).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 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. In addition, I 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.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the Board as at 31 March 2016 and of the income and expenditure of the Board for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 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.

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government.

I have nothing to report in respect of these matters.

Stephen Boyle
Assistant Director
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
GLASGOW
G2 1BT

5 September 2016