

2. INTRODUCTION

- 2.1 The Integration Joint Board is required to produce an audited set of annual accounts for 2021-22. The unaudited accounts were produced in line with the agreed timetable and statutory timescales and approved by the Audit & Risk Committee on 28 June 2022 for publication and submission to external audit. The Audit process is now complete and the audited accounts require to be approved by the Integration Joint Board prior to 30 November 2022 as a result of the agreed extended deadlines in place for IJB financial reporting.

3. DETAIL OF REPORT

- 3.1 The Integration Joint Board 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 Authorities Accounting in the United Kingdom supported by International Financial Reporting Standards (IFRS) unless legislation or statutory guidance requires different treatment.
- 3.2 The Annual Accounts are subject to independent audit by Audit Scotland and some minor changes have been made in respect of disclosures and the narrative contained within the report. There has also been one change to the figures initially presented which was to add £395k (net) to both income and expenditure. This has had no impact on the net expenditure position and has not changed the closing reserves balances or the repayment of debt to the council. The adjustment related to the way in which PPE related income and expenditure is accounted for by Argyll & Bute Council. The Audited Annual Accounts for 2021-22 are included as Appendix 1, these incorporate the Independent Auditors Report.
- 3.3 Audit Scotland are able to conclude that the Integration Joint Board present a true and fair view of the financial performance of the IJB during the year. The Independent Auditors Report provides further information on the audit process and basis of the opinion. It is acknowledged that the IJB is highly dependent upon both partners in respect of financial accounting processes and systems.
- 3.4 Audit Scotland have prepared an Annual Audit Report for consideration by the IJB (Appendix 2). This indicates that the auditors are content with financial accounting and reporting and concludes that governance and arrangements for securing value for money were likewise appropriate during the year. Whilst the report makes no recommendations for improvement in respect of financial stewardship or reporting, it does make recommendations in respect of the wider operating environment and the financial sustainability challenge currently faced by the HSCP. The recommendations and the management responses are included in the Audit Scotland report and relate to:

Financial Sustainability; and
Performance Reporting.

In respect of financial management and governance, Audit Scotland conclude:

*Senior management and members receive regular and accurate
have concluded*

Reserves	
Opening Reserves Balance	6,586
Spend against opening reserves	(3,555)
Unspent funds allocated to reserves	18,166
Closing Reserves	21,196

Of the closing reserves, £20.5m is earmarked for specific purposes which align to the purposes for which they were allocated (mostly by the Scottish Government). The HSCP is reporting a general underspend of £682k and it has

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

8.1 None

9. RISK ASSESSMENT

9.1 There are no changes to the risk register arising from the contents of this report. The improved financial position is reflected in a reduced level of risk in respect of financial sustainability. The reserves position means that there is risk that
The Auditor has highlighted the medium term risk relating to financial sustainability and the outlook for funding of public services going forward.

10. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

10.1 The unaudited annual accounts were made publicly available for comment. The accounts will be made publicly available by the HSCP and the Annual Audit Report will be published by Audit Scotland.

11. CONCLUSIONS

11.1 The Audited Annual Accounts for 2021-22 require to be approved by the IJB by 30 November. These were audited by Audit Scotland, the IJB external auditors, and an