



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

30 OCTOBER 2023

ANNUAL ACCOUNTS 2022/23

**Report by Interim Chief Finance Officer
(Report No. G/23/148)**

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2023 to the Audit & Performance Committee for approval.

1. RECOMMENDATION(S)

It is recommended that the Audit & Performance Committee:

- (i) Note the contents of Audit Scotland's Annual Audit Report to Perth & Kinross IJB and the Controller of Audit on the 2022/23 Audit;
- (ii) Approve the Audited Annual Accounts for 2022/23;
- (iii) Approve the Letter of Representation for signature by the Interim Chief Finance Officer.

2. BACKGROUND

On 26 June 2023 the Audit and Performance Committee approved the Unaudited Annual Accounts for 2022/23. The Unaudited Annual Accounts for 2022/23 were then submitted to Audit Scotland on 30 June 2023. The Annual Accounts were prepared in accordance with the 2022 CIPFA Code of Practice on Local Authority Accounting ('the code'). These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014. The Unaudited Annual Accounts were available for public inspection between 3 July 2023 and 21 July 2023 (inclusive). Audit Scotland, the IJB's external auditors, received no objections during this period.

3. ANNUAL ACCOUNTS 2022/23

The audit of the Annual Accounts took place between July and October 2023 during which Audit Scotland considered whether the Annual Accounts 2022/23:

- Gave a true and fair view in accordance with applicable law and the 2022 Code of the state of the affairs of the IJB as at 31 March 2023 and of its income and expenditure of the IJB for the year then ended;
- Had been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2022 Code;
- Had 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.

4. CONCLUSION

Audit Scotland’s findings are set out in the 2022/23 Annual Audit Report to Perth & Kinross IJB and the Controller of Audit (Appendix 1) with the key messages from the 2022/23 audit set out on page 3. These are summarised as follows:

- Audit opinions on the annual accounts of the IJB are unmodified;
- The unaudited annual accounts were provided within the agreed timescales and were of a good standard;
- The IJB has appropriate and effective financial management arrangements in place. The IJB had an operational “in-year” underspend of £4m, with the use of reserves (including paying back Covid-19 reserves) taking the IJB to a total £16m deficit in-year;
- The IJB still has reserves of £17 million available to support developments, of these £9.5 million are general reserves and £7.5 million are earmarked;
- Medium-term financial plans have been developed which show a recurring budget deficit of £1 million in 2024/25 and £1.5 million in 2025/26;
- The governance arrangements are appropriate and support effective scrutiny, challenge and informed decision-making;
- Recruitment challenges remain a significant risk for the IJB;
- The IJB plans to conduct a self-assessment in 2023/24 to ensure it is complying with Best Value;
- The IJB’s performance was mixed in 2022/23.

The Audited Accounts are attached to this report at Appendix 2.

The Audit and Performance Committee are asked to approve the letter of Representation as attached at Appendix 3 for signature by the Interim Chief Finance Officer.

Author(s)

Name	Designation	Contact Details
Donna Mitchell	Interim Chief Finance Officer	tay.pkijbbusinesssupport@nhs.scot

Appendices

1. Annual Audit Report to Perth and Kinross Integration Joint Board and the Controller of Audit
2. 2022/23 Audited Annual Accounts
3. Letter of Representation