



Council Building  
2 High Street  
Perth  
PH1 5PH

24/10/2023

A hybrid meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** will be held in the **Council Chamber** on **Monday, 30 October 2023** at **14:00**.

If you have any queries please contact Committee Services - [Committee@pkc.gov.uk](mailto:Committee@pkc.gov.uk).

**Jacquie Pepper**  
Chief Officer – Health and Social Care Partnership

***Please note that the meeting will be streamed live via Microsoft Teams, a link to the Broadcast can be found via the Perth and Kinross Council website. A recording will also be made publicly available on the Integration Joint Board pages of the Perth and Kinross Council website following the meeting.***

**Members**

Beth Hamilton, Tayside NHS Board (Chair)  
Martin Black, Tayside NHS Board  
Councillor David Illingworth, Perth and Kinross Council  
Councillor Sheila McCole, Perth and Kinross Council  
Bernie Campbell, Carer Public Partner  
Sandy Watts, Third Sector Forum



**Audit and Performance Committee of the Perth and Kinross Integration Joint  
Board**  
**Monday, 30 October 2023**

**AGENDA**

- 1 WELCOME AND APOLOGIES/SUBSTITUTES**
  
- 2 DECLARATIONS OF INTEREST**  
Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the [Perth and Kinross Integration Joint Board Code of Conduct](#).
  
- 3 GOVERNANCE & ASSURANCE**
  
- 3.1 INTERNAL AUDIT PROGRESS REPORT** **5 - 8**  
Report by Chief Internal Auditor (copy herewith G/23/145)
  
- 3.2 INTERNAL AUDIT STRATEGY AND PLAN 2023/24** **9 - 14**  
Report by Chief Internal Auditor (copy herewith G/23/146)
  
- 4 AUDITED ANNUAL ACCOUNTS 2022/23**
  
- 4.1 ASSURANCES RECEIVED FROM PARTNERS** **15 - 26**  
Report by Interim Chief Finance Officer (copy herewith G/23/147)
  
- 4.2 ANNUAL ACCOUNTS 2022/23** **27 - 110**  
Report by Interim Chief Finance Officer (copy herewith G/23/148)
  
- 5 PRIVATE DISCUSSION**
  
- 6 DATE OF NEXT MEETINGS**  
Monday 11 December 2023  
Monday 11 March 2024  
Monday 24 June 2024  
Monday 29 July 2024  
Monday 23 September 2024  
Monday 5 November 2024  
Monday 26 February 2025

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.



## PERTH AND KINROSS INTEGRATION JOINT BOARD

### AUDIT & PERFORMANCE COMMITTEE

30 October 2023

### INTERNAL AUDIT PROGRESS REPORT

Report by Chief Internal Auditor  
(Report No. G/23/145)

#### PURPOSE OF REPORT

The purpose of this report is to provide the Audit & Performance Committee with an update on progress in relation to Internal Audit's planned activity.

#### 1. BACKGROUND

The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit and Performance Committee in internal activity and on performance relative to the approved annual plan. This report contains information provided by the Chief Internal Auditor for that purpose.

#### 2. PROGRESS

Since the last report to the Audit and Performance Committee, Internal Audit has continued to work on the assignments from the approved Internal Audit Plans, as detailed in Appendix 1.

Assignment 22-03, Premises and Property, has commenced and is being taken forward by NHS Internal Audit colleagues. This is currently at fieldwork stage and anticipated to be completed shortly.

An update of work completed in relation to 22-01 Leadership Capacity was provided to the Committee in June 2023, along with the pausing of assignment 22-02, sustainability of Commissioned Service Providers due to resourcing issues within the Partnership.

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

### 3. RECOMMENDATION

The Audit & Performance Committee is asked to note the progress made in the delivery of the 2022/23 plan.

### 4. CONSULTATION

The Interim Chief Finance Officer has been consulted on the content of this paper.

#### Author(s)

Name	Designation	Contact Details
J Clark	Chief Internal Auditor	<a href="mailto:InternalAudit@pkc.gov.uk">InternalAudit@pkc.gov.uk</a>

### APPENDICES

1. Internal Audit Plan Progress

## Appendix 1

## Internal Audit Plans Progress Report October 2023

2022/23								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
PKIJB 22-01	Leadership Capacity	To provide assurance of the capacity within the leadership team for the delivery of strategic objectives	June 2023	✓	✓	✓	✓	N/A
PKIJB 22/02	Sustainability of Commissioned Service Providers	To review the sustainability of commissioned service providers	Not applicable	✓	Paused for inclusion within the 2023/24 Internal Audit Plan			
PKIJB 22/03	Premises and Property	To provide assurance over the risks arising from premises and property which support the delivery of services on behalf of the IJB.	March 2024	✓	✓			







## PERTH AND KINROSS INTEGRATION JOINT BOARD

### AUDIT & PERFORMANCE COMMITTEE

30 October 2023

### INTERNAL AUDIT STRATEGY & PLAN 2023/24

Report by Chief Internal Auditor  
(Report No. G/23/146)

#### PURPOSE OF REPORT

The purpose of this report is to seek approval of the Annual Internal Audit Plan for Perth & Kinross Integration Joint Board for 2023/24.

#### 1. BACKGROUND

Internal Audit, as defined in the Public Sector Internal Audit Standards (PSIAS), is an independent, objective assurance and consulting activity designed to add value and improve the effectiveness of an organisation's operations. It helps the Integration Joint Board (IJB) to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes.

The PSIAS require the Chief Internal Auditor to prepare a risk based Internal Audit Plan (the Plan) setting out the team's annual work programme. The Plan should take account of the IJB's objectives, risk and performance management arrangements.

As stated in the Scottish Government's Integrated Resources Advisory Group (IRAG) guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. Perth & Kinross Council's Chief Internal Auditor was appointed as Chief Internal Auditor for the IJB in July 2020.

Resources to deliver the plan will be provided by the Perth & Kinross Council and NHS Tayside Internal Audit services. A total of 40 days have been included in the 2023/24 Internal Audit Plans of the statutory partners.

## **2. APPROACH**

The strategy for Internal Audit is to deliver a risk based Internal Audit Service by designing planned activity around the key risks to the IJB achieving its objectives. Internal Audit also aims to add value to the organisation by ensuring that there is appropriate and enabling risk management, governance and controls in place.

In order to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a review of the arrangements which have been put in place for the identification and assessment of risks has been undertaken. In addition, evidence provided to support the Annual Governance Statement, submissions to the Ministerial Steering Group and the response to the outcomes from the external inspection have been taken into consideration.

A mapping exercise was undertaken comparing Internal Audit activity for the IJB with the most recently considered Risk Register. This was also considered in line with the strategic priorities of the Integration Joint Board. The review highlighted areas for consideration for inclusion within the Plan and discussions subsequently took place with the Chief Officer and the interim Chief Finance Officer to arrive at an achievable Plan for the current year, with potential areas highlighted for timing in future Internal Audit plans.

It was agreed in the June meeting of the Audit & Performance Committee ([Report G/23/91](#) refers) that the planned audit of the sustainability of Commissioned Service providers would be delayed until the autumn as a result of a specific resourcing issue within the Partnership. This assignment has been included within the Internal Audit Plan for 2023/24.

Of the 10 Strategic Risks highlighted to the Audit & Performance Committee in June 2023, Internal Audit assurance activity has yet to be considered for 4 risk areas, 2 of which are Priority 1 risks. These areas are therefore included within the Internal Audit Plan for 2023/24. It is noted that work is ongoing relating to the Internal Audit of SR14 Premises.

The Plan also takes account of the assurances which can be provided to the IJB based on work performed under the Internal Audit plans of both Perth & Kinross Council and NHS Tayside, once approved.

## **3. PLANNED INTERNAL AUDIT ACTIVITY**

The Audit Plan is designed to provide the Chief Internal Auditor with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls. The Plan for 2023/24 has been designed to target the priority issues and risks identified during the course of the review outlined in section 2 above.

In addition to the specific assignments, resources will be allocated to undertake the planning and management of the Internal Audit service, along with supporting the work of the Audit & Performance Committee of the IJB.

This will include the provision of the Annual Report, as required by PSIAS, and ensuring the adequacy of the implementation of agreed audit actions.

The following specific assignments have been highlighted for review during the year:

Reference	Title	Indicative Scope
PKIJB 23-01	Sustainability of commissioned service providers	To review the sustainability of commissioned service providers.
PKIJB 23-02	Workforce	To provide assurance over the management of the workforce planning risks
PKIJB 23-03	Joint Equipment Loans Store	To ensure the efficient and effective provision of services which supports people in their own homes.

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

#### 4. RECOMMENDATION

The Audit & Performance Committee is asked to approve the Internal Audit Strategy and Plan for 2023/24.

#### 5. CONSULTATION

The Chief Officer and Chief Finance Officer have been consulted on the content of this paper.

#### Author(s)

Name	Designation	Contact Details
J Clark	Chief Internal Auditor	<a href="mailto:InternalAudit@pkc.gov.uk">InternalAudit@pkc.gov.uk</a>

#### APPENDICES

1. Internal Audit Plan



2022/23								
	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work in progress	Draft Issued	Completed	Grade
N/A	Audit Planning	Agreeing audit universe and preparation of strategic plan	September 2022	✓	✓	✓	✓	N/A
N/A	Audit Management	Liaison with managers and Directors and attendance at Audit & Performance Committee	Ongoing	Ongoing				N/A
	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	June 2023	✓	✓	✓	✓	N/A
PKIJB 22-01	Leadership Capacity	To provide assurance of the capacity within the leadership team for the delivery of strategic objectives.	June 2023	✓	✓	✓	✓	N/A
PKIJB 22-02	Sustainability of Commissioned Service Providers	To review the sustainability of commissioned service providers.	March 2024	✓	Agreed to be delayed to 2023/24			
PKIJB 22-03	Premises and Property	To provide assurance over the risks arising from premises and property which support the delivery of services on behalf of the IJB	March 2024	✓	✓			
2023/24								
N/A	Audit Planning	Agreeing audit universe and preparation of strategic plan	October 2023	✓	✓	✓	✓	N/A
N/A	Audit Management	Liaison with managers and Directors and attendance at Audit & Performance Committee	Ongoing	Ongoing				N/A
	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	June 2024					
PKIJB 23-01	Sustainability of Commissioned Service Providers	To review the sustainability of commissioned service providers.	March 2024					
PKIJB 23-02	Workforce Planning	To provide assurance over the management of the workforce planning risks	June 2024					
PKIJB 23-03	Joint Equipment Loans Store	To ensure the efficient and effective provision of services which supports people in their own homes	June 2024					





## PERTH AND KINROSS INTEGRATION JOINT BOARD

### AUDIT & PERFORMANCE COMMITTEE

30 October 2023

### ASSURANCES RECEIVED FROM PARTNERS

Report by Interim Chief Finance Officer  
(Report No. G/23/147)

#### PURPOSE OF REPORT

The purpose of this report is to provide assurance to the Integration Joint Board (IJB) of the effectiveness of the governance arrangements within Perth and Kinross Council (PKC), NHS Tayside (NHST) and the two Tayside IJBs during 2022/2023.

#### 1. RECOMMENDATIONS

It is recommended that the Audit & Performance Committee: -

- (i) Note the assurance that has been received around the effectiveness of governance arrangements in NHS Tayside and Angus IJB;
- (ii) Note that assurance of effective governance arrangements in Dundee IJB and Perth and Kinross Council is expected by the end of the calendar year.

#### 2. BACKGROUND

- 2.1 On an annual basis the IJB has to include a Governance Statement within its Annual Accounts. Perth & Kinross IJB considered and approved their Draft 2022/23 Annual Governance Statement (AGS) at its June 2023 meeting ([paper G/23/93](#)). In this draft AGS it was stated that the wider internal control framework includes a reliance on the procedures, processes and systems of the IJB's partner organisations. A formal mechanism to receive this assurance on effective governance arrangements requires to be put in place. Perth and Kinross IJB has also committed to provide assurance on the effectiveness of its governance arrangements to NHS Tayside, Perth and Kinross Council and the other Tayside IJBs (reflecting Perth and Kinross IJB's Lead Partner role in Tayside wide delegated services on behalf of these IJBs). This was duly completed in October 2023.
- 2.2 It has been agreed with NHS Tayside that they would share their 2022/23 Annual Governance Statement with Perth & Kinross IJB as the vehicle for

providing assurance. NHS Tayside's Annual Governance Statement was considered within their Annual Accounts approved at NHS Tayside's Board meeting of on 29th June 2022. The Annual Governance Statement concluded by noting: - "As the appointed Accountable Officer, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March 2023." This consequently provides the required assurance to Perth & Kinross IJB regarding governance arrangements in place within NHS Tayside and the effectiveness of internal controls including procurement and fraud.

- 2.3 Formal correspondence regarding assurance has been received from the Chair of Angus IJB's Audit Committee confirming that adequate and effective governance arrangements were in place throughout Angus IJB during 2022/23. This is attached at Appendix 1.
- 2.4 Dundee IJB's Internal Audit report for 2022/23 concluded by stating that "it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Dundee City Integration Joint Board's governance arrangements", thus providing a level of assurance to P&K IJB whilst formal assurance from Dundee IJB is awaited following the conclusion of their external audit in December 2023. A verbal update on this will be provided to this Committee at its next meeting in December 2023.
- 2.5 Perth & Kinross Council has approved a Governance Statement which also concludes positively on the adequacy and effectiveness of internal controls, accompanied by an Annual Internal Audit Report which concludes that reasonable reliance can be placed on the Council's risk management and governance arrangements, and systems of internal control for 2022/23, subject to management implementation of the agreed actions detailed in Internal Audit reports. Formal assurance is expected to be received from Perth & Kinross Council following their external Audit in December 2023. A verbal update on this will be provided to this Committee at its next meeting in December 2023.
- 2.6 Regular assurance is provided to the IJB that NHS Tayside and Perth & Kinross Council have effective and robust systems in place in respect of Clinical, Care and Professional Governance for integrated health and social care services via receipt of an assurance report at each Audit and Performance Committee meeting.

### **3. CONCLUSION**

- 3.1 The IJB's Audit and Performance Committee should note the assurance that has been received from two of its partners confirming the adequacy and effectiveness of the governance arrangements which were in place during 2022/23. It is anticipated that formal assurance from the remaining two partners will be received before the end of 2023 and a further update provided to the Committee. Perth & Kinross IJB has provided assurance to all its



partners that adequate and effective governance arrangements were in place during 2022/23.

**Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Donna Mitchell	Interim Chief Finance Officer	<a href="mailto:tay.pkijbbusinesssupport@nhs.scot">tay.pkijbbusinesssupport@nhs.scot</a>

**APPENDICES**

1. Letter of Assurance 2022/23 from Angus IJB



Your Ref:  
Our Ref: SB/JR

Date: 4 July 2023



Bob Benson  
Chair, Perth and Kinross IJB  
Perth & Kinross Council Offices  
3rd Floor  
2 High Street  
PERTH  
PH1 5PH

Dear Mr Benson

**ASSURANCES PROVIDED BY ANGUS INTEGRATION JOINT BOARD**

As you will be aware, Angus Integration Joint Board (Angus IJB) has responsibility for delegated services as described in the IJB's Integration Scheme. This includes over-seeing a range of Lead Partner Services on behalf of all 3 Tayside Integration Joint Boards. Since its inception the IJB has had an Audit Committee with devolved responsibility for a range of governance issues including assessing the adequacy and effectiveness of systems of internal control. As Chair of Angus IJB Audit Committee, considering the work undertaken by Angus IJB Audit Committee in the year 2022/23, I can confirm that adequate and effective governance arrangements were in place throughout Angus IJB during the year 2022/23.

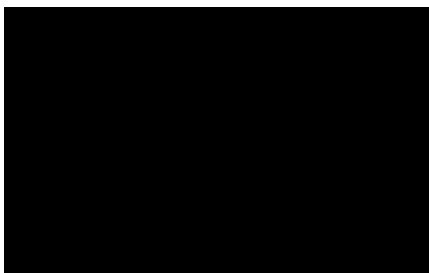
This is further described in Angus IJB's Annual Governance Statement attached at appendix 1, as considered at the IJB's Audit Committee of 21st June 2023.

In terms of further assurance and information, a copy of Angus IJB's 2022/23 Annual Internal Audit Report can be found at:-

- [2022/23 ANNUAL INTERNAL AUDIT REPORT](#)
- [Angus IJB Internal Audit Service Annual Internal Audit Report 2022/2023](#)

I trust the above is of assistance.

Yours sincerely



**Andrew Jack**  
**Chairperson, on behalf of Angus Integration Joint Board Audit Committee**

cc Donna Mitchell, Chief Finance Officer, Perth & Kinross Integration Joint Board  
Alexander Berry, Chief Finance Officer, Angus Integration Joint Board.

Appendix 1: Angus IJB Annual Governance Statement 2022/23

# Appendix 1: Annual Governance Statement

## Annual Governance Statement

### Introduction

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1<sup>st</sup> April 2016. Angus IJB duly assumed responsibility for services from 1<sup>st</sup> April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1<sup>st</sup> April 2016. During 2022 a revised Integration Scheme was developed. This was considered and supported by NHS Tayside and Angus Council (the parties to the agreement) in June 2022 and the revisions to the Integrations Scheme then received Ministerial approval in November 2022.

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

### Scope and Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk and to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Angus 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. Reliance is similarly placed on Dundee IJB and Perth & Kinross IJB with respect to lead partner services.

The system can only provide reasonable and not absolute assurance of effectiveness.

### The Governance Framework and System of Internal Control

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members, including a Chief Officer appointed by the Board. Board membership during 2022/23 is documented in the Angus IJB Remuneration Report within the Annual Accounts.

Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising five further IJB members. During 2022/23, the Audit Committee met five times, including one special meeting. The Audit Committee conducts its business in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Audit Committees: Practical Guidance for Local Authorities and Police" guidance. The Audit Committee's membership at the year-end was as follows:-

Andrew Jack (Chair of Audit Committee, attended 5 of 5 meetings)  
Chris Boyle (attended 3 of 5 meetings)  
Peter Burke (attended 5 of 5 meetings)  
Kathryn Lindsay (Vice Chair of Audit Committee, attended 5 of 5 meetings)  
Hayley Mearns (attended 2 of 5 meetings)  
Councillor George Meechan (attended 3 of 3 meetings)  
Elaine Henry (attended 0 of 0 meetings)

In June 2022, Andrew Jack became Chair of the Audit Committee replacing Councillor Julie Bell [attended 1 of 1 meeting]. Kathryn Lindsay was appointed as Vice-Chair of the Audit Committee replacing Andrew Jack.

During the financial year, Councillor George Meechan joined the Audit Committee, replacing Councillor Julie Bell, and attended his first meeting in August 2022. Peter Davidson resigned from the Audit Committee (attended 3 of 5 meetings) when he was appointed Vice Chair of the IJB and in February 2023 was replaced by Elaine Henry.

The main features of the ongoing governance framework in existence during 2022/23 were:

- Approved updated Integration Scheme, Standing Orders and Financial Regulations (updated April 2023).

- Bi-monthly public meetings of the IJB, with two additional special meetings of the IJB in May 2022 and March 2023. The requirement to hold additional special meetings does reflect the dynamic environment the IJB is operating in.
- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Management Team meetings.
- Weekly Leadership Management Team meetings.
- The Strategic Planning Group met five times in 2022/23 overseeing the IJB's Strategic Plan and its implementation and updating.
- Monthly Clinical, Care and Professional Governance forum.
- Bi-monthly Staff Partnership forum.
- Audit Committee with responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments or audits of the IJB, scrutinising the Annual Accounts and Governance Statement of the IJB and monitoring the progress with "Directions" issued by the IJB. The Audit Committee fulfils its remit in compliance with CIPFA's "Audit Committees – Practical Guidance for Local Authorities and Police".
- The IJB's Audit Committee holds an annual "private" meeting between the IJB's Internal and External Auditors and the members of the IJB's Audit Committee.
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors for the financial years 2022/23 to 2026/27.
- Chief Officer in post for duration of 2022/23.
- Chief Finance Officer in post for the duration of 2022/23 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support provided by both NHS Tayside and Angus Council. The responsibility for management of associated NHS finance staff and Angus Council finance staff is devolved to the Chief Finance Officer enabling a fully integrated finance team.
- In depth review of the "Role of the Chief Finance Officer in Local Government".

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2022/23 this included the following:

- Implementation of the IJB's Risk Management Strategy and revision and enhancements to risk management arrangements and processes.
- Establishment of Performance Steering Group with associated improved performance reporting framework.
- Provision of regular financial monitoring reports to the IJB.
- Provision of regular budget settlement reports.
- Provision of regular Strategic Financial Planning reports to the IJB.
- Approval and delivery of an Annual Internal Audit Plan.
- Further increased issuing of "Direction" to the IJB's Partner organisations and the approval of a new Directions Policy and Procedure in August 2022.
- Implementation of complaints handling procedure in line with partner organisations, noting improvement work continues to be progressed.
- Ongoing monitoring of Clinical, Care and Professional Governance arrangements including required reporting to partner bodies.
- Implementation of the IJB's GDPR (General Data Protection Regulation) protocols.
- Reliance on the procedures, processes and systems of Partner organisations for which assurance is received from Partner bodies.
- Development of IJB Risk Appetite.
- Approved a new Equalities Mainstreaming Report (August 2022).
- Approval of a 2022-2025 Workforce Plan with annual monitoring.
- IJB has reviewed governance structures of the sub-committees and has strengthened these reporting arrangements.

During 2022/23, the Audit Committee considered outputs from previous years internal audit reports including reports in respect of Commissioned Services (77/22) and Sustainability of Primary Care (84/22). For both reports, the Audit Opinion on the level of assurance was of "Limited Assurance" only. A series of action points have been agreed for each Audit and these will be followed up respectively through the IJB's Audit Committee and, for Primary Care as it was a joint Internal Audit, through the NHS Tayside Audit follow up

processes. The Committee also monitored progress regarding the 2022/23 audit plan which included assignments for financial management and workforce.

As reported to the Audit Committee in December 2022 a number of IJB governance documents needed to be refreshed this included the Financial Regulations (updated to April 2023), IJB Reserves Policy (updated June 2023) and the IJB Scheme of Delegation which is currently being updated.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA publication) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA publication). The Chief Internal Auditor reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair and members of the IJB Audit Committee on any matter and the right to submit reports directly to the Audit Committee. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee.

## **COVID-19**

In April 2022 the IJB approved that the Partnership no longer maintain a separate COVID-19 remobilisation plan reflecting Scottish Government guidance, but that remaining remobilisation priorities are reflected in the Partnership's Strategic Commissioning Plans (overarching and care group specific) and individual service plans.

## **Mental Health – Governance Arrangements**

Following the production of the "Independent Inquiry into Mental Health Services in Tayside: Trust and Respect" in February 2020, an action plan, "Listen. Learn. Change", was produced in 2020 and subsequently an associated strategy, "Living Life Well (LLW)". However, at the time, no regional implementation plan was progressed in response to the strategy. In 2021/22, an Independent Assurance and Oversight Group (IAOG) was established by the Scottish Government with a remit to provide independent assurance to the Minister for Mental Wellbeing and Social Care about progress being made in relation to recommendations made in the February 2020 Trust and Respect report. In June 2022 Angus IJB approved a local implementation plan for LLW describing how this would be implemented across Angus in the absence of a regional implementation plan, the report also highlighted how Angus would continue to contribute to regional work and discussions.

The final report of the IAOG regarding Tayside's Mental Health Services was published in January 2023 following a 12-month period of engagement with a range of key stakeholders across Tayside. The publication included as an appendix the Tayside Executive Partners collective assessment of their delivery of their leadership promise set out in Living Life Well in the form of a 135-page report with Red Amber Green (RAG) rated progress against the recommendations set out in the Trust and Respect Report.

By March 2023, Angus IJB approved a Tayside Mental Health and Learning Disabilities Improvement Plan prepared in response to six recommendations set out in the January 2023 IAOG final report. The plan is set in the context of a revised governance structure and work to refine the priorities which had been identified in the earlier Living Life Well Strategy and includes clear priorities, outcomes and timelines. This plan will be monitored closely regionally and by Angus IJB during 2023/24.

In March 2020, the Scottish Government confirmed that the operational management for in-patient Mental Health Services in Tayside would transfer from Integration Authorities (Perth and Kinross IJB) to NHS Tayside. It was also confirmed that strategic responsibility for Mental Health services remains with IJBs.

The Mental Health arrangements regarding financial governance do still need to be refined to ensure a shared collective understanding of remits and responsibilities including financial risk sharing. This has been the subject of ongoing discussion during 2022/23 with an anticipation of resolution in the early part of 2023/24. Further, the March 2023 "Tayside Mental Health and Learning Disabilities Improvement Plan" notes that progress needs to be made to develop an improved financial framework and financial recovery actions for Mental Health Services.

## **Adult Protection**

Previous Annual Governance Statements have noted issues with regard to Adult Protection and 2022/23 has seen a continued rise in Adult Protection and Adults with Incapacity work in the Angus HSCP. This increase in activity has created significant demand-capacity challenges in the relevant services, which the Partnership has responded to by providing additional social work and support staff for the care management teams and care at home services.

In 2022/23 Angus was subject to an adult protection inspection. This was led by the Care Inspectorate in collaboration with Healthcare Improvement Scotland and His Majesty's Inspectorate of Constabulary in

Scotland, to seek assurance that adults at risk of harm in Scotland are supported and protected by existing national and local adult support and protection arrangements. The results were very positive and the inspection concluded that the partnership's key processes for adult support and protection were very effective and demonstrated major strengths supporting positive experiences and outcomes for adults at risk of harm. A multi-agency improvement plan has been developed to progress areas of improvement arising from the inspection. This has been approved by the Angus Adult Protection Committee, the Care Inspectorate and the Angus Chief Officer's group. Responsibility for monitoring progress of the actions within the improvement plan has been allocated to the Angus Adult Protection Self Evaluation and Continuous Improvement Subgroup. This is a subgroup of the Angus Adult Protection Committee. This sub group will report on progress to the Angus Adult Protection Committee who will report on progress to the Angus Chief Officers group.

There is further activity in the area of adult protection overseen by the Angus Adult Protection Committee (AAPC) and supported by the Partnership's Clinical Care Professional Governance Group (CCPG) including:

- In February 2022 the IJB noted the ongoing work of the Adult Protection Committee partners to finalise a multi-agency improvement plan in response to the Significant Case Review. A sub group was established in 2022 to progress the improvement plan and report to an External Scrutiny panel. Very good progress has been made across Angus HSCP and Angus Council on completion of their actions throughout 2022/23.
- The Adult Protection Improvement Plan arising from a large-scale audit of Partnership Adult Support and Protection activity in November 2021 has been completed.
- Angus Adult Protection Self Evaluation and Continuous Improvement subgroup are responsible for monitoring progress of the learning review oversight document containing all learning reviews outstanding actions undertaken by the AAPC. There are 5 current learning reviews (excluding SCR P19) and the oversight contains 4 actions for progression by Angus HSCP. These are co-ordinated through Angus HSCP monthly adult protection meetings.
- The AAPC and CCPG both have risk frameworks for adult protection, which are reviewed regularly. Adult Protection reports are submitted to the Tayside Chief Officers Group and to the IJB.

### **Adults With Incapacity**

During 2022/23, Angus Council's Internal Audit team undertook an Internal Audit regarding Adults with Incapacity. This reviewed procedures within Adult Social Care, delivered through Angus Council by Angus Health and Social Care Partnership, to ensure compliance with Office of the Public Guardian and Mental Welfare Commission for Scotland requirements in relation to recording guardianships for Adults with Incapacity. This report was considered at Angus Council's Scrutiny and Audit Committee on 25 April 2023 and it was noted that the outcome of the audit was one of "No Assurance".

It was agreed at the April 2023 Committee, that a full review of our Guardianship process is required. This is underway and an action plan has been developed to support this. All actions are progressing with the aim to have the full review completed by October 2023. This item will be followed up through the IJB's Audit Committee alongside feedback to Angus Council.

### **Income Management**

During 2019/20 the IJB, in conjunction with Angus Council, initiated a review of its overall income management processes to seek to address some emerging operational issues. This work was initially delayed due to COVID-19 issues and resource to address this issue were only identified from early 2021. In June 2021, the IJB's Internal Auditors provided a consultancy-type report on this issue. Since then a working group has met regularly to progress improvements plans. However, the momentum has not been as expected with progress being limited during 2022/23. Since April 2023, a detailed improvement plan has been agreed and this plan is being implemented at pace.

### **Development Issues**

The IJB is required to review the effectiveness of its governance structures regularly. The IJB acknowledges that as an increasingly mature organisation, albeit working in a complicated environment and having had to withstand the pressures of COVID-19 from March 2020, further development and review of governance structures is still required.

In recent years, the IJB's Annual Governance Statement has noted a number of governance "Areas for Improvement". An update is provided as follows: –



Area for Improvement	Lead Officer	Status in 2022/23	Proposals for 2023/24
Development of Large hospital Set Aside arrangements in conjunction with NHS Tayside	Chief Officer/Chief Finance Officer	Last report to IJB was in June 2021 with progress delayed due to COVID-19. Discussions continue to progress with NHS Tayside regarding alternative way of considering activity associated with these resources and the IJB has reached preliminary agreement with NHS Tayside regarding a process to manage changes in the volumes of services used. This will be developed in 2023/24.	Updates to be provided to IJB Board re both current status and future developments. Continue to progress discussion with NHS Tayside including work through Planned Care and Unscheduled Care Boards. It is anticipated this will be the subject of reports to the IJB in 2023/24.
Development of improved Lead Partner Services arrangements in conjunction with neighbouring IJBs	Chief Officer/Chief Finance Officer	Work has progressed with governance reporting.	Update to be provided to Audit Committee on the development of consolidated Finance reporting.
Review Corporate Support Arrangements	Chief Officer	During 2022/23, the IJB continued to note that these arrangements required review. It was also noted that the updating of the IJB's Integration Scheme could have been a vehicle for resolving these issues but that this did not happen.	The IJB will review this issue and consider practicalities of making improvements and managing within current arrangements.
Inpatient Mental Health Services	Chief Officer/Chief Finance Officer	Ongoing complex discussions regarding the financial pressures within the service with the 2022/23 position only being agreed with NHS Tayside in May 2023.	Update to be provided to the IJB Board on the future financial risk sharing arrangements on Inpatient Mental Health Services
Develop roles and responsibilities against the Civil Contingencies Act	Chief Officer	Good Progress with services reviewing their business continuity plans against a new integrated planning framework. However, there has been limited progress with the development and delivery of an integrated emergency planning and response framework due to capacity.	The IJB will ensure capacity is in place to address remaining requirements and updates to be reported to the IJB Audit Committee.
Review of the Information Governance Strategy	Chief Officer	Capacity to develop proposals to complete this review has been limited.	The IJB has ensured capacity is in place to close out remaining actions and updates to be reported to the IJB Audit Committee.
Review strategic risk relating to Sustainability of Primary Care Services	Chief Officer	Following the finalisation of an Internal Audit report, progress was made in terms of responding to a series of agreed action points regarding governance and addressing sustainability issues.	The IJB will continue to lead and contribute to regional improvements while continuing to progress local improvements. Updates to be reported regularly as part of the internal audit follow up process.

Some of the above issues have been noted in previous Annual Governance Statements, others are more recent. The resolution of these issues remains characterised by their complexity and the requirement, for some of them, to work with other parties. The issue of competing demands and varying views across parties does remain a challenge. These issues are highlighted regularly to the IJB and the Audit Committee.

### Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2022/23 governance updates have been regularly provided to the IJB's Audit Committee.

At the end of 2022/23, the IJB's Chief Internal Auditor reviewed the IJB's governance arrangements and in the IJB's 2022/23 Annual Internal Audit report notes:-

1. *As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2022/23.*
2. *Based on the work undertaken, I have concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23.*
3. *In addition, I have not advised management of any concerns around the following:*
  - o *Consistency of the Governance Statement with information that we are aware of from our work;*
  - o *The format and content of the Governance Statement in relation to the relevant guidance;*
  - o *The disclosure of all relevant issues.*

While there remain a number of challenging areas of governance (described above in "Development Issues" section), it is the opinion of the IJB Chairperson and Chief Officer that at 31 March 2023, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally, systems are in place to regularly review and improve the internal control environment.

Councillor Julie Bell	Gail Smith
Chairperson	Chief Officer
tbc	tbc



## 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	<a href="mailto:tay.pkijbbusinesssupport@nhs.scot">tay.pkijbbusinesssupport@nhs.scot</a>

## **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



# Perth and Kinross Integration Joint Board

DRAFT 2022/23 Annual Audit Report



Prepared for Perth and Kinross Integration Joint Board and the Controller of Audit  
October 2023

# Contents

---

Key messages	3
Introduction	4
1. Audit of 2022/23 annual accounts	5
2. Financial management and Sustainability	9
4. Vision, leadership and governance	12
5. Use of resources to improve outcomes	15
Appendix. Action plan 2022/23	17



---

# Key messages

---

## Audit of 2022/23 annual accounts

- 1 Audit opinions on the annual accounts of the IJB are unmodified.
- 2 The unaudited annual accounts were provided within the agreed timescales and were of a good standard.

## Financial management and sustainability

- 3 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.
- 4 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.
- 5 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.

## Vision, leadership, governance and use of resources

- 6 The governance arrangements are appropriate and support effective scrutiny, challenge and informed decision-making.
- 7 Recruitment challenges remain a significant risk for the IJB.
- 8 The IJB plans to conduct a self-assessment in 2023/24 to ensure it is complying with Best Value.
- 9 The IJB’s overall performance was mixed in 2022/23.

---

# Introduction

---

1. This report summarises the findings from the 2022/23 annual audit of Perth and Kinross Integration Joint Board (the IJB) and will be published on Audit Scotland's website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
2. The scope of the audit was set out in an annual audit plan presented to the April meeting of the Audit and Performance Committee. This annual audit report comprises significant matters arising from the audit of the IJB's 2022/23 Annual Accounts and conclusions on the wider scope areas, as set out in the [Code of Audit Practice 2021](#).
3. We would like to thank elected members, management and staff for their co-operation and assistance, and we look forward to continuing to work together constructively over the course of the five-year appointment.

## Adding value through the audit

4. We aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources. We do this by sharing intelligence and good practice and by identifying and providing insight on significant risks and making clear recommendations for improvement

## Responsibilities and reporting

5. The IJB has responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is also responsible for compliance with legislation and establishing appropriate arrangements for governance and propriety.
6. The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973, the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.
7. This report contains an agreed action plan at the [Appendix](#) setting out specific recommendations, responsible officers and dates for implementation. Weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management of its responsibility to address the issues we raise and from maintaining adequate systems of control.

## Auditor independence

8. We confirm that we comply with the Financial Reporting Council's Ethical Standard and that we have not undertaken any non-audit related services. The 2022/23 audit fee of £31,470, as set out in our 2022/23 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity or our independence.

---

# 1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

---

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.

Prior year recommendations have been completed.

---

## Audit opinions on the annual accounts are unmodified

9. The Audit and Performance Committee approved the annual accounts for the year ended 31 March 2023 on 30 October 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report was prepared in accordance with the financial reporting framework
- the management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## The 2022/23 audit was completed on 30 October 2023 in line with the agreed audit timetable

10. The unaudited annual report and financial statements were received in line with our agreed audit timetable on 28 June 2023. The accounts and working papers presented for audit were of a good standard and management and finance staff provided good support to the team during the audit process. This helped ensure that the final accounts audit was completed in line with the audit timetable on 30 October 2023.

## Overall materiality was assessed as £5.5 million

**11.** The concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the accounts, and impact the opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature, and it is ultimately a matter of the auditor's professional judgement.

**12.** Our initial assessment of materiality was carried out during the planning phase of the audit and was based on the audited 2021/22 annual accounts. These materiality values were reported in our annual audit plan.

**13.** On receipt of the unaudited annual accounts we reconsidered our materiality levels based on the financial results for the year ended 31 March 2023, and updated our materiality levels. These revised materiality levels are summarised in [Exhibit 1](#).

---

### Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£5.5 million
Performance materiality	£4.1 million
Reporting threshold	£250,000

**14.** The overall materiality threshold for the audit of the annual accounts was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

**15.** Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75% of overall materiality.

**16.** It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

## Significant findings and key audit matters

**17.** Under International Standard on Auditing (UK) 260 we communicate significant findings from the audit to the Audit and Performance Committee, including our view about the qualitative aspects of the body's accounting practices.

18. The Code of Audit Practice also requires all auditors to communicate key audit matters within the annual audit report under International Standard on Auditing (UK) 701. These are matters that we judge to be of most significance in our audit of the financial statements.

19. We have no issues to report from the audit.

## Our audit work responded to the risks of material misstatement we identified in the annual accounts

20. We have obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 2

#### Significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by management override of controls</b></p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively</p>	<p>Agreement of balances and income to Perth &amp; Kinross Council and NHS Tayside financial reports / ledger / correspondence.</p> <p>Auditor assurances will be obtained from the auditors of Perth &amp; Kinross Council and NHS Tayside over the controls which ensure completeness, accuracy and allocation of income and expenditure.</p> <p>Review of year-end consolidation of expenditure reports from Perth &amp; Kinross Council and NHS Tayside, including examining any significant adjustments.</p>	<p><b>Results &amp; Significant Judgements:</b></p> <p>Balances and transactions in the partner bodies ledgers were consistent with the IJB's accounts.</p> <p>Assurances were obtained from the auditors of Perth &amp; Kinross Council and NHS Tayside and agreed to the year-end position reported in the audited accounts.</p> <p>Year-end adjustments were reviewed, and no errors identified.</p> <p>We reviewed financial reports prepared during 2022/23.</p> <p><b>Conclusion:</b> Audit work found no errors or other accounting treatment that would indicate management override of controls.</p>

Audit risk	Assurance procedure	Results and conclusions
<p><b>2. Accounting treatment of Covid-19 reserve balance clawback from IJBs by Scottish Government</b></p> <p>In February 2023, NHS Tayside was advised that its 2022/23 revenue resource allocation would be reduced for the unspent Covid-19 reserve balances that the Scottish Government has clawed back from IJBs.</p> <p>This will be reflected in a corresponding reduction in NHS Tayside's contribution to Perth &amp; Kinross IJB of £10.3 million for 2022/23.</p> <p>The clawback amount was determined based on period 8 expenditure and may be further adjusted as a result of actual Covid-19 expenditure in 2023.</p> <p>It will be important that Perth and Kinross IJB and NHS Tayside account for this on a consistent basis.</p>	<p>Review accounting treatment against accounting requirements agreed with Scottish Government and confirm this is adequately disclosed in Perth and Kinross IJB's 2022/23 Annual Accounts</p>	<p><b>Results and Significant Judgements:</b></p> <p>Reviewed the accounting for the clawback of the reserves.</p> <p>Agreed the treatment to the accounting within NHS Tayside.</p> <p><b>Conclusion:</b> the accounting for the clawback of reserves is satisfactory.</p> <p>It is noted that the underspend on the Covid-19 reserves has been carried forward to 2023/24 as agreed with the Scottish Government.</p>

## Both recommendations made last year have been addressed

**21.** The previous external auditor, KPMG, made two recommendations in the 2021/22 annual audit report. Both these recommendations have been addressed. See [Appendix](#) for details.

---

## 2. Financial management and Sustainability

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively.

---

The IJB has appropriate and effective financial management arrangements in place. The IJB had an operational in-year underspend of £4 million with the use of reserves (including paying back Covid19 reserves) taking the IJB to a £16 million 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 2022/23 budget included planned savings and contributions from reserves to address the funding gap**

**22.** The IJB approved its 2022/23 core budget in March 2022. A balanced budget was set after application of savings totalling £1.280 million and £1 million funding from reserves.

### **The IJB returned an overspend in 2022/23**

**23.** The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records.

**24.** The IJB returned an operational underspend of £4 million against the budgeted breakeven position ([Exhibit 3](#)). The IJB also applied £20.4 million of earmarked reserves (including £14.7 million of Covid-19 reserves) to fund additional expenditure in 2022/23 resulting in an overall deficit of £16.4 million recorded in the accounts.

**Exhibit 3****Performance against budget**

<b>IJB budget summary</b>	<b>Budget £m</b>	<b>Actual £m</b>
NHS Tayside	0.786	(0.219)
Perth & Kinross Council	0	(3.789)
Over/(underspend)	0.786	(4.008)
Clawback of Covid19 Reserves and other earmarked reserves applied	0.264	20.423
Deficit reported in year	1.050	16.415

Source: 2022/23 Draft Accounts

**Budget processes were appropriate**

**25.** Budget monitoring reports were submitted to the IJB Board throughout the year. The outturn to date and projected year-end outturn position were clearly stated in these reports and the actual year-end outturn position was in line with expectations.

**26.** We observed that senior management and members receive regular and accurate financial information on the IJB's financial position and have concluded that the IJB has appropriate budget monitoring arrangements in place.

**Financial systems of internal control operated effectively**

**27.** The IJB does not have its own financial systems and instead relies on the financial systems of its partner bodies, NHS Tayside and Perth & Kinross Council. As part of our audit approach, we obtained assurances from the external auditors of NHS Tayside and Perth & Kinross Council (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal control for either the health board or the council that would impact on the IJB.

**Internal audit concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23**

**28.** The IJB's internal audit function is led by the Perth & Kinross Council Chief Internal Auditor assisted by the Fife, Tayside and Forth Valley NHS internal audit consortium. Internal audit presented their Annual Audit Report to the June 2023 Audit and Performance Committee. The report concluded that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23.



## **Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate**

**29.** The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We obtained assurance from the partners' auditors that the arrangements in place at Perth & Kinross Council and NHS Tayside are adequate.

**30.** The IJB has a Code of Conduct for members and the Registers of Interest are publicly available on the website.

**31.** Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

## **The IJB has a medium-term financial plan which shows a recurring budget deficit of £1 million in 2024/25 and £1.5 million in 2025/26**

**32.** Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

**33.** The IJB continues to face significant financial pressures. It set a balanced budget for 2023/24 after application of savings totalling £3.6 million and £3.8 million of general reserves. The IJB also plans to use £3.3 million of earmarked reserves to support delivery of services in 2023/24.

**34.** The 2023/24 budget report also includes indicative budgets for 2023/24 and 2024/25. These show a budget gap of £1 million for 2023/24 and £1.5 million for 2024/25 after planned savings of £1.1 million and £0.2 million respectively. The IJB acknowledges that it will need to consider additional funding solutions and reductions to overall expenditure if it is to balance its budget in future years.

## **The IJB has a Strategic Commissioning Plan and associated services plans in place, but more work will be required to address budget pressures**

**35.** The IJB has a Strategic Commission plan 2020 - 2025 with associated service plans in place. It is recognised that additional work will be required to ensure that the savings identified in the medium-term budget forecast will be delivered and to meet inflationary pressures.

---

# 4. Vision, leadership and governance

Public sector bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

---

Governance arrangements are appropriate and support effective scrutiny, challenge and informed decision-making.

The IJB's Vision, Strategy and Priorities are clear.

Recruitment challenges remain a significant risk for the IJB.

Climate change arrangements are the responsibility of the IJB's partner bodies.

---

## **Governance arrangements are appropriate and support effective scrutiny, challenge and informed decision**

**36.** In making our assessment of the IJB's governance arrangements we considered the:

- structure and conduct of board and committee meetings
- overall arrangements to ensure appropriate standards of conduct including compliance with the Standing Financial Instructions and Standing Orders
- arrangements for the prevention and detection of fraud, error, bribery and corruption
- reporting of performance and whether this is fair, balanced and understandable.

**37.** The IJB Board met six times on a hybrid basis during 2022/23, and the Audit and Performance Committee met three times. The papers presented to the Board and the Audit and Performance Committee are published timeously on the IJB's section of Perth & Kinross Council's website.

**38.** Our observations at committee meetings throughout the year has found that these are conducted in a professional manner and there is a good degree of scrutiny and challenge by members.

**39.** Overall, we consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

### **The IJB's Vision, Strategy and Priorities are clear**

**40.** The IJB has a strategic framework which includes the Strategic Commissioning Plan, Service delivery plans and the 3-year financial plan. These documents outline the current priorities and the actions to be taken to implement them. The strategic aims are as follows:

- working together with our communities
- prevention and early intervention
- person-centred health, care and support
- reducing inequalities and unequal health outcomes and promoting healthy living
- making best use of available facilities, people and other resources

### **Recruitment challenges remain a significant risk for the IJB**

**41.** Last year's Annual Audit Report noted that *'Recruitment challenges continue within Health and Social Care Sectors, while demand for services increases. Filling positions and attracting the right candidates with the appropriate skills is an ongoing challenge'*. In June 2022, the IJB approved a 3-year Workforce Plan for Health and Social Care which set out how it planned to address these challenges.

**42.** The IJB considered a report on progress against the workforce action plans in March 2023. This concluded that, overall, good progress was being made although it recognised that increasing demand continues to present capacity challenges for the IJB. We note that the IJB has recently been awarded funding to pilot international recruitment to help alleviate staffing pressures within adult social care services.

### **Climate change arrangements are the responsibility of the IJB's partner bodies**

**43.** The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75% reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in ensuring these targets are met and in adapting to the impacts of climate change.

**44.** The IJB as a public body listed in the Climate Change (Duties of Public Bodies; Reporting Requirements) (Scotland) Order 2015 is required to report annually on compliance with climate change duties. The annual report by the IJB highlights that functions of climate change have not been delegated to the IJB and remain the responsibility of its partner bodies, Perth & Kinross Council and NHS Tayside. The partner bodies climate change arrangements are detailed in the 2022/23 Annual Audit Reports of the respective bodies.

---

# 5. Use of resources to improve outcomes

Public sector bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.

---

---

Performance reporting was of a good standard.

The IJB plans to conduct a self-assessment in 2023/24 to ensure it is complying with Best Value.

The IJB's overall performance was mixed in 2022/23.

---

## Performance reporting was of a good standard

**45.** The Management Commentary in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements.

**46.** Year-end data was available for all indicators and included in the annual accounts. Financial performance was also covered, with clear commentary on the financial outturn and the impact that Covid-19 costs and funding had on the 2022/23 outturn and reserves.

## The IJB plans to conduct a self-assessment in 2023/24 to ensure it is complying with Best Value

**47.** Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

**48.** The IJB has a strategic planning framework, including its Strategic Commissioning Plan, 3-year financial plan, workforce plan and performance reporting, to support the achievement of its Best Value duties. It clearly recognises the importance of securing Best Value with the building blocks to achieve this being set out in its Annual Performance Report. It acknowledges that more needs to be done, however, to demonstrate that it is securing Best Value from its available resources and has committed to conducting a self-assessment against the Best Value characteristics in 2023/24.

---

## Recommendation 1

The IJB should ensure it completes its self-assessment against the Best Value characteristics and report the outcome to the Audit and Performance Committee.

---

### The IJB's overall performance was mixed in 2022/23

**49.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

**50.** The IJB has continued to monitor key performance measures throughout the year with the Annual Performance Report being presented to the Audit and Performance Committee in July 2023. This shows that overall performance was mixed.

**51.** Performance against the national indicator data set was also mixed with the IJB comparing favourably to Scotland as a whole but performing less well when compared to its peer group and the prior year.

**52.** Where performance has not improved year on year the IJB has assessed the reasons for the decline in performance. The Performance Report includes a looking forward section for each service which outlines the actions being taken in each service area.

**53.** Overall the IJB has effective arrangements in place for managing and reporting performance.

# Appendix. Action plan 2022/23

## 2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Best Value assessment</b></p> <p>The IJB clearly recognises the importance of securing Best Value with the building blocks to achieve this being set out in its Annual Performance Report. It acknowledges that more needs to be done, however, to demonstrate it is securing Best Value from available resources and has committed to conducting a self-assessment against the Best Value characteristics in 2023/24.</p> <p><b>Risk:</b> the IJB is unable to demonstrate how it secures Best Value in the use of the resources available to it.</p>	<p>The IJB should ensure it completes its self-assessment against the Best Value characteristics and report the outcome to the Audit and Performance Committee.</p> <p><a href="#">Paragraph 48</a></p>	<p>Agreed. We will conduct a self-assessment to ensure compliance with the characteristics of Best value and report to the IJBs Audit and Performance Committee.</p> <p><b>Responsible officer:</b> Chief Finance Officer</p> <p><b>Agreed date:</b> 31 March 2024</p>

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>B/F 1 Risk Sharing Agreement</b></p>	<p>We recommend that the wording of the paragraph relating to proportionate risk sharing be reviewed as the word “may” is not prescriptive and the alternative approach is not stipulated should this apparent option not be exercised/agreed by either partner.</p>	<p><b>Complete</b></p> <p>This recommendation was considered prior to approval of the revised integration scheme but the wording has remained unchanged.</p>

Issue/risk	Recommendation	Agreed management action/timing
<b>B/F 2 Financial Sustainability</b>	We consider that a return of funding would need to be considered in terms of the accounting presentation in 2022-23 should a payment be made and the governance/IJB approval that may be required in respect of any payment.	<b>Complete</b> The clawback of Covid reserves was completed in 2022/23. The accounting treatment for the clawback was considered as part of the 2022/23 audit. No issues were identified.

---



# Perth and Kinross Integration Joint Board

## Draft 2022/23 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

For the latest news follow us on social media or

[subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



Perth and Kinross  
Integration Joint Board  
**Audited Accounts  
2022/23**





**SECTION 1**  
MANAGEMENT COMMENTARY

**SECTION 2**  
STATEMENT OF RESPONSIBILITIES

**SECTION 3**  
REMUNERATION REPORT

**SECTION 4**  
ANNUAL GOVERNANCE STATEMENT

**SECTION 5**  
ANNUAL ACCOUNTS

**SECTION 6**  
NOTES TO THE ANNUAL ACCOUNTS

**SECTION 7**  
INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF PERTH AND KINROSS  
INTEGRATION JOINT BOARD

**SECTION 8**  
GLOSSARY OF TERMS

## SECTION 1: MANAGEMENT COMMENTARY

### INTRODUCTION

This publication contains the financial statements of Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2023.

The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2022/23 and how this has supported delivery of the IJB's priorities. This commentary also looks forward, outlining the IJB's plans and the challenges and risks it faces in meeting the needs of the people of Perth and Kinross.

### ROLE AND REMIT

The IJB is a legal entity with responsibility for strategic planning and commissioning of a broad range of integrated health and social care services within Perth and Kinross.

The functions delegated to the IJB are detailed in the formal partnership agreement between Perth & Kinross Council and NHS Tayside, referred to as the [Integration Scheme](#). It defines the main purpose of integration as follows:

- To improve the wellbeing of people who use health and social care services, in particular those whose needs are complex, and which require support from health and social care at the same time;

- To improve the wellbeing of those for whom it is necessary to provide timely and appropriate support in order to keep them well;
- To promote informed self-management and preventative support to avoid crisis or ill health; and
- To jointly deliver on the national health and wellbeing outcomes.

[The Integration Scheme](#) has recently been revised and was given Ministerial Approval in November 2022.

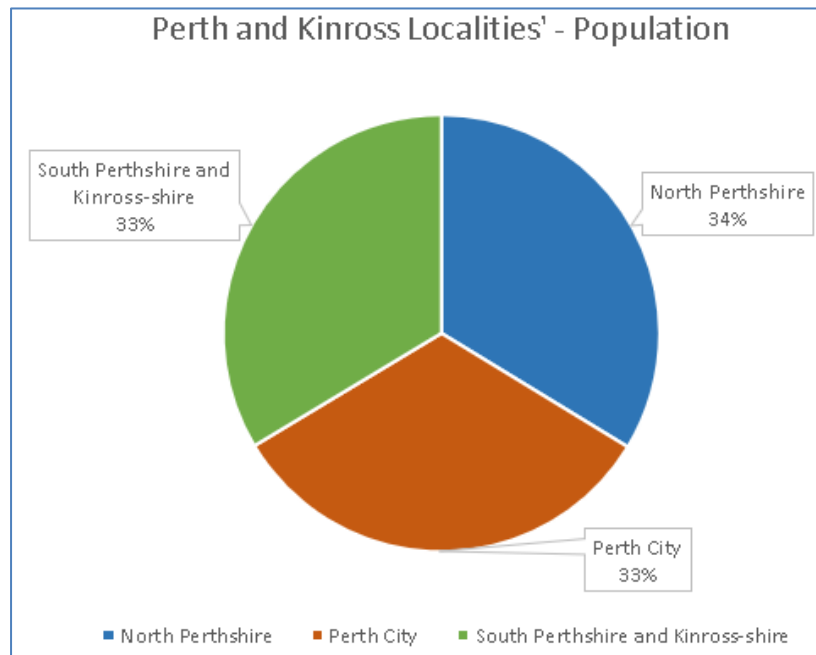
The IJB sets the strategic direction for delegated services via the preparation and implementation of the [Strategic Commissioning Plan](#) and seeks assurance on the management and delivery of integrated services through appropriate scrutiny, oversight and performance monitoring.

## SECTION 1: MANAGEMENT COMMENTARY

### PERTH AND KINROSS POPULATION CONTEXT

Perth and Kinross is a geographically large Local Authority area with the total population of 154,810 split across 3 localities North Perthshire (population 51,847), South Perthshire (51,696) and Perth City (50,267).

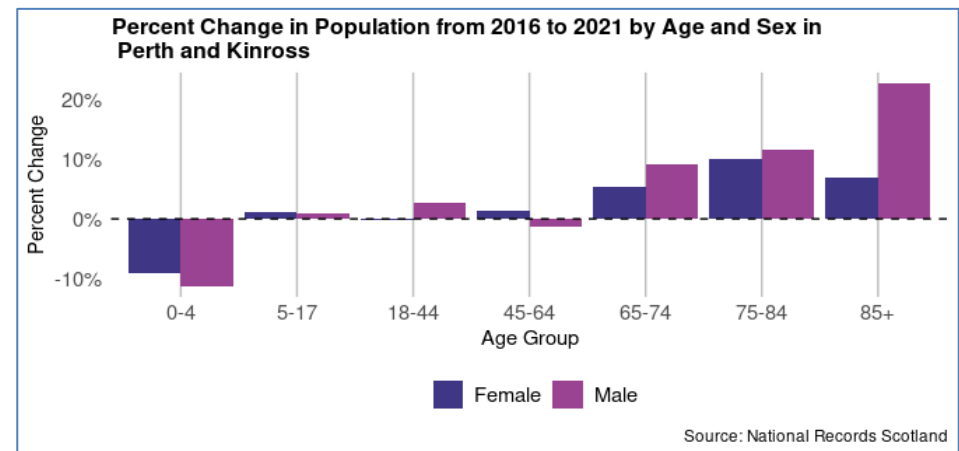
Chart 1



The population of Perth and Kinross is older compared to Scotland with 24.1% over 65 compared to 19.6% for Scotland. We are projecting that the number of people over 85 will increase by 111% over the next 20 years. Considering the Scottish Index of Multiple Deprivation, 23.2% of our population live in the least deprived quintile and 6% in the most deprived. Access to services is a major contributor to exclusion and inequality due to the rural and remote nature of large parts of Perth and Kinross.

The population of Perth and Kinross has changed substantially over recent years. Chart 2 sets out the growth in the older population, and combined with rurality, and minimal change in the size of the working population, this presents substantial challenges in the delivery of Health and Social Care Services.

Chart 2



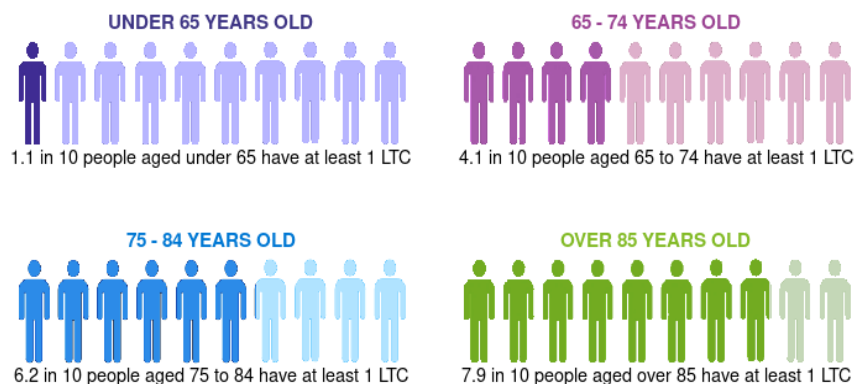
## SECTION 1: MANAGEMENT COMMENTARY

Life expectancy in Perth and Kinross is above the Scottish average, 79 years for males and 82.9 years for females compared to 76.8 years and 81 years respectively.

The number of people supported in the treatment of Long Term Conditions provides some additional context on the health of our population and the consequential need for Health and Social Care support. It is estimated that 21.6% of the population had at least one physical long-term condition (LTC). These include: cardiovascular, neurodegenerative, and respiratory conditions, as well as other organ conditions (namely liver disease and renal failure), arthritis, cancer, diabetes, and epilepsy. Please note that estimates for this section are based on people who had contact with NHS services

Chart 3 shows how our population is affected by LTCs overall. We can see that the prevalence of LTCs increases with age and with an increasingly elderly population this increases pressure on Health and Social Care services.

Chart 3



## STRATEGIC PLAN AND KEY ACTIVITIES FOR THE YEAR

The [Strategic Commissioning Plan](#) covering 2020-25 sets out the following priorities and strategic aims of the IJB.

### 1. Working Together with our communities

Strategic Aim: We want people to have the health and care services they need within their local communities and to empower people to have greater control over their lives and stronger connections in their community.

### 2. Prevention and early intervention

Strategic Aim: We will aim to intervene early, to support people to remain healthy, active and connected in order to prevent later issues and problems arising.

### 3. Person-centred health, care and support

Strategic Aim: By embedding the national Health and Care Standards we will put people at the heart of what we do.

### 4. Reducing inequalities and unequal health outcomes and promoting healthy living

Strategic Aim: Our services and plans will seek to reduce health inequalities, to increase life expectancy, increase people's health and wellbeing and to reduce the personal and social impact of poverty and inequality.

### 5. Making best use of available facilities, people and other resources

Strategic Aim: We will use our combined health and social care resources efficiently, economically and effectively to improve health and wellbeing outcomes for the people of Perth and Kinross.

## SECTION 1: MANAGEMENT COMMENTARY

To deliver against these priorities and strategic aims, we established Care Groups to ensure sufficient focus on the needs of our population. To date the IJB has approved Care Group strategic delivery plans for:

- [Community Mental Health and Wellbeing](#)
- [Learning Disabilities and Autism](#)
- [Older Peoples Services](#)

Strategic delivery plans for Primary Care and Carers will be presented to the IJB during 2023/24.

These plans provide more detail on how we deliver our services and they are underpinned by outcomes focussed Performance Management Frameworks which are strongly linked to the [National Health and Wellbeing Outcomes](#).

## PRINCIPAL ACTIVITIES & KEY ACHIEVEMENTS IN 2022/23

### Community Mental Health and Wellbeing

- A collaborative approach to reducing suicide deaths and tackling causes. Two Suicide Prevention Coordinators are supporting a whole age/family approach.
- Holistic health monitoring for people experiencing mental health issues through weekly health clinics across Perth and Kinross.
- Introduced a perinatal mental health service to support the 27% of new and expectant mothers who develop mental health problems.
- Improved mental health crisis response in partnership with The Neuk, a peer-led, therapeutic space which aims to be a place where people can come and feel emotionally safe, supported,

and receive person centred help for their immediate mental health needs during a crisis.

- Increased capacity for discharge planning, primary care mental health provision, early intervention, and prevention support for people.
- Developed a Multi-Agency Mental Health Triage approach to respond timeously and in a person-centred way for people experiencing distress.
- Developed a new pathway for people experiencing difficulties relating to both mental health and substance use. This ensures people receive appropriate care and treatment and contributes to the delivery of Medically Assisted Treatment (MAT) Standards.

### Learning Disability and Autism

- Established a multidisciplinary team (SCOPE) to support people with autism and/or a learning disability and which focuses on assisting people to remain in the community, avoiding admission to specialist inpatient settings and working to provide appropriate accommodation for people in their local communities.
- Continued to work with our Housing partners to build Core and Cluster developments and deliver care and support to those living in Perth in Kinross with a learning disability and/or autism.
- Developed new Complex Care Commissioning Models, ensuring individuals and their families are truly at the heart of our assessment and planning activity using the flexibility offered by all Self-Directed Support options.
- Engaged in the development of the Tayside Mental Health and Learning Disability Whole System Change Programme.



## SECTION 1: MANAGEMENT COMMENTARY

### Older People Services

- Embedded the Integrated Enhanced Care Home Support team to work directly and collaboratively with our Care Home sector. The team encourages proactive working and focuses on quality and clinical evidence to support change. The team delivers education with a co-production ethos and has ensured we are able to implement the recommendations within the <https://www.gov.scot/publications/health-care-home-healthcare-framework-adults-living-care-homes/>
- In partnership with our third sector developed new ways of supporting older people to undertake regular physical activities, this is now embedded within hospital sites, care homes and in communities.
- We are redesigning Urgent Care services, developing and embedding Hospital at Home.
- Invested in the community alarm and telecare service, to meet growing demand and implement an end-to-end digital telecare service. Increased digital technology for consultation particularly in rural areas and to reduce the number of people waiting for appointments.
- Further embedded our Locality Integrated Care Service (LIACS) approach through multi-disciplinary teams embedded in each locality, providing rapid support to older people who are frail and whose health is deteriorating at home.
- Piloted an Early Discharge Project with a commissioned care at home provider, to provide the Acute Frailty Unit with dedicated care at home provision to support flow and rapid discharge.

### Primary Care

- We have developed a Strategic Delivery Plan for Primary Care in Perth and Kinross and also a Premises Strategy which identifies key priorities for Primary Care.
- We have continued to develop Community Care and Treatment Centres, (CCATS), expanding the services provided and now all localities also have access to Chronic Disease Monitoring, Minor Injury appointments and ear care.
- We have expanded the First Contact Physio Service.
- Supported P&K practices to secure Improvement Grants improving elements of their premises in 2022/23.
- Secured funding for GP Practices to have their medical records for patients back scanned, increasing efficiency and reducing storage requirements.
- All GP practices have access to Medlink for routine online clinical review for a wide range of long-term conditions.
- A health needs assessment for Bridge of Earn is underway in collaboration with the Community Council to support patient engagement on the health and care services.
- The QSEP (Quality, Safety, Efficiency in Prescribing) Programme has been restarted with a new Programme Lead.

### Partnership-wide activity

- We have undertaken a review of our community engagement in line with the newly published <https://www.gov.scot/publications/planning-people-community-engagement-participation-guidance/> and this will lead to a refresh our Community Engagement Strategy, and to ensure people and

## SECTION 1: MANAGEMENT COMMENTARY

communities are at the centre of care service design and change, to deliver the best results.

- Commissioned “Care Opinion” to support the gathering of feedback from the people that use our services. To date we have received over 117 stories from a wide array of services including dentistry, podiatry, social prescribing 97% of which are positive and helping shape the delivery of services.
- Maintained a high performing adult protection response validated in the outcomes of a joint inspection of our multi-agency arrangements to protect and support vulnerable adults.

## PERFORMANCE MANAGEMENT

The IJB has delegated the authority for Performance, Risk and Audit to the Audit and Performance Committee (A&PC). The A&PC meets five times per year and routinely receives performance reports. In the last year the A&PC has received the following performance reports:

[Annual Performance Report](#) covers the performance of Health and Social Care services in pursuance of IJB ambitions in 2021/22. It describes a challenging year with mixed performance as we continued to cope with, and recover from, the significant impact the pandemic has had and continue to have on our services.

[Key National Indicator Report](#) covering the first quarter of 2022/23, this report describes a continued mixed picture in relation the Core National Indicators. Performance which varies most from targets relate to emergency admission, emergency bed days, falls and delayed discharge.

[Key performance indicator report KPIs](#) covering the first half of 2022/23, this report shows that performance continued to be mixed overall. The report provides a further breakdown of some of the Core National Indicators and provides a broader understanding of the underlying position. There is a greater propensity for emergency admission in older populations and the demographic make-up of our population is influencing performance against this indicator. In respect to Delayed Discharges performance compares well to Scotland.

## SECTION 1: MANAGEMENT COMMENTARY

### Latest Performance

Performance reporting is at a strategic level reflecting the Core Suite of National Indicators. Table 1 below provides a summary of our performance for 2022/23 against key indicators.

This reflects a period when services continued to recover from the impact of the pandemic and when capacity, supply and demand for services remained significantly different to that experienced pre-

pandemic. The [Annual Performance Report for 2022/23](#) was approved by the Audit and Performance Committee on the 31<sup>st</sup> July 2023 and provides more context and detail on performance for this period (please see Section 2, pages 3 to 8).

Table 1

Indicator	21/22 P&K	22/23 P&K (or latest)	Latest Data Available	How we compared to 21/22 %	How Scotland compared to 21/22 %	How we compared to Scotland 22/23 %	How Peer compared to 21/22 %	How we compared to Peer 22/23 %
Premature Mortality Rate per 100,000	357.3	N/A	Dec-21	N/A	N/A	N/A	N/A	N/A
Rate of emergency admissions per 100,000 population for adults (18+ all specialities)	11,312.6	12,221.1	Dec-22	8.0	-4.1	8.7	-3.9	12.8
Rate of emergency bed day per 100,000 population for adults (18+)	106,861.8	114,470.6	Dec-22	7.1	0.2	1.2	2.5	3.9
*Readmissions to hospital within 28 days of discharge per 1,000 discharges (18+)	128.8	135.8	Dec-22	5.4	-5.0	N/A	-3.2	N/A
Proportion of last 6 months of life spent at home or in a community setting	90.6%	89.0%	Dec-22	-1.6	-0.5	-0.3	-0.7	-0.7
Falls rate per 1,000 population (65+)	22.6	25.5	Dec-22	12.7	-1.8	12.8	-1.8	21.5
Proportion of Care Services rated good or better in Care Inspectorate inspections	76.5%	73.4%	Mar-23	-3.2	-0.6	-1.8	-2.0	-3.2
Percentage of 18+ with intensive social care needs receiving Care at Home	55.5%	57.6%	Dec-22	2.1	-1.0	-5.9	-0.5	-6.6
Number of days people aged 75+ spend in hospital when they are ready to be	593.8	939.2	Mar-23	58.2	22.9	2.1	39.2	12.7

## SECTION 1: MANAGEMENT COMMENTARY

Indicator	21/22 P&K	22/23 P&K (or latest)	Latest Data Available	How we compared to 21/22 %	How Scotland compared to 21/22 %	How we compared to Scotland 22/23 %	How Peer compared to 21/22 %	How we compared to Peer 22/23 %
discharged per 1,000 population								
Percentage of health and care resource spent on hospital stays where the patient was admitted as an emergency	N/A	N/A	Mar-20	N/A	N/A	N/A	N/A	N/A
*A&E attendances per 100,000 population	14,673.9	16,276.3	Mar-23	10.9	1.0	-32.6	4.9	-2.6

Source: Public Health Scotland Core Suite Integration Indicators. July 2023 update. \*A&E Source PHS Ministerial Strategic Group Indicator Update.

Note: The figures presented are rounded to one decimal place, while calculations are done using the data as published by PHS.

\*Comparisons for this indicator should not be undertaken against Scotland or the peer group, due to differences in Tayside recording practices.

N/A = no data available

Within 3%, or are meeting or exceeding our target	Between 3% and 6% away from meeting our target	More than 6% away from meeting our target
---	--	---

As we continued to recover from the effects of pandemic, investment has continued in community services, in line with our strategic ambitions and to meet rising demands.

With an aging population, the need for urgent and emergency care is likely to increase and as such we saw emergency admissions rise by 8% compared to 2021/22. This indicator is linked closely to the rate of A&E Attendances which increased by 10.9%. Specific investment was made in new frailty models/pathways to help address the flow of patients into hospital. This new approach may take some time to evidence improvement.

The higher rate of admissions impacted on our rate of emergency bed days which increased (7.1%) in the past year. Although we saw higher levels of more complex, frailer, people requiring hospital

care, and this led to an increased rate of delayed discharges (58.2%), 96% of people were discharged without delay.

The main reason for delayed discharge related to the supply of Social Care services, specifically care at home which was directly attributed to a lack of available workforce.

When people are discharged from hospital it is important that they are able to access community-based services which meet their needs so as to reduce any need for readmission. The rate of readmission within 28 days did increase by 5.4% however this overall figure masks good performance with the rate of readmissions for people +75, beyond 8 days from discharge, reducing by 11.8% as reported in the APR.

## SECTION 1: MANAGEMENT COMMENTARY

The proportion of the last 6 months of life spent at home or in community setting remained broadly stable with a marginal reduction of 1.6%.

The rate of falls resulting in an admission increased by 12.7%. This remains a key area of focus for improvement but is indicative of an increasingly frail and elderly population with an increased risk of falls.

The increase in this indicator and others outlined above comes after a period when services operated at very different levels of demand and activity as a consequence of the pandemic.

The A&PC also considered Key Performance Indicator reports for:

- [Community Mental Health and Wellbeing](#) : There are 5 key outcomes that the Strategy seeks to deliver. These are measured using a series of KPIs and at the time of reporting, 6 green, 1 amber, 8 red. A further 8 were not reportable due to a lack of data.
- [Learning Disability and Autism](#) Care Groups: There are 7 key outcomes that this strategy seeks to deliver. These are measured using a series of KPIs and the time of reporting, 8 green, 1 amber, 2 red. A further 3 were not reportable due to a lack of data.

Scrutiny of these Care Group performance reports was welcomed by the A&PC and this further develops our approach to performance management and reporting. A Care Group KPI report will be considered at each meeting of the Committee.

## SECTION 1: MANAGEMENT COMMENTARY

### FINANCIAL OVERVIEW

#### Financial Performance

The Financial Plan, approved by the IJB in March 2022, projected a break-even position across Health and Social Care after the application of reserves. The IJBs financial performance compared to the Financial Plan for 2022/23 is summarised in the table below.

	2022/23 Financial Plan Position Over/(Under)	2022/23 Year-End Out-Turn Over/(Under)	Movement from Plan Over/(Under)
	£m	£m	£m
Health	0.786	(0.219)	(1.005)
Social Care	-	(3.789)	(3.789)
<b>Sub-Total</b>	<b>0.786</b>	<b>(4.008)</b>	<b>(4.794)</b>
PKIJB Reserve	(0.786)	4.008	4.794
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Finance updates have been presented to the Audit & Performance Committee throughout 2022/23, reporting on the projected in year position. Expenditure incurred as a direct result of Covid-19 was fully funded by additional Scottish Government income, with no impact on year-end out-turn.

The main movements from plan relate to:

- *The significant investment by Scottish Government into health and social care in 2022/23. This included funding for care at home capacity, adult care social work capacity, multi-disciplinary team working and additional health care support staff. At the time of the investment, operational and management capacity continued to be heavily impacted by Covid-19 related activity, also the effect of recruitment challenges facing health and social care meant a higher underspend against staffing than planned. The IJB Strategic Delivery Plans, supported by this investment, are being implemented and recruitment is underway.*
- *In addition to the core position, the IJB has utilised earmarked reserves. This has provided additional capacity and ensured resilience across services, whilst the Strategic Delivery Plan actions are being implemented.*
- *The number of people choosing Older People Care Home Placements continued to be below planned levels, leading to an underspend on this budget. This reduction has been considered as part of the 2023/24 Budget to support the Older People Strategic Plan objectives.*

#### Reserves

Throughout 2022/23 there has been a significant decrease in reserves. The main movement is within the Covid-19 reserve. During 2022/23, the Scottish Government reclaimed surplus Covid-19 reserves to be redistributed across the sector to meet Covid-19 priorities.

IJB reserves balance as at 31 March 2023 is £16.8m, of this £11.1m is earmarked. The funding has been earmarked to meet

## SECTION 1: MANAGEMENT COMMENTARY

Scottish Government objectives, local priorities and to balance the 2023/24 Budget. The balance of un-earmarked reserves remaining is £5.7m. This reserve balance allows the IJB to meet its Reserves Policy that sets a level of contingency general reserve at 2% of IJB net expenditure.

### FINANCIAL STATEMENTS

The 2022/23 Annual Accounts comprise:

(a) **Comprehensive Income and Expenditure Statement -**

This shows a deficit of £16.415m. The underlying operational out-turn is a £4.008m underspend of which Health Services are £0.219m and Social Care £3.789m. In line with the Integration Scheme, this surplus has been added to the IJB reserve to carry forward into 2023/24. The remaining deficit of £20.423m relates to the net decrease in reserves. Further detail is provided in section (b) and (c) below and in Note 6.

(b) **Movement in Reserves -**

In 2022/23 earmarked reserves had an opening balance of £33.249m, this has decreased by £16.415m, providing a closing balance of £16.834m. During 2022/23, a significant level of funding has been provided by the Scottish Government to the IJB via NHS Tayside and Perth & Kinross Council. In addition to the underlying operational underspends, there are various specifically earmarked funds.

(c) **Balance Sheet -**

In terms of routine business, the IJB does not hold assets, however the balance of £16.834m reserves is reflected in the year-end balance sheet.

(d) **Notes -**

Comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2022/23 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

### FINANCIAL OUTLOOK

In March 2023, the IJB approved a budget for 2023/24 and provisional budgets for 2024/25 and 2025/26. The budget requires the use of reserves to balance in year 1 and identified recurring shortfalls in years 2 and 3. The IJB is faced with significant and increasing financial challenges due to inflation, a growing ageing population, increasing demand and complexities, and funding uncertainty. In setting this budget the IJB remained committed to supporting the Strategic Plan by prioritising and ensuring best use of available resources. The IJB understands there are key risks and uncertainties that require to be monitored and managed closely throughout 2023/24. It will need to consider additional funding solutions and reductions in overall expenditure to ensure the budget can be balanced in future years.

## SECTION 1: MANAGEMENT COMMENTARY

### STRATEGIC RISKS AND OUTLOOK FOR FUTURE YEARS

The Strategic Risk Register records the identified risks that may impact on Perth and Kinross IJB's ability to deliver its Strategic Commissioning Plan. The Audit and Performance Committee has delegated responsibility from the IJB for reviewing the adequacy and effectiveness of the systems and processes in place to manage the risks. Strategic Risks are therefore reported to each A&PC meeting. PKHSCP's Executive Management Team (EMT) routinely considers and reviews the IJB's strategic risks to make a collective and balanced assessment of the nature, and extent, of the key risks to which the IJB is exposed and is willing to take in pursuit of its objectives.

The following risks were regularly monitored during 2022-2023:

Risk	Risk Status end March 23
<b>1 Financial Resources</b> There are insufficient financial resources to deliver the objectives of the Strategic Plan.	Very High
<b>2 Workforce</b> As a result of our ageing workforce, difficulties in recruiting and retaining sufficient suitably skilled and experienced staff, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services and ability to deliver key corporate support functions.	Very High
<b>3 Sustainable Capacity and Flow</b> As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of ' <i>capacity and flow</i> ' within our services being unsustainable.	Very High
<b>4 Sustainable Digital Solutions</b> As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not to be able to adapt effectively and efficiently to deliver new models of working.	High
<b>5 Viability of External Providers</b> As a result of social care market conditions, availability of services, and COVID-19, there is a risk that external providers of care will not be able to meet people's assessed needs in the most appropriate way.	Very High
<b>6 Widening Health Inequalities</b> As a consequence of COVID-19 there is a risk that health inequalities widen significantly.	High



## SECTION 1: MANAGEMENT COMMENTARY

Risk		Risk Status end March 23
7	<p><b>Leadership Team Capacity</b></p> <p>Without a new permanent and integrated senior management team there is a risk of instability in leadership within the Health and Social Care Partnership</p>	High
8	<p><b>Corporate Support</b></p> <p>As a result of insufficient Corporate staff resource there is a risk that functions such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit, will be unable to deliver as required to achieve strategic objectives.</p>	Risk Archived
9	<p><b>Primary Care</b></p> <p>As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.</p>	Very High
10	<p><b>Inpatient Mental Health Services</b></p> <p>There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.</p>	High
11	<p><b>Partnership Premises</b></p> <p>As a result of a lack of sustainable and suitable premises within which Health and Social Care Services can be delivered, there is a risk that safe, consistent and effective care to patients will not be able to be delivered which could result in a reduction in service capacity, reduced outcomes for people and a reduction in staff wellbeing.</p>	Very High

## SECTION 1: MANAGEMENT COMMENTARY

---

**Councillor Colin Stewart**  
*IJB Chair*  
*30 October 2023*

---

**Jacqueline Pepper**  
*Chief Officer*  
*30 October 2023*

---

**Donna Mitchell**  
*Interim Chief Finance Officer*  
*30 October 2023*

## SECTION 2: STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Finance Officer, as the IJB's Section 95 Officer, for the Annual Accounts.

### 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 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 Integration Joint Board's Audit & Performance Committee on 30 October 2023.

*Signed on behalf of the Perth and Kinross IJB*

---

**Councillor Colin Stewart**  
*IJB Chair*

Date: 30 October 2023

## SECTION 2: STATEMENT OF RESPONSIBILITIES

### RESPONSIBILITIES OF THE INTERIM CHIEF FINANCE OFFICER

The Interim Chief Finance Officer is responsible for the preparation of the IJB's 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 Interim 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 Code (in so far as it is compatible with legislation).*

The Interim Chief Finance 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 Perth and Kinross Integration Joint Board as at 31 March 2023 and the transactions for the year then ended.

---

**Donna Mitchell**  
Interim Chief Finance Officer  
Date: 30 October 2023

## SECTION 3: 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 following is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

### BOARD MEMBERS

At 31 March 2023, Perth and Kinross IJB had 8 voting members and 12 non-voting members. One Non-Executive position was vacant as at 31st March 2023, following the resignation of Associate Nursing Director representative, Sarah Dickie. The position as at 31st March 2023 is as follows:

#### **Voting Members:**

Bob Benson (Chair)  
Councillor Colin Stewart (Vice-Chair)  
Councillor Sheila McCole  
Councillor Michelle Frampton  
Councillor David Illingworth  
Beth Hamilton (Non-Executive Member)  
Jacquie Jensen (Non-Executive Member)  
Martin Black (Non-Executive Member)

#### **Non-voting Members:**

Jacqueline Pepper (Chief Officer)  
Donna Mitchell (Interim Chief Financial Officer)  
Dr Lee Robertson (Secondary Practitioner Representative)  
Dr Sarah Peterson (GP Representative)  
Vacant (Sarah Dickie, Associate Nurse Director left 31<sup>st</sup> March 2023)  
Maureen Summers (Carer Public Partner)  
Sandra Auld (Service User Public Partner)  
Ian McCartney (Service User Public Partner)  
Lyndsay Hunter (Staff Representative)  
Stuart Hope (Staff Representative)  
Sandy Watts (Third Sector Representative)  
Dave Henderson (Independent Sector Representative)  
Dr Emma Fletcher (Public Health Representative)  
The Chief Social Work Officer position held by Jacqueline Pepper is an advisory position rather than a non-voting position and is therefore excluded from the above non-voting members.

## SECTION 3 REMUNERATION REPORT

### IJB CHAIR AND VICE-CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice-Chair postholders alternates between a Councillor and a Health Board representative.

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. There were no taxable expenses paid by the IJB to either the Chair or the Vice-Chair in 2022/23.

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.

### 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.

### OTHER OFFICERS

The IJB requires to appoint a proper officer who has responsibility for the administration of its financial affairs in

terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Chief Finance Officer adheres to the legislative and regulatory governance of the employing partner organisation. The Chief Finance Officer is included in the disclosures below.

Total 2021/22 £	Senior Employees	Salary, Fees & Allowances £	Total 2022/23 £
113,523	<b>Gordon Paterson</b> Chief Officer (left 6 <sup>th</sup> March 2022)	-	-
8,378	<b>Jacqueline Pepper</b> Chief Officer	127,786	127,786
83,585	<b>Jane Smith</b> Head of Finance & Corporate Services (left 12 <sup>th</sup> January 2023)	64,352	64,352
-	<b>Donna Mitchell</b> Interim Chief Finance Officer (started 23 <sup>rd</sup> December 2022)	18,012	18,012
<b>205,486</b>	<b>Total</b>	<b>210,150</b>	<b>210,150</b>

Donna Mitchell was appointed to the position of Interim Chief Finance Officer on the 23rd December 2022. The previous Chief Finance Officer, Jane Smith, left the organisation on 12th January 2023, therefore there was small overlapping hand-over period.

## SECTION 3: REMUNERATION REPORT

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 31/03/22 £	For Year to 31/03/23 £		Difference from 31/03/22 £	As at 31/03/23 £
Jacqueline Pepper Chief Officer	1,424	21,724	Pension	7,462	43,837
			Lump sum	7,133	33,268
Jane Smith (left 12 <sup>th</sup> Jan 2023) Head of Finance & Corporate Services	16,651	13,352	Pension	3,112	32,831
			Lump sum	1,508	57,330
Donna Mitchell (started 23 <sup>rd</sup> Dec 2022) Interim Chief Finance Officer	-	3,062	Pension	N/A	15,832
			Lump sum	N/A	8,224
Gordon Paterson (left 6 <sup>th</sup> Mar 2022) Chief Officer	19,299	-	Pension	0	0
			Lump sum	0	0
Total	37,374	38,138	Pension	10,574	92,500
			Lump Sum	8,641	98,822

## SECTION 3: REMUNERATION REPORT

### 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 2021/22	Remuneration Band	Number of Employees in Band 2022/23
0	£60,000 - £64,999	1
1	£80,000 - £84,999	0
1	£110,000 - £114,999	0
0	£125,000 - £129,999	1

### EXIT PACKAGES

No exit packages were paid to IJB staff during this period or the previous period.

---

**Councillor Colin Stewart**  
*IJB Chair*

---

**Jacqueline Pepper**  
*Chief Officer*

Date: 30 October 2023



## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### INTRODUCTION

The Annual Governance Statement explains Perth and Kinross Integration Joint Board's (IJB) governance arrangements and reports on the effectiveness of the IJB's system of internal control.

### SCOPE OF RESPONSIBILITY

Perth & Kinross IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance that includes a system of internal control. The system is intended to manage risk to support achievement of the IJB's aims and objectives. The governance arrangements are broadly consistent with the principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government".

Reliance is also placed on the NHS Tayside, Perth & Kinross Council, Dundee IJB and Angus IJBs systems of internal control that support compliance with each organisations' policies and promotes achievement of each organisations' aims and objectives including those of the IJB.

The system can only provide reasonable and not absolute assurance of effectiveness.

### THE GOVERNANCE FRAMEWORK

Perth and Kinross IJB comprises of eight voting members, four nominated from Perth and Kinross Council and four from NHS Tayside. IJB membership also includes non-voting members including a Chief Officer, Chief Finance Officer, professional advisers for health, social work and social care along with stakeholder members from carers groups, service user representatives, the third sector and trade unions. The IJB has an Audit and Performance Committee which is chaired by an IJB voting member. The Audit and Performance Committee met four times during 2022-23.

The governance framework comprises the systems, processes, culture and values the IJB has in place to help achieve its strategic objectives. The IJB recognises that the following are fundamental elements of good governance within public sector organisations: -

- Leadership, Culture & Values
- Stakeholder Engagement
- Vision, Direction & Purpose
- Decision Making
- Organisational Development
- Scrutiny & Accountability
- Internal Controls

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

The system of internal control is a crucial part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on a continuous process designed to identify and prioritise risks in relation to the achievement of Perth & Kinross IJB's intended outcomes. These risks are evaluated based on likelihood and impact and they need to be mitigated and managed proportionately.

The key features of the governance arrangements that were in place during 2022/23 are summarised below, along with the improvement activity that has been undertaken during the year to increase effectiveness.

### LEADERSHIP, CULTURE AND VALUES

A code of conduct for members and employees is in place along with a register of interests. A standards officer has been appointed and standing orders are in place which are reviewed on a regular basis. The standards officer provides advice and guidance to Members of the Board on issues of conduct and ensures that a Register of Interests is kept. A development programme for IJB members has been in place since inception and this has been a key feature in developing working relationships between the Chair, members and officers.

The Chair and Chief Officer meet regularly. The Strategic Commissioning Plan provides a clear and shared direction and purpose across the IJB membership and the Perth and Kinross Health and Social Care Partnership (PKHSCP) Executive Management Team.

The IJB Chair is supported to carry out the role with independent legal and governance support and effective committee secretariat services. The Chief Officer is a Director in the partner organisations, a member of their Executive Leadership Teams, attends the NHS Board and Council meetings and is directly accountable to both Chief Executives.

Over the last year, the Chief Officer has also undertaken the role of Chief Social Work Officer which provides independent professional leadership for social work and social care. It has been recognised that this dual role is not sustainable in the long term and there is a potential conflict. This has been addressed by Perth and Kinross Council's Chief Executive via a leadership review and revised structure which included new permanent arrangements for the statutory role of Chief Social Work Officer. The independence of the professional advice to the IJB and leadership of the social work and social care professions will be strengthened as a result.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

Health Care Professionals who are members of the board also provide support to the IJB.

The Chief Officer has recognised the need to become more integrated in terms of the management structure within the Health and Social Care Partnership and is committed to implementing revised leadership arrangements in 2023/24. This will also address the risks identified in relation to senior management stability and capacity.

### Improvement activity during the year:

- (a) The Executive Management Team supported the Tayside wide review of the Integration Scheme by statutory partners with regular progress reports provided to the IJB. The revised scheme was submitted to Scottish Ministers in June 2022 and received approval in November 2022.
- (b) The governance and accountability arrangements concerning Inpatient Mental Health Services has been clarified via the approval of the revised Integration Scheme. The Lead Partner role for coordinating strategic planning for inpatient mental health services is being actively taken forward by the Chief Officer and regular reporting has been re-activated across all three IJBs.
- (c) A series of Perth and Kinross Offer Sessions have been delivered with staff. These were led by the Chief Officer and focused on values-based leadership and behaviours.
- (d) [What Matters to You?](#) events have contributed to our positive culture and ethos relating to ambition, compassion and integrity.

## STAKEHOLDER ENGAGEMENT

The IJB Meetings are held in public and online. Membership includes wide stakeholder representation including carers' representatives, service users, the third sector and the independent sector.

We have dedicated support for communications through our partner bodies which supports communication with staff and wider stakeholders.

Our Engagement and Participation Strategy is being reviewed and will be refreshed to strengthen stakeholder engagement and the evaluation of the impact we are making.

The HSCP has a dedicated Community Engagement Team who play a key role in delivering community engagement and participation across the Partnership area.

The Strategic Commissioning Plan 2020-2025 was published following engagement with local people. The Strategic Planning Group meets regularly throughout the year and this group has a broad and diverse membership which represents all localities and service user groups to ensure the voice of all is represented in our Strategic Planning work. We maintain close links with the Community Planning Partnership and Local Action Partnerships.

The HSCP works closely with Independent Contractors such as Care Providers, GPs, Dentists, Optometrists and Pharmacists in the delivery of Health and Care Services across Perth and Kinross.

The Partnership has engaged with elected members of Perth & Kinross Council around the Financial Plan and the challenges facing the IJB.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### Improvement activity during the year:

- The involvement of Public Partners in the Integrated Joint Board has been enhanced with a public partner now taking on the co-chair role in the Strategic Planning Group.
- We have effectively engaged with elected members of Perth and Kinross Council during 2022/23 with a development session in June 2022 which ensured newly elected members gained a full understanding of the IJB and the challenges faced.
- All members of the IJB were involved in the budget development for 2023/24.
- We have built better engagement, linkages and relationships with the Community Planning Partnership with HSCP Heads of Service now routinely attending each meeting.
- We have developed a Communications Protocol in partnership with PKC and NHST Communications Teams, which has been shared across the IJB.

### VISION, DIRECTION AND PURPOSE

The Strategic Commissioning Plan 2020-2025 provides a clear vision and the Performance Strategy approved by the IJB set out the commitment to ensure we have the framework in place to measure our success.

This is supported by the development of strategies for our care groups. Each has a performance management framework which is outcome focused and underpins the delivery of the strategy. Our strategic plans for Older People, Mental Health & Wellbeing and Learning Disabilities reflect future requirements and set out programmes of work.

Progress will be overseen by Strategy Groups, HSCP Transformation Board and Executive Management Team. Strategic delivery plans have been approved by the IJB and closely aligned to the 3 Year Financial Plan and Workforce Plan. Performance reports are considered at each IJB Audit and Performance Committee meeting.

The publication of our Annual Performance Report documents our achievement throughout the year in achieving our strategic objectives and national outcomes.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### Improvement activity during the year:

- Progress against implementation of our Strategic Commissioning Plan and Strategic Delivery Plans is routinely reported to our IJB/Audit and Performance Committee.
- The effectiveness of our Strategy Groups has been strengthened with the development, consultation and finalisation of Terms of Reference for all of the Groups.

### DECISION-MAKING

All reports to the IJB are in an agreed format that supports effective decision-making. The IJB and Audit and Performance Committee Annual Work plans ensure regular opportunity for review and scrutiny of progress in delivering strategic priorities.

The Executive Management Team (EMT) meets regularly to oversee delivery of transformation and service redesign priorities and for escalation of operational risk that may impact on strategic delivery.

Development sessions have taken place throughout the year to support informed decision making by IJB members.

Integrated financial planning across health and social care services and the development of financial frameworks to support strategic delivery plans ensures an effective link between strategic and financial planning.

The Partnership's Business Improvement Team is a key project and programme management resource supporting the leadership team in reviewing strategic and service priorities where business improvement and transformation is required.

### Improvement activity during the year:

- Development sessions with IJB members to assist them in directing medium to long-term term strategic plans.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ORGANISATIONAL DEVELOPMENT

The IJB Members are supported by a programme of training throughout the year. Induction is provided for any new IJB Members when required.

Over the year, a program of development sessions has been provided to the IJB to inform and support ongoing decision-making. An extensive development programme is scheduled in advance to ensure IJB members remain fully informed of significant developments.

In addition to this, the IJB has met on four occasions to ensure members are informed in relation to prioritisation of financial resources and budget setting.

The HSCP has an approved 3-year workforce plan in place with an action plan underway to support implementation.

#### Improvement activity during the year:

- A 3 Year Workforce Plan was approved by the IJB in June 2022. Governance arrangements are now in place to support the monitoring and implementation of the plan.

### SCRUTINY AND ACCOUNTABILITY

In order to comply with regulations outlined by the Scottish Government's Integrated Resources Advisory Group, the IJB established an Audit and Performance Committee in July 2016. The role of the IJB Audit and Performance Committee ensures that good governance arrangements are in place for the IJB. It is the responsibility of this committee to ensure that proportionate audit arrangements are in place for the IJB and that annual financial statements are compliant with good practice standards. All IJB Members have a standing invitation to attend Audit and Performance Committee meetings. Both the IJB and the Audit and Performance Committee have annual work plans in place.

We report at regular intervals on financial performance and we are required to publish externally audited Annual Accounts each year. The Annual Performance Report details our activity, reports on our success and outlines further areas for improvement and development.

Our performance against the core set of integration indicators is reported quarterly to the Audit and Performance Committee and to the Executive Management Team.

We have a robust process in place to capture and encourage service user feedback via [Care Opinion](#) and our [SUPER Survey](#) platform and will begin to include stories in our formal reporting to highlight individual experiences and outcomes.

Our Partnership Improvement Plan is presented regularly to the Audit and Performance Committee and provides an update on implementing improvement actions/recommendations arising from our Annual Review of Governance and other self-assessments as well as internal and external audit recommendations and other external inspections.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

We have included an assessment of how we are delivering against our Best Value responsibilities within the Annual Performance Report.

### Improvement activity during the year:

- We have enhanced our approach to obtaining regular patient/service user feedback via Care Opinion and SUPER Survey (Service User Patient Experience).
- Scrutiny, transparency and efficiency have been strengthened. Actions in our Audit Recommendations Update Paper are now amalgamated with our Partnership Improvement Plan, providing a single report for progress on improvement actions.
- Performance Management Frameworks have been approved for each of our Care Group Strategic Delivery Plans. The Audit and Performance Committee has approved a schedule of reporting which will see a Care Group KPI report considered by the Committee at each meeting where this is possible.

## INTERNAL CONTROL FRAMEWORK

The governance framework operates on the foundation of internal controls including management and financial information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. During 2022/23 this included the following:

The development of a 3-year financial plan 2023 to 2026 informed by the financial frameworks underpinning our Strategic Delivery Plans. The 3-year financial plan has been developed and considered with engagement from all IJB members via Budget Development Sessions.

The IJB's approach to risk management is set out in the [Tayside IJB's Risk Management Strategy](#). During 2022/23, the Audit and Performance Committee has overseen and provided robust scrutiny on the IJB's strategic risk register and its associated risk improvement plan.

A schedule of strategic risk reporting to the Executive Management Team is in place. The overall strategic risk profile is reviewed and a balanced assessment is made.

Our approach to strategic risk continues to mature with a development session on the IJB's risk appetite

The annual work plan for the IJB sets out clear timescales for reporting on key aspects of strategy implementation and transformation. A work plan is also in place for the IJB's Audit and Performance Committee. An annual report from this Committee is presented to the IJB providing assurance that the Committee has met its remit throughout the year.

A Directions policy and procedure is now in place with enhanced governance arrangements being practiced.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

Regular review of service quality against recognised professional clinical and care standards is provided by the PKHSCP Care and Clinical Governance Forum. This provides assurance to NHS Tayside Care Governance Committee and Perth and Kinross Council Performance and Scrutiny Committee. Assurance is then provided to the IJB from its partners on the effectiveness of the clinical and care governance arrangements in place.

We have an established Internal Audit Service from Perth & Kinross Council Internal Audit Services and Fife, Tayside and Forth Valley Internal Audit Services (FTF).

We have an agreement with Perth & Kinross Council to the appointment of their Data Protection Officer to the IJB to ensure our GDPR requirements are met.

The HSCP has business continuity plans in place which are regularly reviewed in accordance with processes in place with Partner organisations and any applicable national guidance.

We are working with the other IJBs in Tayside to ensure strong and effective arrangements are in place to support the strategic planning and delivery of lead partner services.

The following wider internal control framework also includes:

- *Complaints handling procedures;*
- *Clinical Care Governance monitoring arrangements;*
- *Procedures for whistle-blowing;*
- *Data Sharing Arrangements;*
- *Code of Corporate Governance including Scheme of Delegation, Standing Financial instructions, standing orders, scheme of administration;*

- *Reliance on procedures, processes and systems of partner organisations through review of Governance Statements and Internal audit Annual Reports.*

### Improvement activity during the year:

- Assurance reporting to the IJB in relation to Clinical and Care Governance has been strengthened with assurance reporting to Perth and Kinross Council now in place.
- Reciprocal assurance reporting concerning Adult Social Care Services Care Governance systems is being provided from Perth and Kinross Council to the IJB.
- A Directions policy and procedure has been approved by the IJB and is now being implemented.
- Risk sharing arrangements between statutory partners have been agreed via the approval of the Perth and Kinross Integration Scheme. The risk share is clearly stated as in proportion to the spending direction for each party



## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ONGOING REVIEW AND FURTHER DEVELOPMENTS

To support the annual review of governance, we have undertaken a full self-assessment using the Governance Self-Assessment Tool provided by Internal Audit. The annual self-assessment has been informed by a full progress update of our Partnership Improvement Plan.

Areas that require further development are highlighted in the Partnership Improvement Plan. This includes areas identified via our self-assessment as well as recommendations received from other external or internal auditors during 2022/23. Progress updates on the Partnership Improvement Plan have been provided during the year to the IJB's Audit and Performance Committee.

### REVIEW OF ADEQUACY AND EFFECTIVENESS

Perth and Kinross IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of the effectiveness of the framework has been informed by:

- *the work of the Executive Management Team who have responsibility for development and maintenance of the governance environment;*
- *the Annual Report by the Chief Internal Auditor;*
- *reports from Audit Scotland and other review agencies;*

- *self-assessment against the FTF Internal Audit Service's Governance Self-Assessment Tool 2022/23;*
- *progress reported against PKHSCP's Partnership Improvement Plan to the IJB's Audit and Performance Committee;*
- *the draft Annual Governance Statements for Perth & Kinross Council, NHS Tayside, Dundee IJB and Angus IJB.*

The Chief Internal Auditor reports directly to the IJB Audit and Performance Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Audit and Performance Committee on any matter.

In addition to regular reports to the IJB's Audit and Performance Committee during 2022/23, the Chief Internal Auditor prepares an annual report to the Audit and Performance Committee including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

The Internal Audit Annual Report 2022/23 received by the IJB's Audit and Performance Committee on 26 June 2023 concluded, in the Chief Internal Auditor's opinion, that reasonable reliance can be placed on the IJB's risk management and governance arrangements and systems of internal control for 2022/23, subject to management implementation of agreed actions.

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### ACTION PLAN FOR 2022/23

18 actions were identified in 2022/23 to strengthen governance arrangements. Of these, 8 have been fully completed with the remainder remaining on the Partnership Improvement Plan. The Partnership Improvement Plan is routinely monitored by the Executive Management Team and scrutiny provided via the Audit and Performance Committee.

### ACTION PLAN FOR 2023/24

The key areas where further progress is required to further strengthen governance arrangements will be set out in detail in the Partnership Improvement Plan and are summarised below:

#### Leadership, Culture and Values

- *Develop and implement an improvement plan that ensures full and demonstrable compliance with the Public Sector Equality Duty.*

#### Stakeholder Engagement

- *Refresh of our Participation and Engagement Strategy to expand engagement, roles and the different sectors involved in Health & Social Care.*

#### Vision, Direction and Purpose

- *Refresh of our Strategic Commissioning Plan.*
- *Development of a P&K Primary Care Strategic Delivery Plan detailing the priorities required to achieve the objectives relating to our Strategic Commissioning Plan and connecting these actions to the Financial Framework.*
- *Development of a P&K Primary Care Premises Strategy*

*setting out the current position, the challenges to ongoing sustainability and the vision for Primary Care Premises in Perth & Kinross.*

- *Re-establishment of the Transformation Board to deliver an appropriately robust governance structure which will provide approval, oversight, scrutiny and assurance on the significant health and social care transformation and improvement which is taking place.*

#### Scrutiny and Accountability

- *Conduct a self-assessment to ensure we are complying with the characteristics of Best Value in accordance with the Local Government in Scotland Act 2003 Best Value Guidance.*

#### Internal Controls

- *Undertake a review of the IJB's reserves policy.*
- *Ensure greater clarity in the consideration of risks in IJB decision making.*
- *Establish a process for monitoring the implementation of Directions issued by the IJB.*
- *Production of an annual Strategic Risk Management Assurance report for consideration by the IJB.*
- *Seek clarification of the Memorandum of Understanding for*
- *The sharing of data with Perth & Kinross Council and NHS Tayside.*
- *Conduct a self-assessment to ensure P&K IJB are meeting their statutory obligations as a Category 1 responder. Undertake a review of financial regulations.*

## SECTION 4: ANNUAL GOVERNANCE STATEMENT

### Requiring Collaboration with Statutory Partners

For a number of further improvements, we are reliant on the leadership of NHS Tayside and Perth & Kinross Council as partners to the Integration Scheme:

- *Improve the effectiveness of links with Partner bodies in relation to Strategic Planning;*
- *Ensure compliance with the NHS National Whistleblowing Standards.*
- *Review the appropriateness of the current arrangement where the Chief Officer also has the role of Chief Social Work Officer to ensure that independent professional leadership in this area is strengthened.*

The above areas will form the key elements of the Partnership Improvement Plan as it rolls forward to 2023/24.

### CONCLUSION AND OPINION ON ASSURANCE

Whilst recognising that improvements are required, as detailed above, we consider that the internal control environment operating during 2022/23 provides reasonable and objective assurance that any significant risks impacting on the achievement of our objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment.

---

**Councillor Colin Stewart**  
*IJB Chair*

---

**Jacqueline Pepper**  
*Chief Officer*

## SECTION 5: ANNUAL ACCOUNTS

### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2021/22		2022/23
Net Expenditure		Net Expenditure
£000		£000
39,470	Community and Hospital Health Services	48,495
26,114	Hosted Health Services	28,337
26,932	GP Prescribing	28,054
48,549	General Medical/Family Health Services	51,231
16,721	Large Hospital Set aside	25,752
302	IJB Operating Costs	309
87,071	Community Care	94,277
<b>245,159</b>	<b>Cost of Services</b>	<b>276,455</b>
(264,508)	Taxation and Non-Specific Grant Income (Note 4)	(260,040)
<b>(19,349)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>16,415</b>
<b>(19,349)</b>	<b>Total Comprehensive (Income) and Expenditure (Note 3)</b>	<b>16,415</b>

This statement shows a deficit of £16.415m, which includes the balances remaining on various Scottish Government and Partnership funds and constitutes the Movement on Reserves in year. This deficit has been included within reserves at 31st March 2023 (as per Movement in Reserves Statement and Note 6 below).

## SECTION 5: ANNUAL ACCOUNTS

### 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.

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund Balance is therefore solely due to the transactions shown in the Comprehensive Income & Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not shown in these annual accounts.

Movements in Reserves During 2022/23	General Fund Balance £000
Opening Balance at 1 April 2022	(33,249)
Total Comprehensive Income & Expenditure	16,415
(Increase) or Decrease in 2022/23	16,415
Closing Balance at 31 March 2023	(16,834)

Movements in Reserves During 2021/22	General Fund Balance £000
Opening Balance at 1 April 2021	(13,900)
Total Comprehensive Income & Expenditure	(19,349)
(Increase) or Decrease in 2021/22	(19,349)
Closing Balance at 31 March 2022	(33,249)

## SECTION 5: ANNUAL ACCOUNTS

### BALANCE SHEET

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2022 £000		Notes	31 March 2023 £000
33,249	Short Term Debtors	5	16,834
<b>33,249</b>	<b>Current Assets</b>		<b>16,834</b>
-	Short-Term Creditors		-
-	<b>Current Liabilities</b>		-
-	Provisions		-
-	<b>Long-Term Liabilities</b>		-
<b>33,249</b>	<b>Net Assets</b>		<b>16,834</b>
(33,249)	Usable Reserve: General Fund	6	(16,834)
<b>(33,249)</b>	<b>Total Reserves</b>		<b>(16,834)</b>

The unaudited annual accounts were issued on 26 June 2023, and the audited annual accounts were authorised for issue on 30 October 2023.

---

**Donna Mitchell**  
*Interim Chief Finance Officer*  
Date: 30 October 2023

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### A GENERAL PRINCIPLES

The Financial Statements summarise the Integration Joint Board's transactions for the 2022/23 financial year and its position at the year-end date of 31 March 2023.

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 2022/23, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Chief Finance Officer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription.

#### B 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.*

#### C FUNDING

The IJB is funded through funding contributions from the statutory funding partners, Perth & Kinross Council and NHS Tayside. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Perth and Kinross.

#### D 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.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

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.

### E 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 and a Chief Finance Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

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

### F 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.

No contingent assets or liabilities have been identified in respect of 2022/23.

### G RESERVES

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.



## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### H INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth & Kinross 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 Clinical Negligence and Other Risks Indemnity Scheme (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.

### I CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In applying the accounting policies set out above, the Integration Joint Board has had to make certain judgments about complex transactions or those involving

uncertainty about future events. The critical judgments made in the Annual Accounts are:

*The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set-Aside by NHS Tayside and made available to the IJB.*

*An estimate is used for the funding contribution and net expenditure and is based on 2022/23 activity and direct cost per occupied bed day, uplifted for inflation.*

*The figure of £25.752m for 2022/23 has been agreed with NHS Tayside and will be included in both the NHS Tayside and Perth & Kinross IJB annual accounts. This is consistent with the treatment of Large Hospital Set-Aside in 2021/22 financial statements. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.*

### J RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and Kinross Integration Joint Board, both Perth & Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in Note 8 in line with the requirements of IAS 24 Related Party Disclosures.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### K SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a ‘*service in kind*’. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

### NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Chief Finance Officer on 30 October 2023. 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 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2021/22 £000		2022/23 £000
87,071	Services commissioned from Perth & Kinross Council	94,277
157,786	Services commissioned from NHS Tayside	181,869
268	Other IJB Operating Expenditure	275
3	Insurance and Related Expenditure	3
31	External Audit Fee	31
(264,508)	Partner Funding Contributions and Non-Specific Grant Income	(260,040)
<b>(19,349)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>16,415</b>

Costs associated with the Chief Officer and Chief Finance Officer are included within “other IJB operating expenditure”. The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2021/22 £000		2022/23 £000
(65,458)	Funding Contribution from Perth & Kinross Council	(79,034)
(199,050)	Funding Contribution from NHS Tayside	(181,006)
<b>(264,508)</b>	<b>Taxation and Non-specific Grant Income</b>	<b>(260,040)</b>

The funding contribution from NHS Tayside shown above includes £25.752m 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.

### NOTE 5: DEBTORS

2021/22 £000		2022/23 £000
26,917	NHS Tayside	7,825
6,332	Perth & Kinross Council	9,009
<b>33,249</b>	<b>Debtors</b>	<b>16,834</b>

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

### NOTE 6: 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.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

As at March 2023, the IJB's Annual Accounts showed that Perthand Kinross IJB had reserves totaling £16.834m. The following table sets out the reserve balances as at 31 March 2023.

	Balance as at 1 April 2022	Transfers In/(Out)	Balance as at 31 March 2023
	£000	£000	£000
COVID 19 Fund	15,366	(14,724)	642
Winter Resilience Fund	3,440	(2,356)	1,084
Primary Care Improvement Fund	2,613	(2,167)	446
Primary Care Earmarked Reserve Fund	500	255	755
Alcohol and Drug Partnership Fund	1,318	(166)	1,152
Mental Health Recovery and Renewal Fund	687	(5)	682
Mental Health Action 15 Fund	349	(243)	106
Community Living Change Fund	505	(30)	475
Service Specific Earmarked Reserves	1,615	(237)	1,378
Health Reserves Fund (NHS Tayside)	1,400	(750)	650
Health Operational Underspend	1,790	219	2,009
Social Care Operational Underspend	3,666	3,789	7,455
<b>Closing Balance at 31 March 2023</b>	<b>33,249</b>	<b>(16,415)</b>	<b>16,834</b>

The above table shows the remaining balance of each funding stream as at 31 March 2023. The Transfers In/(Out) column represents the movement in funding i.e. the net of budget received and expenditure incurred in 2022-23.

The Primary Care Improvement Fund Reserve had an opening balance of £2.613m with receipts of £1.995m and expenditure of £4.162m, resulting in a closing balance of £0.446m.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the lead partner for Public Dental services/Community Dental services, Prison Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full 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.

2021/22 £000		2022/23 £000
6,325	Expenditure on Agency Services	6,693
(6,325)	Reimbursement for Agency Services	(6,693)
-	<b>Net Agency Expenditure excluded from the CIES</b>	-

As was the case in 2021/22, National Services Scotland (NSS) have been supplying PPE to Scottish Health Boards free of charge during the financial year 2022/23. The value of this PPE issued to the P&K HSCP in 2022/23 was £0.010m. The IJB is acting as an agent regarding these PPE transactions and therefore there is no impact on the figures within the Comprehensive Income and Expenditure Statement.

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with NHS Tayside and Perth & Kinross 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.

#### Income - Payments for integrated functions

2021/22 £000		2022/23 £000
65,458	Perth & Kinross Council	79,034
199,050	NHS Tayside	181,006
<b>264,508</b>	<b>Total</b>	<b>260,040</b>

#### Expenditure - Payments for delivery of integrated functions

2021/21 £000		2022/23 £000
87,105	Perth & Kinross Council	94,311
157,786	NHS Tayside	181,869
268	NHS Tayside: Key Management Personnel Non-Voting Board Members	275
<b>245,159</b>	<b>Total</b>	<b>276,455</b>

This table shows that expenditure within Perth and Kinross Council is £15.277m greater than Perth and Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth and Kinross Council (£18.090m), the PKC contribution towards IJB key management personnel (-£0.137m) and the transfer to reserves (-£2.676m) identified in note 5.

Key Management Personnel: The non-voting Board members employed by the NHS Board and Perth and Kinross Council and recharged to the IJB include the Chief Officer; the Chief Finance Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Perth and Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB but there is no discrete charge for this representation.

#### Balances with Perth & Kinross Council

2021/22 £000		2022/23 £000
6,332	Debtor balances: Amounts due from Perth & Kinross Council	9,009
-	Creditor balances: Amounts due to Perth & Kinross Council	-
<b>6,332</b>	<b>Total</b>	<b>9,009</b>

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### Balances with NHS Tayside

2021/22 £000		2022/23 £000
26,917	Debtor balances: Amounts due from NHS Tayside	7,825
-	Creditor balances: Amounts due to NHS Tayside	-
<b>26,917</b>	<b>Total</b>	<b>7,825</b>

### NOTE 9: VAT

The IJB is not VAT registered and as such the VAT is settled or recovered by the partner agencies.

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 the Council is the provider, income and expenditure excludes any amounts relating to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is not recoverable from HM Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the commissioning IJB.

### NOTE 10: INPATIENT MENTAL HEALTH

During 2020-21, the Scottish Government actioned the transfer of operational management responsibility for Inpatient Mental Health Services in Tayside from the Integration Joint Boards (previously hosted by Perth and Kinross) to NHS Tayside. This meant that NHS Tayside managed the budget and associated variances in 2020/21 and beyond.

The IJB is responsible for the planning of Inpatient Mental Health Services. This means that £10.829m has been included within the Hosted Services line in the CIES in 2022-23, which constitutes Perth & Kinross IJB's share of Inpatient Mental Health.

2021/22 £000		2022/23 £000
15,849	Expenditure on Hosted Services	17,508
10,265	Expenditure on Inpatient Mental Health	10,829
<b>26,114</b>	<b>Total Expenditure on Hosted Services</b>	<b>28,337</b>

## SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11: CONTINGENT ASSETS AND LIABILITIES

A review of contingent assets and liabilities has been undertaken on behalf of the IJB by Legal Services, and no contingent assets or liabilities have been identified at 31 March 2023.

### NOTE 12: ACCOUNTING STANDARDS ISSUED BUT NOT YET 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. There are no such standards which would have a significant impact on the P&K IJB annual accounts.



## SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

### Reporting 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 Perth and Kinross Integration Joint Board for the year ended 31 March 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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 for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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 was appointed by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27 I am independent of the body 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 Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

### Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### Responsibilities of the Interim Chief Finance Officer and the Audit and Performance Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Interim Chief Finance 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 Interim Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Interim Chief Finance Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The Audit and Performance Committee is responsible for overseeing the financial reporting process.

## SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

### Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain 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) 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the body;
- inquiring of the Interim Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Interim Chief Finance Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

## SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### Reporting on other requirements

#### Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

#### Other information

The Interim Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

## **SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION**

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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 audited 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.

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

## SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

### Use of my report

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 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Brian Howarth ACMA CGMA  
Audit Director  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

## SECTION 8: GLOSSARY OF TERMS

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

### **Accounting Period**

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

### **Accruals**

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

### **Asset**

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

### **Audit of Accounts**

An independent examination of the IJB's financial affairs.

### **Balance Sheet**

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

### **CIPFA**

The Chartered Institute of Public Finance and Accountancy.

### **Consistency**

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

### **Contingent Asset/Liability**

A Contingent Asset/Liability is either:

- *a possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or*
- *a present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.*

### **Creditor**

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

### **Debtor**

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

### **Defined Benefit Pension Scheme**

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

## SECTION 8: GLOSSARY OF TERMS

### **Entity**

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

### **Post Balance Sheet Events**

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

### **Exceptional Items**

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

### **Government Grants**

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

### **IAS**

International Accounting Standards.

### **IFRS**

International Financial Reporting Standards.

### **IRAG**

Integration Resources Advisory Group

### **LASAAC**

Local Authority (Scotland) Accounts Advisory Committee

### **Liability**

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period, eg creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

### **Provisions**

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

### **PSIAS**

Public Sector Internal Audit Standards

### **Related Parties**

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service and their close family and household members.

### **Remuneration**

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.



## SECTION 8: GLOSSARY OF TERMS

### **Reserves**

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

### **Revenue Expenditure**

The day-to-day expenses of providing services.

### **Significant Interest**

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

### **SOLACE**

Society of Local Authority Chief Executives.

### **The Code**

The Code of Practice on Local Authority Accounting in the United Kingdom.

If you or someone you know would like a copy of this document in another language or format, (on occasion only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000

إن احتجت أنت أو أي شخص تعرفه نسخة من هذه الوثيقة بلغة أخرى أو تصميم آخر فيمكن الحصول عليها (أو على نسخة معدلة لمخلص هذه الوثيقة مترجمة بلغة أخرى) بالاتصال ب: الاسم: Customer Service Centre رقم هاتف للاتصال المباشر: 01738 475000

اگر آپ کو یا آپ کے کسی جاننے والے کو اس دستاویز کی نقل دوسری زبان یا فارمیٹ

(بعض دفعہ اس دستاویز کے خلاصہ کا ترجمہ فراہم کیا جائے گا) میں درکار ہے

تو اس کا بندوبست سروس ڈیولپمنٹ Customer Service Centre سے فون

نمبر 01738 475000 پر رابطہ کر کے کیا جاسکتا ہے۔

如果你或你的朋友希望得到這文件的其他語言版本或形式

(某些時候，這些文件只會是概要式的翻譯)，請聯絡

Customer Service Centre 01738 475000

來替你安排。

Jeżeli chciałbyś lub ktoś chciałby uzyskać kopię owego dokumentu w innym języku niż język angielski lub w innym formacie (istnieje możliwość uzyskania streszczenia owego dokumentu w innym języku niż język angielski), Proszę kontaktować się z Customer Service Centre 01738 475000

P ejete-li si Vy, anebo n kdo, koho znáte, kopii této listiny v jiném jazyce anebo jiném formátu (v n kterých p ípadech bude p eložén pouze stru ný obsah listiny) Kontaktujte prosím Customer Service Centre 01738 475000 na vy ízení této požadavky.

Если вам или кому либо кого вы знаете необходима копия этого документа на другом языке или в другом формате, вы можете запросить сокращенную копию документа обратившись Customer Service Centre 01738 475000

Nam bu mhath leat fhèin no neach eile as aithne dhut lethbhreac den phàipear seo ann an cànan no ann an cruth eile (uaireannan cha bhi ach geàrr-iomradh den phàipear ri fhaotainn ann an eadar-theangachadh), gabhaidh seo a dhèanamh le fios a chur gu Ionad Sheirbheis Theachdaichean air 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.



Perth & Kinross Health and Social Care Partnership  
3<sup>rd</sup> Floor  
2 High Street  
Perth  
PH1 5PH

## Appendix 3

Enquiries to	Donna Mitchell
Email	<a href="mailto:tay.pkijbbusinesssupport@nhs.scot">tay.pkijbbusinesssupport@nhs.scot</a>
Your Ref	
Our Ref	DM/PJ
Date	30 October 2022

Brian Howarth, Audit Director  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

30 October 2023

Dear Brian

### **Perth and Kinross Integration Joint Board Annual Accounts 2022/23**

1. This representation letter is provided in connection with your audit of the annual accounts of Perth and Kinross Integration Joint Board (the IJB) for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Audit and Performance Committee and Chief Officer, the following representations given to you in connection with your audit of the IJB's annual accounts for the year ended 31 March 2023.

#### **General**

3. Perth and Kinross Integration Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2022/23 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the IJB have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

#### **Financial Reporting Framework**

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (2022/23 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government

(Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the IJB at 31 March 2023 and the transactions for 2022/23.

### **Accounting Policies & Estimates**

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2022/23 accounting code, where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable *remove if not applicable*. All accounting policies applied are appropriate to the IJB's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

### **Going Concern Basis of Accounting**

9. I have assessed the IJB's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on the IJB's ability to continue as a going concern.

### **Fraud**

10. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

11. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

### **Related Party Transactions**

12. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2022/23 accounting code. I have made available to you the identity of all the IJB's related parties and all the related party relationships and transactions of which I am aware.

## **Remuneration Report**

**13.** The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

## **Management Commentary**

**14.** I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

## **Corporate Governance**

**15.** I confirm that the IJB has undertaken a review of the system of internal control during 2022/23 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

**16.** I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2023, which require to be reflected.

## **Balance Sheet**

**17.** All events subsequent to 31 March 2023 for which the 2022/23 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Interim Chief Finance Officer

