



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

26 SEPTEMBER 2022

ANNUAL ACCOUNTS 2021/22

**Report by Head of Finance and Corporate Services
(Report No. G/22/148)**

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2022 to the Audit & Performance Committee for approval.

1. BACKGROUND

On 27 June 2022 the Integration Joint Board approved the Unaudited Annual Accounts for 2021/22. The Unaudited Annual Accounts for 2021/22 were then submitted to Audit Scotland on 30 June 2022. The Annual Accounts were prepared in accordance with the 2021 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 1 July 2022 and 21 July 2022 (inclusive). KPMG, the IJB's external auditors, received no objections during this period.

2. ANNUAL ACCOUNTS 2021/22

The audit of the Annual Accounts took place between July and August 2022 during which time KPMG considered whether the Annual Accounts 2021/22:-

- Gave a true and fair view in accordance with applicable law and the 2021 Code of the state of the affairs of the IJB as at 31 March 2022 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 2021 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.

KPMG's findings are set out in the Annual Audit Report to members and the Controller of Audit provided to the Audit and Performance Committee at Appendix 1. The key messages from the 2021/22 audit are set out at within the Executive Summary at Page 3 and are summarised as follows: -

- KPMG expect to issue an unqualified audit opinion on the annual accounts of Perth and Kinross Integration Joint Board following their approval by the IJB;
- KPMG had no matters to highlight in respect of adjusted audit differences or their independence;
- KPMG concur with management's assessment that the entity remains a going concern for the 12 month period from September 2022;
- The underspend of £1.569M for the year means there is no additional contributions required by either partner body;
- Partners continue to be bound to cover overspends for which they have operational responsibility and this is expected to continue;
- KPMG consider the IJBs arrangements regarding financial management to be effective;
- The IJB's arrangements for assessing and reporting on the impact of COVID-19 was considered appropriate;
- KPMG repeated concerns around the lack of a proportional financial risk sharing agreement;
- The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board.

The Audited Accounts are attached to this report at Appendix 2.
The Audit and Performance Committee are asked to approve the letter of Representation for signature by the Head of Finance & Corporate Services.

3. ANNUAL GOVERNANCE STATEMENT 2021/22

Further work has been undertaken since approval of the Draft Annual Governance Statement (AGS) by this Committee in June 2022 has identified two further actions that will improve the governance arrangements in the following areas:

- Equalities Public Duty
- Directions Policy

The amendments were submitted to KPMG and were included in the external audit.

4. CONCLUSION AND RECOMMENDATIONS

It is recommended that the Audit & Performance Committee:

- Note the contents of KPMG's Annual Audit Report to Members of Perth & Kinross IJB and the Controller of Audit on the 2021/22 Audit;
- Approve the Audited Annual Accounts for 2021/22;

- Approve the Letter of Representation for signature by the Head of Finance and Corporate Services.

Author(s)

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Appendices

1. Annual Audit Report to the Members of Perth and Kinross Integration Joint Board and the Controller of Audit
2. 2021/22 Audited Annual Accounts
3. Letter of Representation