



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

ANNUAL ACCOUNTS 2020/21

Report by Head of Finance and Corporate Services (Report No. G/21/112)

PURPOSE OF REPORT

This report presents the IJB's Audited Annual Accounts for the period to 31 March 2021 to the Audit & Performance Committee for approval.

1. BACKGROUND

On 21st June 2021 the Audit and Performance Committee approved the Unaudited Annual Accounts for 2020/21 on behalf of the IJB. The Unaudited Annual Accounts for 2020/21 were then submitted to Audit Scotland on 30 June 2021. The Annual Accounts were prepared in accordance with the 2020 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 2021 and 21 July 2021 (inclusive). KPMG, the IJB's external auditors, received no objections during this period.

2. ANNUAL ACCOUNTS 2020/21

The audit of the Annual Accounts took place between July and August 2021 during which time KPMG considered whether the Annual Accounts 2020/21:-

- Gave a true and fair view in accordance with applicable law and the 2020 Code of the state of the affairs of the IJB as at 31 March 2021 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 2020 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 2020/21 audit are set out at within the Executive Summary at Page 3 and are summarised as follows:-

- KPMG intend to issue an unqualified audit opinion on the annual accounts of Perth and Kinross Integration Joint Board (“the IJB”) following their approval by the IJB
- KPMG have no matters to highlight in respect of adjusted audit differences or our independence.
- KPMG remain satisfied that the IJB is a going concern as a result of the integration scheme and the financial sustainability of the partners.
- The IJB’s arrangements for assessing and reporting on the impact of COVID-19 is considered appropriate.
- KPMG consider the arrangements regarding financial management are effective.
- The annual performance report shows significant improvement with most of the indicators above the national average.
- KPMG’s recommendation of moving to a proportional risk sharing agreement has not been delivered in year, and continues to be reported as a grade one action point for 2021-22

The Audited Accounts are attached to this report at Appendix 2. The Audit and Performance Committee are asked to consider the Letter of Representation at Appendix 3 for submission to the IJB for final approval.

3. ANNUAL GOVERNANCE STATEMENT 2020/21

It has been necessary to amend the Annual Governance Statement (AGS) since it was approved by this Committee in June 2021. Ongoing work concerning Clinical Care Governance assurance arrangements has meant that the following paragraph in the Internal Control Framework section has been included to better represent the current arrangements:

“Regular review of service quality against recognised professional clinical and care standards is provided by the PKHSCP Clinical Governance Forum to NHS Tayside Clinical Care Governance Committee. The NHS Tayside Clinical Care Governance Committee provides assurance to the IJB.”

An improvement action has subsequently been added to the Action Plan for 2021/22 under the Internal Controls section as follows:

“Review and embed a process for ensuing regular assurance is provided to the IJB that NHS Tayside and Perth & Kinross Council are effectively managing and monitoring clinical care and professional risk and that significant risks that may impact on the strategic objectives of the IJB are effectively escalated;”

It is anticipated that proposals in this regard will come forward to the IJB in September.

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 2020/21 Audit;
- Approve the Audited Annual Accounts for 2020/21;
- 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. 2020/21 Audited Annual Accounts
3. Letter of Representation