



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE 21 JUNE 2021

UNAUDITED ANNUAL ACCOUNTS 2020/21

Report by Head of Finance and Corporate Services (G/20/83)

PURPOSE OF REPORT

This report presents the Integration Joint Board's (IJB) Unaudited Annual Accounts for the financial year 2020/21 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

1. BACKGROUND

- 1.1 The Unaudited Annual Accounts for 2020/21 are due to be submitted to the Controller of Audit by 30 June 2021.
- 1.2 The Annual Accounts are prepared in accordance with the 2020 CIPFA Code of Practice on Local Authority Accounting ("the Code").
- 1.3 These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014 which came into force in October 2014.

2. ANNUAL ACCOUNTS

- 2.1 The regulations require an annual review of the effectiveness of the IJB's system of internal control. This requirement will be met by the approval of the Annual Governance Statement by the Audit & Performance Committee of the IJB prior to inclusion in the unaudited Annual Accounts.
- 2.2 The Annual Accounts include a Management Commentary. The purpose of which is to provide users of the financial statements with integrated information on management's view of performance, position and progress (including forward looking information). This is set out from page 3 of the Accounts.

- 2.3 The regulations require the IJB or an appropriate Committee of the IJB to consider the unaudited accounts at a meeting to be held no later than 31 August 2021. Best practice is for the IJB or an appropriate Committee to have formally considered the Unaudited Annual Accounts prior to submitting them to the appointed auditor and making them available for public inspection.
- 2.4 Subsequent to the unaudited accounts being finalised, Audit Scotland queried the accounting treatment of National Services Scotland (NSS) procured PPE that was utilised by Social Care. IJBs are awaiting advice on how this expenditure is to be reflected within IJB accounts. Once known, the Annual Accounts will be updated through the audit adjustment process.
- 2.5 Following consideration of the Unaudited Annual Accounts, the Audit & Performance Committee is asked to authorise the Head of Finance and Corporate Services to sign the Accounts, submit for external audit and make them available for public inspection.

3. NEXT STEPS

- 3.1 Assuming approval by the Audit and Performance Committee on behalf of the IJB at its meeting on the 21 June 2021, the audit of the Annual Accounts will take place during July and August 2021. Audit Scotland (working with Council officers) will consider whether the Annual Accounts:
- Give a true and fair view, in accordance with applicable law and the 2020 Code, of the state of the affairs of the IJB at 31 March 2021 and of the income and expenditure of the IJB for the year then ended;
 - Have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020 Code; and
 - Have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.
- 3.2 It is anticipated that the results of the audit will be summarised in the Draft Annual Report which incorporates the ISA260: Report to those Charged with Governance. It is anticipated that this Final Audit Scotland Annual Report will be considered by the Audit and Performance Committee on 13 September 2021.
- 3.3 The Unaudited Annual Accounts are also available for public inspection between 1 July and 21 July 2021 (inclusive) with any objections being sent to the auditor.

4. CONCLUSION AND RECOMMENDATIONS

- 4.1 The Unaudited Annual Accounts will be submitted to the Controller of Audit by 30 June 2021 subject to approval by this Committee and authorisation by the the Head of Finance and Corporate Services.

4.2 It is recommended that the Audit & Performance Committee authorises the Head of Finance and Corporate Services to sign the Unaudited Annual Accounts on behalf of the IJB.

Author(s)

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APPENDIX

1. Unaudited Annual Accounts 2020/21