



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
28 JUNE 2016**

REPORT ON: DRAFT ANNUAL ACCOUNTS 2015/16

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB32-2016

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to present the Integration Joint Board's Draft Annual Statement of Accounts 2015/16 for approval to initiate the external audit process and to note and consider the proposed Audit Strategy from the IJB's appointed External Auditor.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the Integration Joint Board's Draft Annual Statement of Accounts 2015/16 as outlined in Appendix 1;
- 2.2 Instructs the Chief Finance Officer to submit the Accounts to the IJB's external auditors (KPMG) to enable the audit process to commence;
- 2.3 Notes and approves the proposed Audit Strategy for 2015/16 as provided by the IJB's External Auditor as at Appendix 2.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4.0 MAIN TEXT

4.1 Background

4.1.1 The IJB is required to prepare financial statements for the financial year ending 31st March 2016 following the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 ("the 2015-16 Code"). The Annual Accounts report the financial performance of the IJB. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to the IJB for the delivery of the IJB's vision and its core objectives.

4.1.2 While the IJB did not incur a high volume of transactions through the 2015/16 period prior to becoming operationally responsible for the management and delivery of delegated services, there were some running costs associated with this period. The IJB is required to follow Local Authority Accounts (Scotland) Regulations 2014. This requires the inclusion of a management commentary and remuneration report and submission of the draft accounts by the 30th June 2016 to the IJB's external auditors (KPMG for the year ending 2015/16).

- 4.1.3 The Accounting Statements themselves comprise:-
- a) Comprehensive Income and Expenditure Statement for the period to year ending 31st March 2016 (single entity and group position);
 - b) Balance Sheet for the period ending 31st March 2016;
 - c) Notes, comprising a summary of significant accounting policies, analysis of significant figures within the Accounting Statements and other explanatory notes.
- 4.1.4 Once submitted, the external auditor will assess these accounts and produce an independent auditors' report setting out their opinion on the annual statement by 30th September 2016. The outcome of this will be incorporated into the annual accounts and will subsequently be presented to the IJB for final approval.
- 4.1.5 The draft unaudited accounts are shown in Appendix 1.

4.2 External Audit Strategy

- 4.2.1 Dundee IJB's assigned External Auditor for 2015/16, KPMG, have produced an Audit Strategy in relation to the 2015/16 financial year. This strategy describes how the auditor will deliver their audit to the IJB, summarising their responsibilities as external auditor and their intended approach. The main purpose of the report for 2015/16 is to issue a report to the IJB outlining whether in their opinion the annual financial statements:
- give a true and fair view in accordance with applicable law and the 2015-16 Code of the state of the affairs of the IJB as at 31 March 2016 and of the income and expenditure of the IJB for the year then ended; and
 - have been prepared in accordance with IFRS as adopted by the European Union, as interpreted and adapted by the 2015-16 Code, the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government Scotland Act 2003
- 4.2.2 The IJB is asked to consider this strategy (attached) to enable the External Auditor to carry out its responsibilities.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATIONS

The Chief Officer and the Clerk were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 6 June 2016