



Dumfries and Galloway
Integration Joint Board
Audit, Risk and Governance Committee

23rd February 2023

This Report relates to
Item 7 on the Agenda

Quarterly Update Report from Chief Finance Officer

Paper presented by Katy Kerr

For Discussion

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List of Background Papers:	Not required
Appendices:	

1. Introduction

- 1.1 An update is provided to Audit and Risk Committee on a quarterly basis to reflect activity in the previous quarter and to update on a range of technical and accounting matters.

2. Recommendations

2.1 The Integration Joint Board is asked to:

- **Note the Quarterly Update Report from the Chief Finance Officer and the updates provided.**

3. Background and Main Report

3.1 Background

- 3.2 As part of the reporting to Audit and Risk Committee, the Chief Finance Officer provides a quarterly written update to Audit and Risk Committee. The activity report provides an update on a range of technical and accounting matters.

3.3 Main Report

3.4 *External Auditors Fees*

- 3.5 Audit Scotland were appointed as the external auditor for Dumfries and Galloway's Health and Social Care Integration Joint Board. This appointment is for the financial years 2022/23 to 2026/27. The lead auditor is Fiona Mitchell-Knight who will attend the Audit, Risk and Governance Committee meetings as requested by the Committee. The fee for 2022/23 has been confirmed as £31,470 by Audit Scotland.

3.6 *Technical Bulletin Summary*

- 3.7 On a quarterly basis, Audit Scotland publish guidance to both External Auditors and Public Sector bodies which is intended to provide a composite of technical developments that are relevant to Auditors' responsibilities and provide guidance on any emerging issues. These Technical Bulletins offer coverage across Local Authority, Central Government, Health, Further Education and Cross-sectoral. All publications are made available on the Audit Scotland website which can be found using the following link:

<https://www.audit-scotland.gov.uk/our-work/technical-guidance>

- 3.8 There have been no technical bulletins have been published since previously reported.

Annual Accounts preparation

- 3.9 The Integration Joint Board annual report and accounts for 2022/23 are required to be prepared in accordance with the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003. The financial statements are prepared in the format provided by The Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

3.10 A draft high level timetable for the annual accounts process is included below (note this has yet to be finalised with Council and NHS Board):

Action	Date
Agreement of NHS and Council expenditure and balances with IJB	28 April/8 May 2023
Accounts preparation	May 2023
Management review of accounts	May/June 2023
Assurance letters from Head of Finance Dumfries and Galloway Council and Deputy Director of Finance NHS Dumfries and Galloway	Early June 2023
Unaudited annual report and accounts to Audit and Risk Committee for scrutiny and review	8 June 2023
Unaudited annual report and accounts to be submitted to the independent auditors	8 June 2023
Publication of unaudited annual report and accounts for public consultation (22 days)	July 2023
Latest date that objections may be sent to the Independent auditors	End July 2023
Presentation of annual report and accounts and Independent auditors report to Audit and Risk Committee for approval and signature	7 September 2023
Sign off by IJB of Accounts	21 September 2023
Annual report and accounts to be published on Website	No later than 31 October 2023

External Audit Action Points

3.11 The external audit comments reflected in the auditors annual report will be monitored for progress of implementation by the Chief Finance Officer and reported to Committee on a quarterly basis. The latest update is included in **Appendix 1** to this report.

Accounting policies

3.12 No accounting policy changes are requested this quarter.

4. Conclusions

4.1 There are no significant matters to update to committee this latest quarter.

5. Resource Implications

5.1. Funding implications are considered as part of the overall Financial Plan and budget setting for the IJB.

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1. The content of this Report links to National Health and Wellbeing Outcome 9 – Resources are used effectively and efficiently in the provision of health and social care services.

7. Legal and Risk Implications

7.1. There are no legal or risk implications identified.

8. Consultation

8.1. The Chair of the IJB Audit and Risk Committee and the Chief Officer are provided with updates on a regular basis.

9. Equality and Human Rights Impact Assessment

9.1. As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an impact assessment. Individual savings schemes and difficult decisions will be impact assessed.

10. Glossary

10.1 All acronyms must be set out in full the first time they appear in a paper with the acronym following in brackets.

CFO	Chief Finance Officer
IJB	Integration Joint Board
LASAAC	Local Authority (Scotland) Accounts Advisory Committee

Action Plan for 2021/22 External Audit Recommendations

Action Title	Action	Original Management Response	Responsible Officer	Timescale for implementation	Response/Progress
1. Longer Term Financial Planning and Future Direction of the IJB	The IJB's strategic commissioning plan (2022-2025) sets out the IJB priorities for the next 3 years. It is the intention of the Chief Finance Officer to produce a medium term financial strategy, which underpins the commissioning plan. However, it is recognised that funding, to the IJB continues to be on an annual basis, and due to Covid, with additional monies being received, at times later on, in the financial year, this has made forecasting over a longer period difficult.	The development of a longer term financial plan for the IJB remains challenging given the one year nature of financial settlements, the volatility of spend and the uncertainty of funding. Work has progressed around the development of the Financial Recovery Plan and a full rebasing of cost and pressures are planned as part of the development of the budget for 2023/24.	Chief Finance Officer	March 2023	Will continue to review options as the 2023/24 plan is developed. Financially planning beyond current financial year remains a challenge.
Update on 2020/21 External Audit Recommendations					
1. Longer term Financial Planning and Future Direction of the IJB	It is recognised in the current climate that the IJB is unable to plan beyond the current financial year. In addition, there are many uncertainties in the 2021/22 financial plan as the NHS and Council continue to respond to Covid-19 and develop recovery plans. The IJB will continue to focus on funding and delivery of the savings plans to achieve the forecast financial position but is recognised this is not without challenge. Going forward, at a suitable point in time, the IJB should refocus on creating a long term financial plan, considering various scenarios over funding and savings delivery. This may be done in the context of the future direction of the IJB as the Feely care review is further considered by Government and stakeholders, which include the IJB, NHS and Council.	An update of the longer term financial plan is in progress and will be reviewed following the draft budget for 22/23 and any further detail which is released through the care consultation process.	Chief Finance Officer	March 2022	Follow Up: Superseded See 2021/22 recommendation which recommends the financial plan aligns with the new 3-year commissioning plan.
2. Best Value Assurance Framework	Management should progress during 2021/22 the plans set out at the Audit and Risk Committee in respect of developing a best value assurance framework, mapping bet value assurances across the IJB itself as well as the partner organisations. This work can be done in tandem with the developing thinking of the Accounts Commission on how to audit and assess the achievement of Best Value within an organisation like the IJB – a commissioning body, who directs partners to deliver, on their behalf, via delegated budgets and direction.	This work will be progressed for 21/22 and updated based on the relevant guidance in place at the time for the 21/22 assurance process.	Chief Finance Officer	June 2022	Follow Up: Ongoing Assurances are in place, from which both Partner organisations in respect of the delivery of Best Value. Best Value in an IJB continues to be a discussion within the IJB and at a national level and the IJB continues to look to develop its reporting, on how it evidences the achievement of Best Value. Further update scheduled for June 2023 ARG committee.