

Clackmannanshire & Stirling Integration Joint Board

**Annual Accounts
2016/17**

CONTENTS

Management Commentary	3
Statement of Responsibilities.....	11
Remuneration Report	13
Annual Governance Statement	17
Comprehensive Income and Expenditure Statement.....	22
Movement in Reserves Statement	23
Balance Sheet	24
Notes to the Financial Statements.....	25
1. Significant Accounting Policies	25
2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted ..	28
3. Critical Judgements in Applying Accounting Policies	28
4. Events After the Reporting Period.....	28
5. Expenditure and Income Analysis by Nature	29
6. Taxation and Non-Specific Grant Income.....	29
7. Debtors	30
8. Creditors.....	30
9. Provisions	30
10. Usable Reserve: General Fund	30
11. Related Party Transactions	32
12. Expenditure and Funding Analysis	35
Independent Auditor's Report	37

Management Commentary

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of health and adult social care in Scotland, to be governed by Integration Joint Boards (IJB's) with responsibility for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.

Following approval from Clackmannanshire and Stirling Councils and the Forth Valley Health Board (NHS Forth Valley), the Integration Scheme, the formal legal partnership agreement between the three constituent organisations, was submitted to Scottish Ministers on 24 June 2015. On 3 October 2015 Scottish Ministers legally established the Clackmannanshire and Stirling Integration Joint Board.

On 1 April 2016 health and social care functions per the Integration Scheme were formally delegated to the Integration Joint Board. Therefore, financial year 2016/17 represents the first full year of operations for the Clackmannanshire and Stirling Integration Joint Board. This delegation of functions and services in scope means the Integration Joint Board taking responsibility for the strategic planning and commissioning of adult social care service provision, of Community and Family Health Services relating to in-scope functions, and for large hospital services planning with partners who will continue to manage and deliver the services as part of the pan Forth Valley structures.

Clackmannanshire and Stirling Integration Joint Board approved its Strategic Plan 2016-2019 on 22 March 2016. The Strategic Plan sets out the case for change, vision and outcomes and priorities for the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) over this period.

This publication contains the financial statements for the financial year from 1 April 2016 to 31 March 2017.

Principal Activities

During 2016/17 the key activities of Clackmannanshire and Stirling Integration Joint Board included:

- Issuing of Directions to Clackmannanshire Council, NHS Forth Valley and Stirling Council for their respective delegated functions from 1 April 2016, as set out in the Integration Scheme. The Directions are the mechanism by which the Integration Joint Board instructs the constituent authorities to carry out the delegated functions. These documents set out how the Integration Joint Board expect the constituent bodies to deliver each function, and spend Integration Joint Board resources, in line with the Strategic and Financial Plans.
- Developing a draft Delivery Plan to support the delivery of the Strategic Plan priorities along with local and national key performance objectives
- Establishing and further developing financial, risk and performance reporting frameworks as part of the corporate governance arrangements for the Integration Joint Board.
- Establishing and agreeing terms of reference for the Integration Joint Board Audit Committee
- Achieving Full Business Case approval, financial close and commencement of the construction phase for Stirling Care Village which is a partnership priority within the Strategic Plan.
- Undertaking a review of the utilisation and effectiveness of deployment of Partnership Funding allocated to the partnership from Scottish Government.
- Implementing the Scottish Living Wage in Adult Social Care
- Developing locality planning arrangements
- Approving service changes in relation to Learning Disabilities and Mental Health Services in line with the priorities of the Strategic Plan
- Agreeing the budget for financial year 2017/18 taking account of the challenging financial environment facing the constituent authorities and therefore the Partnership

2016/17 Annual Accounts

The Accounts report the financial performance of the Integration Joint Board. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the Integration Joint Board's vision and its core outcomes as expressed within the Strategic Plan. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2016/17 Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting 2016/17 and the Local Authority Accounts (Scotland) Regulations 2014.

The majority of the surplus declared in the accounts is a result of utilisation of the financial regime of the Integration Joint Board to manage the timing of specific resource allocations from Scottish Government between financial years to achieve optimal impact from the use of available resources. Accordingly, £2.724 million of the £3.412 million surplus reported in 2016/17 is earmarked to be spent in 2017/18.

The Integration Scheme sets out the arrangements for managing financial risk in the first year of operations, the use of which has enabled the creation of a general reserve into 2017/18 to assist in managing financial risks and unforeseen events with a financial consequence. However, going forward it is paramount that service delivery across the partnership ensures service delivery is within resources available.

Key Partnership Performance Issues

The Integration Joint Board continues to develop a performance management culture throughout the Partnership. A significant amount of progress has been made over the year in the development of performance management and reporting arrangements following the approval of the Integration Joint Board's Performance Framework in March 2016.

The Integration Joint Board now receives a performance report at each meeting which along with financial reporting, give a rounded view of the overall performance and financial sustainability of the Partnership. The triangulation of key performance indicators, measureable progress in delivering the priorities of the Strategic Plan and financial performance is regarded as forming the cornerstone of demonstrating best value.

As part of performance reporting arrangements the Integration Joint Board received specific reports in relation to Delayed Discharge during 2016/17 including details of improvement plans. Delayed Discharge performance will be reported within the performance report from October 2017 onwards.

The Partnerships Strategic Plan articulates the high level priorities for the Partnership, expressed as a series of 'we will' statements. These are:

- Further develop systems to enable front line staff to access and share information
- Support more co location of staff from across professions and organisations
- Develop single care pathways
- Further develop anticipatory and planned care services
- Provide more single points of entry to services
- Deliver the Stirling Care Village
- Develop seven day access to appropriate Services
- Take further steps to reduce the number of unplanned admissions to hospital and acute services

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

In line with statutory requirements an Annual Performance Report has been produced and was presented to the Integration Joint Board, in draft form, at its June 2017 meeting. The Annual Performance Report can be found here <https://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/performance/> .

Given this is the first Annual Performance Report published by the Partnership it is acknowledged the approach and quality of performance reporting will develop in future years. The Annual Performance Report details progress in relation to the high level Partnership priorities along with summary and detailed performance information.

The key performance issues arising from the report were:

- For the majority of Core Suite of Integration Indicators the Clackmannanshire and Stirling Partnerships performance is broadly similar to comparator Partnerships and Scotland as a whole (Source: Annual Performance Report: Our Performance: A Summary pages 20 and 21)
- There would appear to be further work the partnership requires to take forward to ensure Carers feel supported to continue in their caring role (Source: Our Performance: A Summary Page 20 Core Indicator N8). The Partnership will consider this in its approach to implementing the Carers (Scotland) Act 2016.
- Emergency Admission and Emergency Bed Day rates (per 100,000 population) for the Partnership are notably lower than for comparator partnerships and for Scotland as a whole but there are notable differences between Clackmannanshire and Stirling (Source: Our Performance: A Summary Page 21 Core Indicators N12 and N13)
- The Readmissions to Hospital within 28 days (per 1000 population) are higher than for Scotland as a whole but similar to comparator partnerships and are notably different between Clackmannanshire and Stirling. (Source: Our Performance: A Summary Page 21 Core Indicator N14)
- Falls rate (per 1000 population >65) are notably lower than Scotland as a whole and comparator partnerships (Source: Our Performance: A Summary Page 21 Core Indicator N16)
- A notably higher percentage of Adults with Intensive Care Needs are receiving care at home in the Partnership compared to comparator partnerships and Scotland as a whole (Source: Our Performance: A Summary Page 21 Core Indicator N18)
- The number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population) is notably lower for the Partnership than for comparator partnerships and Scotland as a whole (Source: Our Performance: A Summary Page 21 Core Indicator N19)

In terms of the overall approach to performance benchmarking with comparator partnerships with a broadly similar pattern of demography and needs is viewed as valuable and will be further developed in the future. This along with the availability of high quality and more contemporary data is regarded as paramount to the further development of performance reporting for the Partnership.

Financial Performance and Outlook, Risks and Plans for the Future

The Partnership has faced significant financial challenges in its first full year of operations requiring the development and monitoring of budget recovery plans as efforts have continued to align service delivery with the changes required to implement the Strategic Plan priorities and key local and national performance indicators with resources available.

The operational financial position for the Partnership was a net underspend of £0.003m for the financial year. However, the terms of the Integration Scheme relating to the first year of operations only, require where budgets delegated to constituent authorities are in overspend at the financial year end that the relevant constituent authority make good this overspend from their own resources. To this end Clackmannanshire Council have made an additional non-recurrent funding contribution of £0.685m in relation to financial year 2016/17.

The effect of this is that operational underspends in relation to budgets delegated to Stirling Council and NHS Forth Valley, which were £0.025m and £0.663m respectively, were taken to the General Fund as a general or un-earmarked reserve.

Overall this resulted in a surplus of £3.412m for the partnership for the financial year which has been taken to reserves. £2.724m of these reserves are earmarked for specific purposes with the balance of £0.688m being a general or un-earmarked reserve to provide a degree of flexibility in relation to future financial risks and unforeseen events with a financial consequence.

The Partnership has significant financial challenges ahead to deliver the Strategic Plan priorities and improved outcomes for patients/service users, unpaid carers and communities in a climate of growing demand with finite resources.

The Integration Joint Board agreed its 2017/18 budget at a special meeting held on 29 March 2017. The budget incorporated proposed resource transfers from the constituent authorities which were compliant with the terms of the 2017/18 Scottish Budget. The 2017/18 resource transfers from the constituent authorities were £0.650m less than the 2016/17 recurrent baseline budgets on a cash basis which, taken together with estimated cost pressures including inflation, requires delivery of in the region of £4.8m of cash releasing savings across the Partnership in 2017/18.

Funding for Social Care of £250m was allocated by the Scottish Government for Health and Social Care Partnerships for 2016/17 with a further £107m being allocated in 2017/18.

The Partnerships share of the £250m funding totalled £6.190m and was utilised to meet the costs of demand growth in Adult Social Care and implementation of the Scottish Living Wage from 1 October 2016 and other cost pressures in Adult Social Care. The Partnerships share of the further £107m allocated in 2017/18 is £2.670m and will be utilised to meet the full year effect of the Scottish Living Wage and the costs associated with disregarding war pension income from financial assessments for social care packages and preparation for the implementation of the Carers (Scotland) Act 2016.

Pressure continues on public sector expenditure at a UK and Scottish level with further reductions in government funding predicted over the coming years.

The expanding fiscal responsibilities of the Scottish Parliament means that ongoing public expenditure in Scotland will be more directly affected by the performance, and therefore tax revenues, of the Scottish economy.

In addition to economic performance, other factors will influence the availability of funding for the public sector including, notably, the ongoing economic uncertainty in relation to the UK's decision to leave the European Union (EU) commonly referred to as 'Brexit'.

The most significant risks faced by the Integration Joint Board over the medium to longer term can be summarised as follows:

- Continued economic uncertainty, and resultant effect on public spending, in the wake of the result of the UK's decision to leave the European Union (EU)
- Increasing demand for and cost of health and social care services linked to demographic change including an ageing and increasing population with multiple and complex long term conditions; linked to this is the risk of additional service demand linked to implementation of the Carers Act from April 2018
- The health inequalities between the affluent and more deprived areas and the challenges of deprivation, housing and employment;
- The wider financial and economic environment, with significant ongoing restraint in public expenditure anticipated in future years;
- The need to maintain and improve the quality of services and improve outcomes for service users, unpaid carers and communities; and
- Workforce challenges including the ageing workforce and issues around recruitment and retention of elements of the health and social care workforce.

This is an opportunity for the Integration Joint Board to use these combined resources in a more effective, efficient and person-centred way to make better use of public resources while creating increased public value in avoiding duplication of effort.

There is an increased demand on services that will exceed available resources if we do not work together in a more integrated way. The Partnership will continue to adopt a whole-systems approach to improve health and social care outcomes and will work alongside Community Planning partners to address these wider issues.

This will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our community. This will assist the partnership in addressing the challenges faced.

It is recognised that if there are no changes to the way that services are planned and delivered with partners across all sectors, current service provision will not be sufficient to meet the future health and social care needs of the population. We must therefore embed new ways of working and seek to focus resources away from expensive bed based models of care into community based services. We need to critically appraise and challenge our current models of service delivery to ensure our combined resources are focused on areas of greatest need delivering the best outcomes to our service users and patients, and that crucially we harness the capacity of local communities to support the wider preventative, health and wellbeing outcomes.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

The Integration Joint Board's Strategic Plan describes our plans for the future, and how we will move towards delivering on our priorities, setting out the context, challenges, priorities and action plans for the new Health and Social Care Partnership for the period 2016-2019.

The Partnerships strategic plan and associated documents can be accessed here:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/consultation-feedback/>

Conclusion

In this first year of operations the Partnership has taken responsibility for delegated functions and made significant further progress in the planning and delivery of the Partnerships' Strategic Plan.

Going forward, the Clackmannanshire and Stirling Health and Social Care Partnership will continue to face significant financial challenges in delivering better outcomes for its patients and service users, in line with its Strategic and Financial Plans, in a climate of growing demand within finite resources.

In order to achieve this we must continue to identify and implement more innovative ways to deliver customer focused services cost effectively, by driving service improvement and organisational change within the Partnership through a structured approach to managing change, optimising the use of change and improvement competencies and developing and sharing best practice throughout the Partnership.

We will continue to work with staff, managers, services, partners and our communities to lead and support service redesign reviews, to identify and implement innovative, cost effective and person centred, outcomes focused service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Plan within resources available.

Where to Find More Information

If you would like more information please visit our webpage at:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/>



Councillor Scott Farmer
Chair
14 September 2017

Shiona Strachan
Chief Officer
14 September 2017



Ewan C. Murray
Chief Finance Officer
14 September 2017



Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief financial officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Audit Committee on 14 September 2017.

Signed on behalf of the Clackmannanshire and Stirling Integration Joint Board

Councillor Scott Farmer
Chair

14/9/17

Scott T. Farmer

Responsibilities of the Chief Financial Officer

The chief financial officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

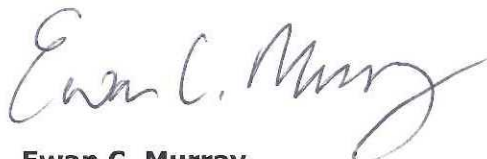
In preparing the Annual Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The chief financial officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the Clackmannanshire & Stirling Integration Joint Board as at 31 March 2017 and the transactions for the year then ended.



Ewan C. Murray
Chief Finance Officer

14/9/17

Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Voting Membership of the Integration Joint Board in 2016/17

Voting members of the Integration Joint Board constitute Councillors nominated as Board members by constituent authorities and NHS representatives nominated by the NHS Forth Valley. The voting members of the Clackmannanshire and Stirling Integration Joint Board were appointed through nomination by Clackmannanshire Council, NHS Forth Valley and Stirling Council.

Voting Membership of the Integration Joint Board during 2016/17 was as follows:

Clackmannanshire Council

Councillor Les Sharp (Chairperson)
Councillor Donald Balsillie (until July 2016)
Councillor Kathleen Martin (until July 2016)
Councillor Graham Watt (From July 2016)
Councillor Robert McGill (From July 2016 to March 2017)
Councillor Ellen Forson (From March 2017)

NHS Forth Valley

John Ford (Vice Chair), Non Executive Member of NHS Forth Valley Board
Jane Grant, Chief Executive
Alex Linkston, Chair of NHS Forth Valley
Fiona Gavine, Non Executive Member of NHS Forth Valley Board
Graham Foster, Director of Public Health and Strategic Planning
Joanne Chisholm, Non Executive Member of NHS Forth Valley Board

Stirling Council

Councillor Johanna Boyd
Councillor Christine Simpson
Councillor Scott Farmer

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by Clackmannanshire & Stirling Councils and NHS Forth Valley. Nomination of the Integration Joint Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The Vice-Chair has, however, received remuneration from NHS Forth Valley for his role in relation to the Integration Joint Board. The Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair and Vice Chair appointments and any remuneration and taxable expenses paid are shown below.

Taxable Expenses 2015/16 £	Salary, Fees and Allowances 2015/16 £	Name	Post(s) Held	Nominated by	Taxable Expenses 2016/17 £	Salary, Fees and Allowances 2016/17 £
Nil	Nil	Councillor Les Sharp	Chair April 2016 to March 2017	Clackmannanshire Council	Nil	Nil
Nil	Nil	Mr John Ford	Vice Chair April 2016 to March 2017	NHS Forth Valley	Nil	7,847
Nil	Nil	Total			Nil	7,847

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting Integration Joint Board members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair.

Remuneration: Officers of the Integration Joint Board

The Integration Joint Board does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the Integration Joint Board has to be appointed and the employing partner has to formally second the officer to the Integration Joint Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Integration Joint Board.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

Other Officers

No other staff are appointed by the Integration Joint Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below. The Integration Joint Board Chief Finance Officer also undertook the Chief Finance Officer role for Falkirk Integration Joint Board until 30 June 2017. Hence, the remuneration figures for the Chief Finance Officer included in the table below represents 50% of his remuneration.

Total 2015/16 £	Senior Employees	Salary, Fees & Allowances £	Taxable Expenses £	Total 2016/17 £
66,598 (FYE 88,797)	Shiona Strachan Chief Officer 1 July 2015 to present	89,686	0	89,686
13,170 (FYE 30,619)	Ewan Murray Chief Finance Officer 26 October 2015 to present	30,726	167	30,893
79,768 (FYE 119,416)	Total	120,412	167	120,579

FYE = Full Year Equivalent

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the Integration Joint Board balance sheet for the Chief Officer or any other officers.

The Integration Joint Board however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the Integration Joint Board. The following table shows the Integration Joint Board's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions. It should be noted that the Chief Officer transferred in a previous scheme pension during 2016/17 and the impact of this is reflected in the figures contained in the table below.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/16	For Year to 31/03/17		Difference from 31/03/16	As at 31/03/17
	£	£		£000	£000
Shiona Strachan	13,986	18,834	Pension	35	36
Chief Officer			Lump sum	70	70
Ewan Murray	1,962	4,396	Pension	1	11
Chief Finance Officer			Lump Sum	1	28
Total	15,948	23,230	Pension	36	47
			Lump Sum	71	98

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2015/16	Remuneration Band	Number of Employees in Band 2016/17
1	£65,000 - £69,999	0
0	£70,000 - £74,999	0
0	£75,000 - £79,999	0
0	£80,000 - £84,999	0
0	£85,000 - £89,999	1

Exit Packages

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2016/17.

Scott T. Farmer

Councillor Scott Farmer
Chair

14/9/17

Shiona Strachan

Shiona Strachan
Chief Officer

14/9/17

Annual Governance Statement

Introduction

The Annual Governance Statement explains the Integration Joint Board's governance arrangements and reports on the effectiveness of the Integration Joint Board's system of internal control.

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the Integration Joint Board has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the Integration Joint Board's policies, aims and objectives. Reliance is also placed on the NHS Forth Valley and Clackmannanshire and Stirling Councils systems of internal control that support compliance with these organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the Integration Joint Board.

Given the Integration Joint Board utilises the systems of internal control within NHS Forth Valley, Clackmannanshire and Stirling Council

The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The Board of the Integration Joint Board comprises voting members, nominated by either Clackmannanshire or Stirling Council or the NHS Forth Valley, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in existence during 2016/17 were:

- The Integration Scheme
- Standing Orders
- Scheme of Delegation
- Financial Regulations and Reserves Policy and Strategy
- Integration Joint Board Audit Committee
- Clinical and Care Governance Framework
- Code of Conduct
- Complaints Protocol
- Information Security Policy

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2016/17 this included the following:

- Management information systems and regular monitoring reports, including performance and financial reporting
- Review of Financial Regulations and Approval of Reserves Policy and Strategy
- Established budget setting processes in line with the Integration Scheme
- Internal Audit Progress Report
- Direct access to expert advice from the Medical Director of NHS Forth Valley and the Chief Social Work Officers of Clackmannanshire and Stirling Councils
- Data sharing arrangements
- Complaints Protocol
- The Integration Joint Board Audit Committee

The 2015/16 Governance Statement highlighted the financial risks faced by the Integration Joint Board as the most significant area of risk requiring action to respond to an mitigate. This included the risks in relation to demographic growth, delivery of savings and efficiency programmes and the implementation of the Scottish Living Wage. Specific action in response to this risk have included:

- Development of financial reporting systems and protocols including detailed reporting and monitoring arrangements for savings and efficiency programmes
- Development and monitoring of the strategic risk register which includes a specific element in relation to financial sustainability
- Topic specific reporting including detailed reports on implementation of the Scottish Living Wage
- Review and Development of Joint Management Team arrangements including the Leadership Group

The Integration Joint Board utilises the internal control systems of Clackmannanshire Council, Stirling Council and NHS Forth Valley in the commissioning and delivery of in-scope functions. No specific weaknesses have been identified with these systems during 2016/17 though key areas of improvement identified within each of the constituent authorities' governance statements will have relevance to the in-scope functions of the Integration Joint Board.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA) The Head of Internal Audit reports directly to the Integration Joint Board Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Integration Joint Board Audit Committee on any matter. The annual programme of internal audit work is based on a risk assessment, and is approved by the Integration Joint Board Audit Committee.

Review of Adequacy and Effectiveness

The Integration Joint Board is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

In 2016/17 this review was undertaken the following ways:

- An Internal Audit review and report on the Integration Joint Boards Corporate Governance Arrangements which was presented to the Audit Committee in February 2017.
- The Integration Joint Boards Audit Committee considered the Chief Internal Auditors Annual Audit Report at its meeting of 16 August 2017.
- A self assessment of the Integration Joint Boards corporate governance arrangements was completed by the Chief Officer and Chief Finance Officer. The self assessment was presented to the Audit Committee in August 2017.

The internal audit review provided substantial assurance the corporate governance arrangements are appropriate and are operating effectively, while noting that scrutiny arrangements for performance scrutiny (including financial performance) are still being developed to ensure they are more efficient, and more clearly linked to key priorities and the Strategic Plan.

The Chief Internal Auditors Annual Audit report concluded that:

- reasonable assurance can be placed upon the adequacy and effectiveness of the Integration Joint Board's governance arrangements, while noting that improvement actions are required and have been agreed between Internal Audit and the Chief Finance Officer;
- the internal control environment provides reasonable assurance that any significant risks impacting on the Integration Joint Board's principal objectives will be identified and actions taken to avoid or mitigate their impact; and,
- there are no concerns around the consistency of the draft Annual Governance Statement with information that I am aware of

The further development of corporate governance arrangements identified from the self-assessment will be incorporated into an action plan which will be presented to the Audit Committee in September 2017 and monitored by the Audit Committee going forward.

Key Areas of Improvement for 2017/18 identified during the review of effectiveness of governance arrangements include:

- Delivery of a Board Development Programme.
- Finalisation and publication of a Register of Interests for Board members.
- A further review of the Scheme of Delegation and Financial Regulations to ensure they remain fit for purpose in light of changes in operational responsibilities and accountabilities.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

- Review and further development of the approaches used in supporting decision making and ensuring Best Value.
- Further development of assurance and risk management arrangements between the Integration Joint Board and the constituent authorities including the approach to Directions.

The above areas will be incorporated within the governance action plan to be presented to and monitored by the Integration Joint Board Audit Committee.

Action Plan

Following consideration of the review of adequacy and effectiveness the following actions have been agreed to ensure continual improvement of the Integration Joint Board's governance.

	Area for Improvement and Outcome to Be Achieved	Improvement Action Agreed	Responsible Party	Completion Date
1.	An action plan to be developed and covering planned improvements to governance arrangements and presented to an monitored by the Audit Committee	Action Plan to be developed	Chief Finance Officer	September 2017 (Presentation to Audit Committee)
2.	A clear and comprehensive Scheme of Delegation is finalised and implemented without undue delay.	Scheme of Delegation to be finalised and presented to Integration Joint Board for approval.	Chief Officer	November 2016 (Approval by IJB)

Conclusion and Opinion on Assurance

While recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Integration Joint Board's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the Integration Joint Board's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.

Scott T. Farmer

Councillor Scott Farmer

14/9/17

Chair

Shiona Strachan

Shiona Strachan

14/9/17

Chief Officer

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Gross Expenditure £000	Gross Income £000	2015/16 Net Expenditure £000		Gross Expenditure £000	Gross Income £000	2016/17 Net Expenditure £000
0	0	0	Large Hospital Services	19,816	0	19,816
0	0	0	Community Health and Social Care Services	91,024	0	91,024
0	0	0	Primary Care	65,383	0	65,383
80	0	80	IJB Running Costs	235	0	235
80		80	Cost of Services	176,459		176,459
	(80)	(80)	Taxation and Non- Specific Grant Income (Note 6)		(179,871)	(179,871)
80	(80)	0	(Surplus) or Deficit on Provision of Services	176,459	(179,871)	(3,412)
		0	Total Comprehensive Income and Expenditure			(3,412)

The Integration Joint Board was established on 3 October 2015. Commissioning of integrated health and adult social care services did not commence until 1 April 2016. Consequently the 2016/17 financial year is the first fully operational financial year for the Integration Joint Board and the figures above reflect this.

There are no statutory or presentation adjustments which affect the Integration Joint Board's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently an Expenditure and Funding Analysis is not provided in these annual accounts.

Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2016/17	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2016	0	0	0
Total Comprehensive Income and Expenditure	(3,412)	0	(3,412)
Adjustments between accounting basis and funding basis under regulations	0	0	0
Increase in 2016/17	(3,412)	0	(3,412)
Closing Balance at 31 March 2017	(3,412)	0	(3,412)

Movements in Reserves During 2015/16	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2015	0	0	0
Total Comprehensive Income and Expenditure	0	0	0
Adjustments between accounting basis and funding basis under regulations	0	0	0
Increase or Decrease in 2015/16	0	0	0
Closing Balance at 31 March 2016	0	0	0

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2016 £000		Notes	31 March 2017 £000
5	Short term Debtors	Note 7	3,412
	Current Assets		
(5)	Short-term Creditors		0
	Current Liabilities		
0	Provisions		0
	Long-term Liabilities		
0	Net Assets		3,412
0	Usable Reserve: General Fund	Note 10	(3,412)
0	Unusable Reserve:		0
0	Total Reserves		(3,412)

The unaudited accounts were issued on 26 June 2017 and the audited accounts were authorised for issue on 14 September 2017.



Ewan C. Murray
Chief Finance Officer

14/9/17

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the Integration Joint Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Integration Joint Board.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

Funding

The Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Clackmannanshire and Stirling Councils and NHS Forth Valley Expenditure is incurred as the Integration Joint Board commissions' specified health and social care services from the funding partners for the benefit of service recipients in Clackmannanshire and Stirling.

Cash and Cash Equivalents

The Integration Joint Board does not operate a bank account or hold cash. Transactions are settled on behalf of the Integration Joint Board by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the Integration Joint Board's Balance Sheet.

Employee Benefits

The Integration Joint Board does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The Integration Joint Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the Integration Joint Board's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the Integration Joint Board's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves.

The Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the Integration Joint Board can use in later years to support service provision.

The Integration Joint Board has no unusable reserves.

Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley, Clackmannanshire and Stirling Councils have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in CNORIS. The Integration Joint Boards participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the Integration Joint Board's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

VAT

The Integration Joint is not registered for VAT and as such VAT is settled or recovered by the partner agencies.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2017/18 Code:

- Amendment to the reporting of pension fund scheme transaction costs.
- Amendment to the reporting of investments within defined benefit pension scheme disclosures.

The Code requires implementation from 1 April 2017 and there is therefore no impact on the 2016-17 financial statements.

3. Critical Judgements in Applying Accounting Policies

Based upon Scottish Government advice for financial year 2016/17 the sum include within the accounts in relation to the Set-Aside budget for Large Hospital services reflects the budget allocated rather than the actual cost of hospital activity. Systems are being developed to be able to provide this information within the accounts in future financial years.

4. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance Officer on 14 September 2017. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. Expenditure and Income Analysis by Nature

2015/16 £000		2016/17 £000
	Services commissioned from Clackmannanshire Council	16,461
	Services commissioned from Stirling Council	31,583
	Services commissioned from NHS Forth Valley	128,180
72	Other IJB Operating Expenditure	215
3	Insurance and Related Expenditure	3
5	Auditor Fee: External Audit Work	17
0	Auditor Fee: Other Work	0
(80)	Partners Funding Contributions and Non-Specific Grant Income	(179,871)
<hr/>		
0	Surplus or Deficit on the Provision of Services	(3,412)

6. Taxation and Non-Specific Grant Income

2015/16 £000		2016/17 £000
27	Funding Contribution from Clackmannanshire Council	16,518
27	Funding Contribution from Stirling Council	32,594
27	Funding Contribution from NHS Forth Valley	130,759
0	Other Non-ringfenced grants and contributions	0
<hr/>		
80	Taxation and Non-specific Grant Income	179,871

The funding contribution from the NHS Board shown above includes £19,816,000 in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

7. Debtors

31 March 2016 £000		31 March 2017 £000
	1 Clackmannanshire Council	0
	2 Stirling Council	954
	2 NHS Forth Valley	2,458
	Non-public sector	0
<hr/> 5 Debtors		<hr/> 3,412

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

The total debtors amount at 31 March 2016 was equally shared across the constituent authorities. There is a rounding effect within the table above.

8. Creditors

31 March 2016 £000		31 March 2017 £000
	5 Non-public sector	0
<hr/> 5 Creditors		<hr/> 0

9. Provisions

No provisions have been made in the Integration Joint Board accounts.

10. Usable Reserve: General Fund

The Integration Joint Board holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key element of the Integration Joint Board's financial risk management framework.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

2015/16				2016/17		
Balance at 1 April 2015 £000	Transfers Out 2015/16 £000	Transfers In 2015/16 £000	Balance at 31 March 2016 £000	Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance at 31 March 2017 £000
0	0	0	0	0	(457)	(457)
				0	(863)	(863)
				0	(306)	(306)
				0	(169)	(169)
				0	(18)	(18)
				0	(18)	(18)
				0	(39)	(39)
				0	(803)	(803)
0	0	0	0	0	(34)	(34)
0	0	0	0	0	(17)	(17)
0						
	0	0	0	0	(2,724)	(2,724)
0	0	0	0	0	(688)	(688)
0	0	0	0	0	(3,412)	(3,412)

11. Related Party Transactions

The IJB has related party relationships with the NHS Forth Valley and the Clackmannanshire & Stirling Councils. In particular the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts are presented to provide additional information on the relationships.

There are no material transactions with Clackmannanshire and Stirling Integration Joint Board officers or with organisations they have an interest in. The remuneration and any other taxable payments to senior officers, the Chair and Vice Chair are disclosed in the remuneration statement. Each Board member's registered interests will be published on the Integration Joint Board webpage in due course.

Transactions with NHS Forth Valley

2015/16 £000		2016/17 £000
(27)	Funding Contributions received from the NHS Board	(130,759)
	Expenditure on Services Provided by the NHS Board	128,222
37	Key Management Personnel: Non-Voting Board Members	79
10 Net Transactions with NHS Forth Valley		(2,458)

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by Clackmannanshire Council and NHS Forth Valley respectively and recharged to the Integration Joint Board via contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and Chief Finance Officer is provided in the Remuneration Report.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by NHS Forth Valley mainly consist of performance management, human resources, financial management, information services, information technology and payroll.

Balances with NHS Forth Valley

31 March 2016 £000		31 March 2017 £000
5	Debtor balances: Amounts due from the NHS Board	2,458
0	Creditor balances: Amounts due to the NHS Board	0
5 Net Balance with the NHS Forth Valley		2,458

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

Transactions with Clackmannanshire Council

2015/16 £000		2016/17 £000
(27)	Funding Contributions received from the Council	(16,518)
	Expenditure on Services Provided by the Council	16,478
19	Key Management Personnel: Non-Voting Board Members	40
(8) Net Transactions with Clackmannanshire Council		0

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by Clackmannanshire Council mainly consist of standards officer, human resources, financial management, information services, information technology and payroll.

Balances with Clackmannanshire Council

31 March 2016 £000		31 March 2017 £000
0	Debtor balances: Amounts due from the Council	0
0	Creditor balances: Amounts due to the Council	0
0 Net Balance with Clackmannanshire Council		0

Transactions with Stirling Council

2015/16 £000		2016/17 £000
(27)	Funding Contributions received from the Council	(32,594)
	Expenditure on Services Provided by the Council	31,600
19	Key Management Personnel: Non-Voting Board Members	40
(8) Net Transactions with Stirling Council		(954)

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by Stirling Council mainly consist of governance, human resources, financial management, information services, information technology and payroll.

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

Balances with Stirling Council

31 March 2016 £000		31 March 2017 £000
0	Debtor balances: Amounts due from the Council	954
0	Creditor balances: Amounts due to the Council	0
<hr/> 0 Net Balance with Stirling Council		<hr/> 954

12. Expenditure and Funding Analysis

Expenditure on services commissioned by the Clackmannanshire and Stirling Integration Joint Board from its constituent authorities is analysed below.

HEALTH SERVICES	Budget £'000	Actual Expenditure £'000	Variance £'000
<u>Set Aside</u>			
Accident and Emergency Services	5,056	5,118	(63)
In patient Hospital Services Relating to :			
General Medicine	2,619	2,471	148
Geriatric Medicine	3,504	3,732	(228)
Rehabilitation Medicine	1,195	1,235	(40)
Respiratory Medicine	985	950	35
Psychiatry of learning disability	980	1,090	(111)
Palliative Care (Hospital Based)	919	912	7
Mental Health Inpatient Services	4,559	4,619	(60)
Subtotal	19,816	20,127	(311)
Adjustment to Budget		(311)	311
Subtotal	19,816	19,816	0
<u>Operational</u>			
District Nursing Services	3,431	3,311	119
Community Addiction Services	2,636	2,446	190
Community Based AHP Services	5,603	5,667	(64)
Public Dental Service	942	952	(10)
Services provided outwith a hospital in relation to geriatric medicine	1,004	835	170
Palliative Care (delivered in Community)	50	57	(7)
Community Learning Disability Services	810	557	253
Community Mental Health Services	3,005	2,960	45
Continence Services	170	147	23
Services Provided to promote public health	1,407	1,355	52
Community Hospitals	5,742	5,851	(109)
Resource Transfer	8,179	8,179	0
Joint Partnership Agreements	2,002	1,980	23
Partnership Funds (ICF/ Delayed Discharge / Bridging)	2,951	2,951	0
Contingency	168	0	168
Shared Partnership Costs	122	122	(0)
Integration Fund	5,733	5,733	0
Reserves	1,795		1,795
Subtotal	45,750	43,103	2,648
<u>Universal</u>			
Primary Medical Services (GMS Contract)	21,738	22,117	(379)
Primary Dental Services (GDS Contract)	7,632	7,624	8
Community Ophthalmic Services	2,588	2,588	(0)
Community Pharmaceutical Services	32,010	31,930	80
GP Out of Hours Services	1,224	1,123	101
Subtotal	65,192	65,383	(190)
TOTAL HEALTH SERVICES	130,759	128,301	2,458

Clackmannanshire & Stirling Integration Joint Board – Annual Accounts for the year ended 31 March
2017

SOCIAL CARE SERVICES - CLACKMANNANSHIRE

Older People	1,522	1,511	11
Mental Health	847	816	31
Learning Disability	507	499	8
Physical Disability	92	96	(4)
Sensory Impairment	92	96	(4)
Reablement	403	726	(323)
Care at Home	3,763	3,390	373
Residential Care	5,006	5,138	(132)
Respite Care	188	766	(577)
Day Care Services	1,531	1,509	22
MECS Telecare Telehealth	412	468	(55)
Housing With Care	249	257	(8)
Meals on Wheels	0	(7)	7
Advocacy	72	72	0
Substance Misuse	11	11	0
Mental Health Team	377	362	15
Voluntary Orgs	255	166	88
Garden Aid	105	105	0
Housing Aids and Adaptations	202	202	0
Equipment & Adaptations	142	279	(138)
Additional Contribution	685		685
Shared Partnership Costs	57	57	0
TOTAL SOCIAL CARE SERVICES - CLACKMANNANSHIRE	16,517	16,517	0

SOCIAL CARE SERVICES - STIRLING

Older People	1,668	1,678	(10)
Mental Health	253	250	3
Learning Disability	248	238	10
Care & Support and Home	8,927	8,496	431
Residential Care	10,518	10,248	270
Respite Care	290	932	(642)
Day Care/ Services: PD,LD,OP,MH	1,861	1,543	318
MECS/Telecare/Telehealth	604	623	(19)
Housing with Care/Sheltered Accommodation	5,208	5,567	(359)
Equipment and Adaptations	155	105	50
JLES	217	206	11
Sensory Resource Centre	201	242	(41)
Voluntary Organisations	674	671	3
Housing Aids and Adaptations	384	384	0
Improvement Grants	400	400	0
Shared Partnership Posts	57	57	0
Reserves	929		929
TOTAL SOCIAL CARE SERVICES - STIRLING	32,594	31,640	954

PARTNERSHIP TOTAL	179,871	176,459	3,412
--------------------------	----------------	----------------	--------------

Independent Auditor's Report

Independent Auditor's Report to the Members of Clackmannanshire and Stirling Integration Joint Board and the Accounts Commission

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Clackmannanshire and Stirling Integration Joint Board for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the Clackmannanshire and Stirling Integration Joint Board as at 31 March 2017 and of its surplus on the provision of services 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 2016/17 Code; and
- have 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.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Clackmannanshire and Stirling Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Finance Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the

Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council’s Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the Clackmannanshire and Stirling Integration Joint Board and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer and the overall presentation of the financial statements.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the annual accounts

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinions on other prescribed matters

I am required by the Accounts Commission to express an opinion on the following matters.

In my opinion, the auditable part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.



David McConnell MA CPFA
Assistant Director
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

15 September 2017