

**DUNDEE CITY
INTEGRATION JOINT BOARD**

Commonly known as the Dundee Health and Social Care Partnership

**ANNUAL ACCOUNTS
2019-20**

Audited

Dundee City Integration Joint Board
Annual Accounts 2019-20
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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 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 Dundee City Council and NHS Tayside, the Dundee Integration Scheme, the formal legal partnership agreement between the two parent organisations, was submitted to the Scottish Ministers in August 2015. On 3 October 2015 Scottish Ministers legally established Dundee's Integration Joint Board as a body corporate by virtue of the Public Bodies (Joint Working) (Integration Joint Board) (Scotland) Amendment (No 3) Order 2015. The Integration Scheme was subsequently amended and approved by the Scottish Government with effect from 3rd April 2018 to take account of The Carers (Scotland) Act 2016.

Dundee City Integration Joint Board formally became responsible for the operational governance and oversight of delegated health and social care functions with effect from 1 April 2016 and through the Chief Officer is responsible for the operational management of integrated services excluding delegated acute services. The Integration Joint Board directs Dundee City Council and NHS Tayside to deliver these services in accordance with the Strategic Plan. The services delegated to Dundee City IJB by NHS Tayside and Dundee City Council are listed in the [Dundee Integration Scheme](#).

This publication contains the financial statements for Dundee City Integration Joint Board for the year ended 31 March 2020. The Management Commentary highlights the key activities carried out to date and looks forward, outlining the anticipated financial outlook for the future and the challenges and risks facing health and social care services over the medium term.

Role and Remit of Dundee City Integration Joint Board

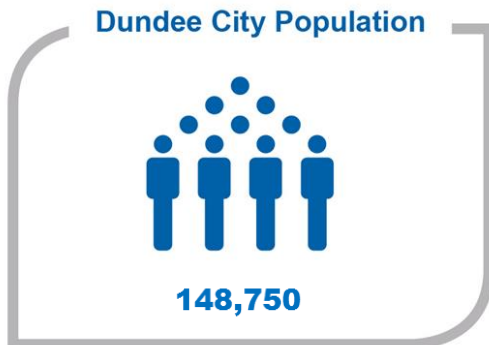
Dundee City Integration Joint Board (commonly known as Dundee Health and Social Care Partnership) has responsibility for planning and providing defined health care and social care services for the residents of Dundee encompassing an area of 60 square kilometres and a population of around 149,000. These services are provided in line with the Integration Joint Board's Strategic and Commissioning Plan 2019-2022 which can be found here:

https://www.dundeehscp.com/sites/default/files/publications/dhscp_strategic_plan_2019-2022.pdf.

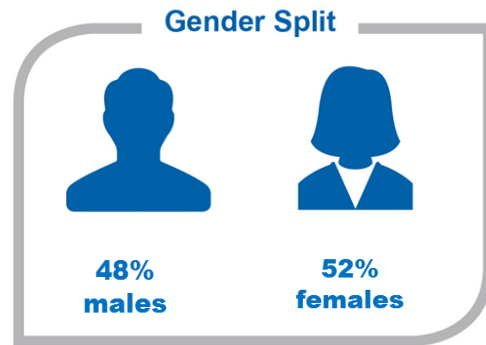
Population, health and deprivation impact directly on demand for health and social care services and can often result in higher support levels being required. Dundee has high levels of inequalities within the city with significant variances across locality areas, driven by high levels of deprivation and resultant impact on higher prevalence levels of health and multiple long-term conditions. In addition to frailty and ill health which is prevalent in the ageing population, many younger adults in Dundee are experiencing health conditions earlier in life as a result of deprivation and associated impact of substance misuse and mental health issues. These factors highlight the scale of the challenges Dundee City Integration Joint Board faces over the coming years.

A full profile of Dundee City is set out in the [Strategic Needs Assessment](#). Some of the key characteristics are presented below. All these characteristics have an impact on the demand for services commissioned by the Dundee City IJB, both now and in the future.

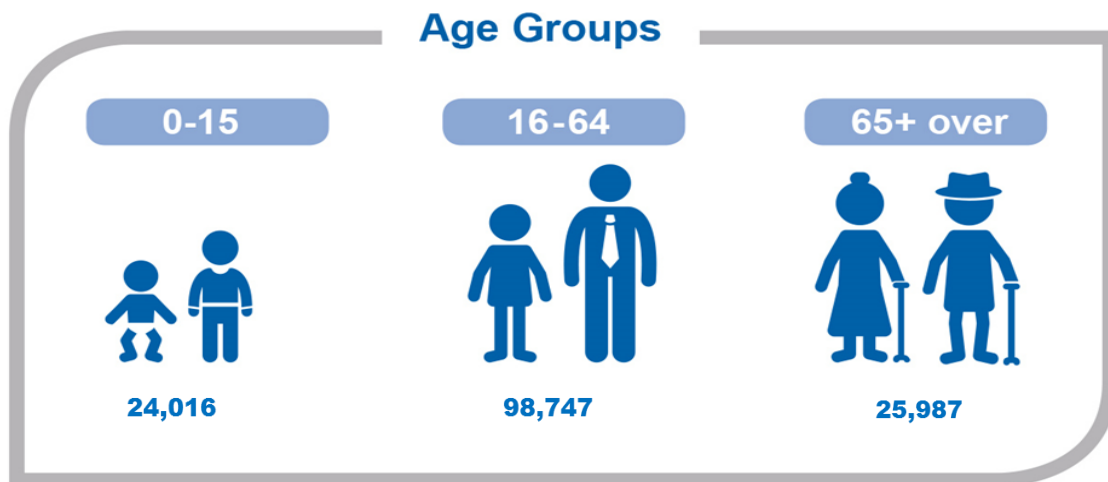
POPULATION PROFILE AND PROJECTIONS



(Source: [National Records of Scotland](#), 2018)



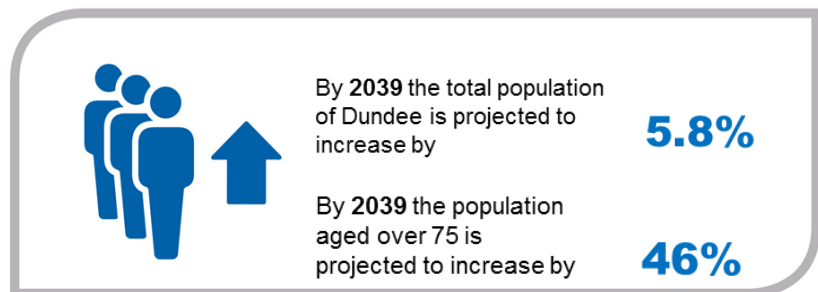
(Source: [National Records of Scotland](#), 2018)



(Source: [National Records of Scotland](#), 2018)

Projected Population

Like other parts of Scotland, Dundee is expected to see a significant rise in the number of older people with an increase of **45%** in those over 75 anticipated over the next 20 years.



Life Expectancy

Dundee **males have the second lowest** life expectancy in Scotland and Dundee **females have the third lowest** life expectancy in Scotland, with factors such as prevalence of substance misuse, mental health problems, smoking, and obesity all contributing to the reduced life expectancy.



Female Life Expectancy at Birth - **79.4 years** (compared to 81.1 years for a Scottish female, a difference of 1.7 years)

Male Life Expectancy at Birth – **73.9 years** compared to 77.0 years for a Scottish male, a difference of 3.1 years)

(Source: [NRS Life Expectancy for areas within Scotland 2015-17](#))

Deprivation

Dundee is the **5th** most deprived local authority area in Scotland with just over **29%** of the Dundee population living in the **15%** most deprived areas of Scotland.



In Dundee, **six out of eight Dundee LCPP areas** are above the Scottish average of 15% and are also above Dundee's average of 28.6%.

(Source: Scottish Index of Multiple Deprivation 2016, Scottish Government)

Drug Misuse



Dundee has the **4th** highest prevalence of drug misuse in Scotland. There are an estimated 2,300 problem drug users (ages 15–64) in Dundee.

1,600 (70%) male and
700 (30%) are female

(Source: [Prevalence of Problem Drug Use in Scotland 2015/16 estimates](#), ISD Scotland)

Homelessness



1,474 homeless applications were submitted in 2015/16.

1% of Dundee's population.

(Source: [SG Operation of Homeless Persons Legislation, 2015/16 and ONS, 2015](#))

Learning Disability



Dundee has the **highest proportion** of adults with a learning disability in Scotland.

In 2017, there were **9.2 adults** per 1,000 population of adults in Dundee with a learning disability, compared to 5.2 adults per 1,000 population in Scotland.

(Source: [Learning Disability Statistic Scotland, 2017](#))

Physical Disability



10,590 people in Dundee identified themselves as having a physical disability.

7% of Dundee's population.

(Source: [Census 2011, scotlandscensus.gov.uk](#))

MANAGEMENT COMMENTARY

Membership of Dundee City Integration Joint Board

The voting membership of Dundee City Integration Joint Board is drawn from three elected members nominated by the Council and three non-executive members nominated by the Health Board.

The table below notes the membership of Dundee City Integration Joint Board in 2019/20:

Voting Members:

Role	Member
Nominated by Tayside Health Board	Trudy McLeay
Nominated by Tayside Health Board	Jenny Alexander
Nominated by Tayside Health Board	Nic Beech (from 1/4/2019 until 4/12/2019) Prof Rory McCrimmon (from 24/1/2020 until 27/2/2020) Donald McPherson (from 27/2/2020) Dr Norman Pratt (Appointed as Proxy Member from 24/1/2020)
Councillor Nominated by Dundee City Council	Councillor Ken Lynn
Councillor Nominated by Dundee City Council	Bailie Helen Wright
Councillor Nominated by Dundee City Council	Councillor Roisin Smith

Non-voting members:

Role	Member
Chief Social Work Officer	Jane Martin (Dundee City Council) (until 31/7/2019) Diane McCulloch (Dundee City Council) (from 1/8/2019)
Chief Officer	David W Lynch (until 31/12/2019) Vicky Irons (from 3/2/2020)
Proper Officer Appointed under section 95 (Chief Finance Officer)	Dave Berry
Registered medical practitioner whose name is included in the list of primary medical performers prepared by the Health Board	Vacant Frank Weber (until 14/11/2019)
Registered nurse who is employed by the Health Board	Sarah Dickie (until 1/8/2019) Kathryn Brechin (from 1/8/2019)
Registered medical practitioner employed by the Health Board and not providing primary medical services	Cesar Rodriguez (until 31/3/2019) James Cotton (from 1/4/2019)

MANAGEMENT COMMENTARY

Staff of the constituent authorities engaged in the provision of services provided under integration functions	Raymond Marshall (NHS Tayside Staff Side Representative) Jim McFarlane (Dundee City Council Trade Union Representative)
Director of Public Health	Drew Walker (NHS Tayside) (until 18/10/2020) Emma Fletcher (NHS Tayside) (from 19/10/2020)
Third Sector Representative	Christine Lowden (Dundee Voluntary Action) (until 1/10/2019) Eric Knox (from 2/10/2019)
Service user residing in the area of the local authority	Linda Gray
Persons providing unpaid care in the area of the local authority	Martyn Sloan (Carer, Dundee Carers Centre)

The Chair of Dundee City Integration Joint Board rotates on a two-yearly basis with the Chairs position transferring in October 2020 to Councillor Ken Lynn with Trudy McLeay, non-executive member of NHS Tayside Board acting as Vice Chair.

There has been a subsequent change to the position of Registered nurse who is employed by the Health Board with effect from 29 June 2020 following the appointment of Wendy Reid with Kathryn Brechin stepping down from the role.

The Chief Officer provides the strategic leadership and direction to the delegated operational services of the Dundee City Integration Joint Board. The Chief Officer is supported by the Head of Finance and Strategic Planning (as Chief Finance Officer) and the Head of Health and Community Care.

Impact of the COVID-19 PANDEMIC

The COVID-19 pandemic has been the biggest public health challenge facing society, including our health and social care system, in our lifetimes. Daily life has been significantly restricted, particularly following the imposition of lockdown arrangements by the UK Government on 26 March 2020. On 17 March 2020 the Cabinet Secretary for Health placed NHS Scotland on an emergency footing as a direct consequence of substantial and sustained transmission of COVID-19, with non-urgent elective operations and routine care suspended.

The impact of the COVID-19 pandemic on the health and social care needs of the population, how supports and services are delivered, on health inequalities and on the health and wellbeing of the health and social care workforce and of unpaid carers has been substantial and wide ranging.

Services delegated to Dundee Health and Social Care Partnership (DHSCP) form a critical part of the overall health and social care system, particularly the wide range of community-based health, social care and social work supports and services. Partnership services have not only supported efforts to rapidly increase the availability of beds in the acute sector to respond to COVID-19 positive patients requiring hospital admission, but have also been integral to providing responses to COVID-19 positive people in the community, both within their own homes and within residential settings such as care homes. As well as working to establish new COVID-19 pathways and responses, a range of services and supports have

been the subject of rapid redesign to enable continued operation in the context of social distancing regulations and public health advice. This has included significant mobilisation and redeployment of the workforce across partner bodies such as Dundee City Council, NHS Tayside and the Voluntary Sector. Emerging issues such as securing adequate supplies of PPE and the provision of COVID-19 testing facilities have required a response from DHSCP. DHSCP has been integral to the provision of support and advice to care homes and other care providers including establishing a regular care provider information and advice bulletin and a system of financial sustainability payments in line with national guidance.

A range of essential, non-Covid services have also continued to be delivered, including face-to-face contact on a risk assessed basis to ensure the most vulnerable in the city continue to receive the support they need. In addition, the Partnership has made a significant contribution to wider Dundee Community Planning Partnership efforts to respond to community support needs, such as responses to shielded people requirements, food distribution and a range of public protection responses. These have had to be provided against a context of an instant change in the traditional working environment with the closure of most office bases and a move to home working for large parts of the workforce.

Changes to operational arrangements have been overseen and supported by a rapidly established incident control structure overseen by DHSCP's Silver Command which interfaces with associated response structures developed within NHS Tayside, Dundee City Council and the Tayside Local Resilience Partnership.

The IJB's governance arrangements were disrupted through the need to stand down formal meetings during the height of the crisis with the introduction of the Essential Business Procedure providing delegated authority to the Chief Officer and Chair of the IJB. A virtual weekly IJB voting members briefing meeting has been established in the interim period to provide an update on the major issues throughout the emergency period. Formal IJB meetings re-commenced in August 2020 with the Performance and Audit Committee reinstating meetings from September 2020. Due to the continued Covid-19 restrictions, these have been held via video conference.

In recognition of the additional demands experienced by Health and Social Care Partnership's across the country, the Scottish Government has made available additional funding to support additional costs incurred as a response to the COVID-19 crisis. During 2019/20, DHSCP was provided with additional funding of £755k with further funding due to be received throughout 2020/21 as part of the local mobilisation plan funding process.

During 2020/21, DHSCP will continue to respond to the challenges of COVID-19 through the development and implementation of its recovery plan which will require new approaches to providing health and social care services in the context of increasing demand for services.

A key element of the Integration Joint Board's longer term recovery planning is to understand the legacy impact of Covid-19 on the health and care needs of the population, including demand for post Covid-19 recovery and rehabilitation services, the increasing prevalence of mental health and substance misuse issues and the impact of increased poverty and health inequalities. The Integration Joint Board will review the impact of these on the delivery of the Strategic and Commissioning Plan including carrying out an updated Strategic Needs Assessment of the population needs.

The future delivery of health and social care services will not only be directed by this revised plan but will build on new ways of working which have been required to be implemented as part of the Covid-19 response, such as increased use of technology to carry out virtual

consultations, a blended approach to home and office working, more outreach working and greater opportunities for mobile working.

Operations for the Year

2019/20 represents the fourth full financial year of Dundee City Integration Joint Board (commonly known as Dundee Health and Social Care Partnership) being formally responsible for planning and delivering community-based health and social care services. Notwithstanding the impact of the COVID-19 crisis over the latter period of the year, the development and delivery of these services throughout 2019/20 was in line with the Dundee City Integration Joint Board's [Strategic and Commissioning Plan 2019-2022](#) which sets out the context within which integrated services in Dundee operate and is shaped around the Health and Social Care Partnership's vision that "Each Citizen of Dundee will have access to the information and support that they need to live a fulfilled life."

This Strategic and Commissioning Plan focusses on the four strategic priorities of tackling health inequalities, early intervention and prevention, localities and engaging with communities and developing models of support / pathways of care. These priorities are supported by ensuring services provided embed a focus on carers, build capacity, provide person centred care and support and resources are managed effectively.

The priorities in the 2019-2022 Strategic Commissioning Plan are consistent with and support the Scottish Government's nine National Health and Wellbeing Outcomes which apply across all health and social care services. These are:

Table 1 National Outcomes

Outcome 1. Healthier Living	People are able to look after and improve their own health and wellbeing and live in good health for longer
Outcome 2. Independent Living	People, including those with disabilities, long term, conditions, or who are frail, are able to live as far as reasonably practicable, independently at home or in a homely setting in their community.
Outcome 3. Positive Experiences and Outcomes	People who use health and social care services have positive experiences of those services and have their dignity respected.
Outcome 4. Quality of Life	Health and social care services are centred on helping to maintain or improve the quality of life of service users.
Outcome 5. Reduce Health Inequalities	Health and social care services contribute to reducing health inequalities.
Outcome 6. Carers are Supported	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
Outcome 7. People are Safe	People who use health and social care services are safe from harm.

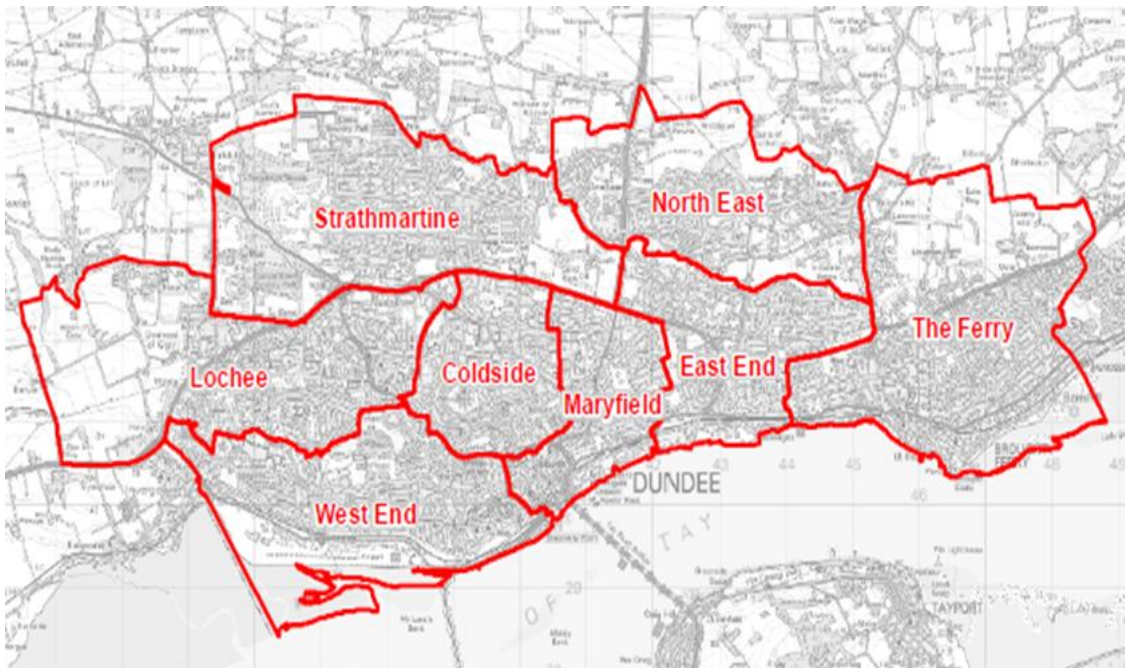
<p>Outcome 8. Engaged Workforce</p>	<p>People who work in health and social care services feel engaged with the work they do, are supported to continuously improve the information, support, care and treatment they provide</p>
<p>Outcome 9. Resources are used Efficiently and Effectively</p>	<p>Resources are used effectively and efficiently in the provision of health and social care services</p>

Over the course of 2020/21, Dundee Integration Joint Board will continue to monitor the impact of the COVID-19 crisis on the Strategic and Commissioning Plan and will review and amend it accordingly if necessary.

Operational Delivery Model

During 2019/20, Dundee Health and Social Care Partnership continued to redesign and develop its operational delivery structure with a view to embedding a fully integrated model of integrated health and social care services to support the delivery of the Dundee City Integration Joint Board’s strategic priorities. This structure is based around the eight Local Community Planning Partnership (LCPP) areas within the city as noted below.

Map of Eight Local Community Planning Partnership Areas



Locality managers’ portfolios currently include a combination of service specific responsibilities which are city wide (e.g. older people care at home, learning disabilities) as well as an overview of the needs of their locality areas as part of the transition to full locality based integrated health and social care services.

Scrutiny and Performance

The Integration Joint Board's Performance and Audit Committee (PAC) provides the opportunity for committee members to better understand the needs of communities and to monitor and scrutinise performance of delegated services against delivering the strategic priorities through a range of performance indicators and benchmarking. Throughout 2019/20, the Integration Joint Board's Performance and Audit Committee received performance reports which quantified Dundee's health and social care challenges in relation to the baseline data against a range of performance indicators, designed to capture the progress made under integration over time. This includes nationally and locally set indicators, a number of which are reflected at locality level to assist the Dundee City Integration Joint Board in determining the areas of greatest need and to inform the targeting of resources. Dundee's 2019/20 performance against a range of national indicators is noted in **Table 2** below. This shows that good progress is being made in relation to reducing emergency admissions compared to 2018/19 data however challenges still remain in relation to delayed discharges from hospital. Emergency bed days have improved significantly since 2015/16. Further information regarding the performance of Dundee Integration Joint Board can be found at the Annual Performance Report

(https://www.dundeehscp.com/sites/default/files/publications/dhscp_summary_201920_final.pdf).

Table 2

National Indicator	Dundee 15/16 (Baseline Year)	Dundee 2018/19	Dundee 2019/20	Scotland 2019/20**
Emergency admissions rate to hospital per 100,000 people aged 18+	12,168	12,703*	12,520	12,616
Emergency bed days rate per 100,000 people aged 18+	146,192	125,377*	119,246	118,127
Readmissions to acute hospital within 28 days of discharge rate per 1,000 population	122	129*	127	105
Falls rate per 1,000 population aged 65+	25	31	31	23
Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (Delayed Discharge bed days)	832	372*	443	774

Notes:

* figures have been revised in accordance with data provided from ISD Scotland

Transforming Services

Transforming services is key to the Dundee City Integration Joint Board continuing to improve outcomes for service users and performance and service redesign opportunities connected to the overarching strategic priorities. During 2019/20, DHSCP re-designed the internal home care service with the aim of delivering a service which is more responsive to the needs of service users, providing services when they need it and delivering a more sustainable and effective service delivery model. Furthermore, through an expansion of community supports for older people with mental health needs under the Reshaping Care for Older People Programme, demand for inpatient beds continues to reduce with a resultant reduction in the bed base at the Kingsway Care Centre. Progress continues to be made in relation to more efficient and effective prescribing which has seen GP prescribing expenditure for Dundee reduce to below the Scottish average per weighted patient. The challenge for the Dundee City IJB is to be able to continually develop and sustain levels of change at scale and pace to meet the growing demographic needs with continuing financial restrictions.

Through delivery of the Dundee City Integration Joint Boards Strategic and Commissioning Plan, Dundee Health and Social Care Partnership continues to reduce the number of hospital beds it directly manages and continues to reduce the number of emergency bed days used by the Dundee population through the acute hospital sector. The bed base is part of the overall description within the legislation around health and social care integration known as the large hospital set aside, with the Dundee City Integration Joint Board being responsible for the planning of acute services that are delegated with NHS Tayside responsible for the operational oversight and management of these services. The sustained progress made by DHSCP in reducing the number of emergency bed days has resulted in NHS Tayside committing to the release of £1 million of financial resources to DHSCP on a recurring basis from 2020/21.

Following the publication of the findings and recommendations of the Dundee Drugs Commission Report “Responding to Drug Use with Kindness, Compassion and Hope” (published in August 2019), a programme of service development and change is underway in relation to the provision of substance misuse services and supports.

Following the publication of the final report of the Independent Inquiry into Mental Health Services in Tayside, “Trust and Respect” (published in February 2020), agreement has been reached that the operational management of in-patient mental health services in Tayside transfer from the Tayside Integration Joint Boards, hosted by Perth & Kinross IJB, to NHS Tayside. The Tayside IJBs will remain critical to the response to the recommendations of the inquiry through the redesign of community based mental health services.

Dundee City IJB has continued to transform Primary Care services. The First Contact Physiotherapy (FCP) has expanded to all 4 GP clusters across Dundee by utilising an innovative federated appointment system. Patients now have direct access to the advanced physiotherapy care they need for their musculoskeletal problems. The FCP service has demonstrated significant reductions in secondary care referrals by offering advanced skills to assess, diagnose, offer self-management advice and, where necessary, refer for investigations or further treatment. In turn, this releases GP capacity while providing faster access to diagnosis and treatment. The FCP service was also nominated for a STAR award in 2019.

Transforming Primary Care - Case study example

A female attended one of the First Contact Physiotherapy (FCP) clinics having seen the service advertised in her own GP practice – as an infographic on the TV screen. She contacted her GP practice and was given an appointment to attend one of the hub sites that day to see a member of the FCP team. Following assessment, the results of the consultation were inputted directly into the primary care record and self-management advice was provided.

The assessment identified that onward referral to the MSK outpatient physiotherapy service was required and it was possible to refer at the time of the consultation.

The service received positive feedback and it is recognised this service allows people to be seen by the right person at the right time, reducing the pressure on General Practitioners.

Source: DHSCP Annual Performance Report 2019-20

(https://www.dundeehscp.com/sites/default/files/publications/dhscp_summary_201920_final.pdf).

A summary of the key achievements over 2019/20 is as follows:

- Of the 10 services directly provided by the Partnership that were subject to inspection by the Care Inspectorate over the last year, 100% received grades that were 'good' or better and 80% received grades of 'very good' or 'excellent'.
- Maintained good performance in relation to the number of bed days lost to delayed discharge per 100 people aged 75 years or over; in 2019/20 Dundee was the 11th best performing Partnership in Scotland.
- Further improvement of the Post Diagnostic Support (PDS) service which included further integrated working, achieving national targets, introduction of cognitive stimulation and therapy groups as a way of meeting increased demand for PDS.
- Significant improvements achieved during the redesign and development of physiotherapy and occupational therapy teams in order to improve quality, patient outcomes and access to services, including the use new technology.
- Continued to develop an assessment at home model in partnership with British Red Cross which supported people to return home from hospital, reducing care home admissions and increasing the proportion of people able to continue to live independently in their own homes following the assessment.

- The development of a comprehensive Induction Resource and a suite of COVID-19 learning resources to ensure that all existing and redeployed health and social care workers were given the right knowledge and information to practice in a safe and informed way as a response to the COVID-19 pandemic.
- More than doubled the spend on Self Directed Support Options 1 and 2 from £2.5m in 2018/19 to £5.5m in 2019/20.

Analysis of Financial Statements 2019/20

The Annual Accounts report the financial performance of Dundee City Integration Joint Board. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to the Dundee City Integration Joint Board for the delivery of its vision and its core objectives. 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 2019/20). The 2019/20 Accounts have been prepared in accordance with this Code.

Integration Joint Boards need to account for their spending and income in a way which complies with our legislative responsibilities and supplementary Local Authority (Scotland) Accounts Advisory Committee (LASAAC) guidance.

The 2019/20 Annual Accounts comprise: -

- a) Comprehensive Income and Expenditure Statement – This statement shows that Dundee City Integration Joint Board made an overall deficit of £2,274k in 2019/20 (deficit of £1,794k in 2018/19). This overall deficit is funded through the Dundee City Integration Joint Board's reserves.
- b) Movement in Reserves – Dundee City Integration Joint Board has year-end reserves of £492k (£2,766k in 2018/19). These are held in line with the Dundee City Integration Joint Board's reserves policy.
- c) Balance Sheet – In terms of routine business Dundee City Integration Joint Board does not hold non-current assets.
- d) Notes - Comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2019/20 do not include a Cash Flow Statement as Dundee City Integration Joint Board does not hold any cash or cash equivalents.

MANAGEMENT COMMENTARY

Financial Position at the End of March 2020

The IJB's delegated budget from Dundee City Council and NHS Tayside developed over the financial year as follows:

	NHS Tayside Funding	Dundee City Council Funding
	£000	£000
Initial Agreed Funding	158,879	77,047
Superannuation /Action 15 Mental Health Adjustments	496	
Hospital & Community Health Services	1,322	
Family Health Services Drugs Prescribing	424	
General Medical Services	1,628	
Family Health Services – Cash and Non Cash Limited	1,083	
Net Effect of Hosted Services	6,182	
Large Hospital Set Aside	18,172	
Additional DCC Funding – Pension Adjustment		5,258
Miscellaneous Additional Funding		249
Additional Risk Share Funding	2,042	1,021
Revised Delegated Budget	190,228	83,575

The IJB reported a year end underlying overspend of £5,771k for 2019/20, arising from an underlying deficit of £6,037k in social care budgets, net of an underlying underspend of £266k in NHS budgets, before drawing down a planned use of reserves for ring fenced Scottish Government funding and planned commissioning commitments. Following the application of these planned reserves, the net underlying overspend position for the IJB was £4,006k consisting of a net overspend of £5,651k in social care budgets and an underspend of £1,645k in NHS budgets. 2019/20 saw the first year of a change to the financial risk sharing arrangement set out within the Dundee Health and Social Care Integration Scheme whereby in the event of an overspend within the delegated budget, after the application of a financial recovery plan and use of IJB reserves, the overspend will be allocated based on each Parties' proportionate contribution to the Integration Joint Board's budget for that financial year on a like for like basis. Under this arrangement, NHS Tayside became liable to make a further contribution of £2,042k and Dundee City Council liable to make a further contribution of £1,021k giving a total additional funding of £3,063k. This resulted in a net £2,274k overspend for the IJB.

The Integration Joint Board approved the use of reserves to the value of £1,765k to contribute to transition funding for the Reshaping Care for Older People programme and to invest ring-fenced Scottish Government funding in relation to Primary Care Improvement Plan, Action 15 Mental Health and Alcohol and Drug Partnership funding in line with the Scottish Government's expectations. This had the effect of using reserves to fund a planned deficit. Within the Dundee City Council overspend position, further overspends were incurred during the year in relation to staff costs of £1,660k, partly due to a delay in the implementation of the redesign of care at home services. In addition, high demographic demand for community

based social care services led to an overspend in services provided by third and independent sector care providers of £3,372k across budgeted provision for care homes and care at home services in particular. A bad debt provision made by Dundee City Council of £341k mainly contributed to an overspend in supplies and services of £391k with a shortfall in income of £174k partly due to reduced levels of residential charging income from council operated care homes to reflect a planned reduction in the number of placements.

The NHS underspend position is mainly due to underspends within the overall GP and other prescribing budget of £1,072k, partly offset by a net effect overspend position within hosted services where the primary cost pressure in this area was the recharged share from Perth and Kinross IJB of an overspend within In-Patient Mental Health Services (Dundee share £733k.)

The impact of the overall financial position for integrated services in Dundee for 2019/20 has resulted in the level of reserves held by Dundee City Integration Joint Board decreasing to £492k at the year ended 31 March 2020 (as against £2,766k at the year ended 31 March 2019). This is reflected in the Movement in Reserves Statement.

The reserves balance of £492k has been committed by the Dundee City Integration Joint Board mainly through the reinvestment of Scottish Government ring fenced funding for Primary Care and Alcohol and Drug Partnership funding carried forward from 2019/20. The reserve balance of £492k at the year ended 31 March 2020 is less than the level of reserve of 2% of the Dundee City Integration Joint Board's net expenditure as set out within its reserves policy.

Achieving long-term financial sustainability and making best use of resources is critical to delivering the Dundee City Integration Joint Board's Strategic and Commissioning Plan's priorities. In response to the growing demand for health and social care and financial constraints, the Dundee City IJB recognises that continuous service redesign and further integration of services is critical.

Key Risks and Uncertainties

The impact of the COVID 19 pandemic on the delivery of community-based health and social care services over the short term has been instant and significant. Services have had to adapt and change the way essential services to the most vulnerable citizens are delivered while ensuring staff and service users are protected. The lessons learned from the first few months of the crisis are being assessed by DHSCP to inform the nature of the longer-term response to living with COVID-19 on a longer-term basis. Key risks have been identified with mitigation plans developed to reduce those risks in a range of areas including a reduction in the workforce due to illness, access to appropriate PPE, the risk of services becoming overwhelmed, lack of access to clinical space and the impact on the welfare of staff. These have been reflected in the IJB's risk register. Information is being gathered in relation to the legacy impact of the outbreak on the health of the population with anticipated higher demand for mental health and substance misuse services, health inequalities and other factors relating to increased levels of deprivation. This will assist in informing the IJB of the scale of the new challenge it faces as part of its recovery plan.

There is also further considerable uncertainty as to the impact of the COVID-19 pandemic on public finances. The consequences of potential further restrictions to public funding against an already challenging financial environment, including the implications of the UK's withdrawal from the EU, would likely to be significant for the IJB's delegated budget, particularly given the low level of reserves the IJB has to release to support services. If "post COVID-19" demand levels increase there is a risk that the Dundee City Integration Joint Board will not have sufficient resilience to meet these demands without additional funding being made available. This current uncertainty has impacted on the IJB's ability to develop a realistic five year

financial framework as planned. The assumptions around this framework will be re-set in line with the most current predictions around funding and growth in demand for services.

The Scottish Government has provided short term additional funding to IJB's to support the immediate response to the COVID-19 pandemic and to recognise the additional costs incurred by health and social care, including the third and private sector in delivering essential front-line services and ensuring financial sustainability through local mobilisation plans. There is a risk that over the course of 2020/21, the cost of delivering the mobilisation plan will be greater than the funding the Scottish Government provides by the end of the financial year leading to an additional funding pressure.

There are financial sustainability risks with third and independent sector contractual arrangements with care providers across the country who provide services on our behalf highlighting contractual payment levels which are insufficient for them to meet their running and business costs. These challenges will continue to be monitored and responded to through the contract monitoring process accordingly.

Progress in implementing the IJB's Primary Care Improvement Plan has also been impacted on by the COVID-19 pandemic, however, challenges still exist in relation to the ability of DHSCP to recruit or develop the workforce to deliver all the expectations of the plan through the introduction of new multi-disciplinary community-based support teams. There are also financial challenges in meeting the Scottish Government's and GP's expectations with the resources provided with potential funding shortfalls identified in future years.

During 2019/20 the IJB received the outcome of two significant publications which involve services delegated to the IJB. The Dundee Drugs Commission Review "Responding to Drug Use with Kindness, Compassion and Hope" and the Independent Inquiry into Mental Health Services in Tayside "Trust and Respect" both contained significant recommendations which the IJB as a partner organisation will need to respond, contribute to and resource effectively if improvements to services and ultimately outcomes for service users are to be made in line with these recommendations.

Regular identification and assessment of risk such as those uncertainties noted above is part of the Dundee City IJB's risk management strategy with appropriate actions to eliminate or reduce the impact of such risks set out in the Dundee City IJB's risk register when and where necessary.

Conclusion

We are pleased to present the annual accounts for the year ended 31 March 2020 for Dundee City Integration Joint Board. The accounts show that Dundee City Integration Joint Board has had to continue to deliver its operational services within an increasingly challenging environment of limited funding and demographic driven growth in demand for services. The impact of this environment over recent years has resulted in a considerable reduction in the Dundee City IJB's level of available reserves.

Going forward, Dundee City Integration Joint Board has a significant financial challenge ahead to deliver the Strategic & Commissioning Plan in this climate of growing demand and limited resources. Furthermore, the uncertainty caused by the COVID-19 pandemic in relation to how services can be safely delivered, the impact of increased demand for mental health and substance misuse services and for those recovering from COVID-19 as well as the impact on public sector funding will provide further challenges. In order to meet these challenges, we must ensure the IJB's resources are used effectively, identifying, testing and implementing innovative ways to deliver more personalised and well-co-ordinated services, building the resilience of people and their communities and reducing unnecessary hospital admissions and delayed discharges from hospital. This will require the confidence of professionals and the public to further shift resources from intensive, high cost services to a focus on more preventative service provision to ensure best value for public funds. The recognition by NHS Tayside of the sustained reduction in emergency bed days incurred by Dundee residents due to the service changes developed through Dundee Health and Social Care Partnership through the commitment to transfer resources to shift the balance of care highlights the IJB is making good progress in this regard.



Dave Berry CPFA
Chief Finance Officer
Dundee City
Integration Joint Board

Date: 25 November 2020



Vicky Irons
Chief Officer
Dundee City
Integration Joint Board

Date: 25 November 2020



Ken Lynn
Chair
Dundee City
Integration Joint Board

Date: 25 November 2020

STATEMENT OF RESPONSIBILITIES

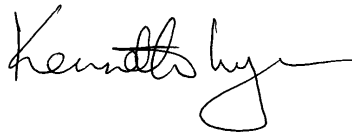
Responsibilities of the Dundee City Integration Joint Board

The Dundee City 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). For this Board, that officer is the Chief Finance 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, the Coronavirus (Scotland) Act 2020) 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 Performance and Audit Committee on 24 November 2020.

Signed on behalf of the Dundee City Integration Joint Board



Ken Lynn
Chair
Dundee City Integration Joint Board

Date: 25 November 2020

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of Dundee City Integration Joint Board'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 Code of Practice").

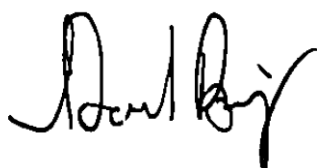
In preparing the Annual Accounts, the Chief Finance Officer has:

- 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 Finance 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 Dundee City Integration Joint Board as at 31 March 2020 and the transactions for the year then ended.



Dave Berry CPFA
Chief Finance Officer
Dundee City Integration Joint Board

Date: 25 November 2020

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 Integration Joint Board members and staff.

The information in the tables on the following page 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.

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of Dundee City Integration Joint Board are appointed through nomination by Dundee City Council and Tayside NHS Board. Nomination of the Integration Joint Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative. The details of the Chair and Vice Chair appointments are shown below:

Name	Post(s) held	Nominated by
K Lynn	Vice Chair From 30 October 2018 to 27 October 2020 Chair From 28 October 2020	Dundee City Council
T McLeay	Chair From 30 October 2018 to 27 October 2020 Vice Chair From 28 October 2020	NHS Tayside

Dundee City Integration Joint Board 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 Chair and Vice Chair are remunerated by their relevant Integration Joint Board partner organisation. Dundee City Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. No taxable expenses were paid to the Chair or Vice Chair of the Integration Joint Board in 2019/20.

Dundee City Integration Joint Board 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 Dundee City Integration Joint Board

Dundee City 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.

Senior Employees

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 Dundee City

REMUNERATION REPORT

Integration Joint Board. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total 2018/19 £	Post	Senior Employees	Total Salary, Fees & Allowances 2019/20 £
101,558	Chief Officer	David Lynch 1/4/2016 to 31/12/2019	78,454 (FYE 104,606)
-	Chief Officer	Vicky Irons From 3/2/2020 to date	16,539 (FYE 99,234)
81,867	Chief Finance Officer	Dave Berry	89,056
183,425		Total	184,049

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 Dundee City Integration Joint Board balance sheet for the Chief Officer or any other officers. The Chief Finance Officer is a member of the Tayside Pension Fund which is a Local Government Pension Scheme (LGPS). The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Scheme Regulations 2014. The current and previous Chief Officer are members of the NHS Pension Scheme (Scotland). The scheme is an unfunded multi-employer defined benefit scheme. Details of the LGPS can be found in Dundee City Council's accounts and details of the NHS pension scheme can be found in NHS Tayside's accounts. Both documents are available on their respective websites.

Dundee City 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 Dundee City 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.

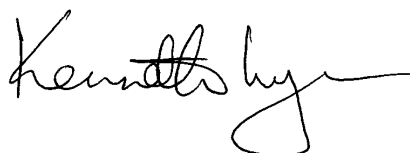
REMUNERATION REPORT

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/19 £	For Year to 31/03/20 £		Difference from 31/03/19 £000	As at 31/03/20 £000
D Lynch Chief Officer 1/4/2016 to 31/12/2019	17,265	13,337	Pension	0.5	41
			Lump sum	(4)	96
D Berry Chief Finance Officer	13,917	15,139	Pension	2	35
			Lump sum	1	56
V Irons Chief Officer 3/2/2020 to date	-	3,441	Pension	-	36
			Lump sum	-	80
Total	31,182	31,917	Pension	2.5	112
			Lump Sum	(3)	232

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

Exit Packages

There were no exit packages payable during the financial year.



Ken Lynn
Chair
Dundee City Integration Joint Board

Date: 25 November 2020



Vicky Irons
Chief Officer
Dundee City Integration Joint Board

Date: 25 November 2020

Introduction

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

Scope of Responsibility

Dundee City Integration Joint Board 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 Tayside and Dundee City Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the Integration Joint Board. Reliance is similarly placed on Angus IJB and Perth & Kinross IJB with respect to Hosted Services.

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



The Governance Framework and Internal Control System

Dundee City Integration Joint Board comprises six voting members, three nominated by Dundee City Council and three nominated by Tayside NHS Board, as well as non-voting members including a Chief Officer and Chief Finance Officer appointed by the Integration Joint Board. During 2019/20, the Integration Joint Board continued to develop, enhance and review its governance arrangements as it moved through its fourth year of being responsible for the strategic planning and operational delivery of integrated health and social care services. This included progressing areas highlighted as developments in the 2017/18 and 2018/19 Annual Governance Statements.

The main features of the governance framework in existence during 2019/20 were:

- The Integration Scheme as the overarching agreement between the Integration Joint Board, NHS Tayside and Dundee City Council as to how the planning for and delivery of delegated health and social care services is to be achieved reflecting a range of governance arrangements required to support this arrangement.

ANNUAL GOVERNANCE STATEMENT

- The Health and Social Care Partnership senior leadership team consisting of the Chief Officer, Head of Finance and Strategic Planning (Chief Finance Officer) and Head of Health and Community Care along with a range of professional advisers. The Chief Finance Officer has overall responsibility for the Integration Joint Board's financial arrangements and is professionally qualified and suitably experienced to lead the Integration Joint Board's finance function and to direct staff accordingly.
- Formal regular meetings of the senior leadership team including professional advisers.
- Standing Orders, Financial Regulations and a Code of Conduct including the publication of Register of Member's Interests and the nomination of the Clerk to the Integration Joint Board as Standards Officer were all in place during 2019/20.
- The Integration Joint Board met on seven occasions throughout the year to consider its business. Three development sessions were held as part of the 2020/21 budget development process with a further induction session held for new IJB members which covered their role and expected standards and conduct.
- The Integration Joint Board's Performance and Audit Committee met on three occasions throughout the year to enhance scrutiny of the performance of the Integration Joint Board and audit arrangements in line with regulations and good governance standards in the public sector. This is the minimum number of meetings required in line with the Terms of Reference. While a further three meetings had been timetabled, the July meeting was cancelled due to insufficient business, the February meeting as it would not have been quorate and the final one due to the Covid-19 outbreak.
- Internal Audit arrangements for 2019/20 were approved including the appointment of the Chief Internal Auditor of FTF Internal Audit and Management Services to the role of Chief Internal Auditor of the Integration Joint Board supported by Dundee City Council's Internal Audit Service. An Internal Audit Plan for 2019/20 was approved drawing on resources from both organisations.
- The assurances provided from internal audit through their independent review work of the Integration Joint Board's internal control systems.
- Assurances were provided to the Performance and Audit Committee in relation to Clinical, Care and Professional Governance through the presentation of a Chairs assurance Report from the Clinical, Care and Professional Governance Group
- The Chief Finance Officer complied fully with the five principles of the role of the Chief Finance Officer, as set out in CIPFA guidance.

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2019/20 this included the following:

- A continued focus on considering risk in decision making through the clear identification of risks in relation to Integration Joint Board decisions reflected in reports presented to the Integration Joint Board and Performance and Audit Committee.
- The approval and progressing in year of the Annual Internal Audit Plan with the presentation of Internal Audit reports and follow up action plans as appropriate.
- The presentation of the IJB's Annual Performance Report.
- Continued development of the performance management framework with a range of performance reports published and scrutinised by the Performance and Audit Committee throughout the year, including more detailed reviews of specific areas of concern as requested by the committee, including Discharge Management updated performance on Complex and Standard delays and Falls analysis.
- A process of formal regular reporting of financial performance and monitoring to the Integration Joint Board was in place throughout 2019/20.

- The provision of regular budget development reports for 2020/21 to the Integration Joint Board.
- The provision of an assurance report from the chair of the Performance and Audit Committee outlining the key issues raised at the previous Performance and Audit Committee meeting to the following Integration Joint Board meeting.
- In-year reporting on issues relating to the Clinical, Care and Professional Governance Group in the form of the group's Chairs Assurance Report in line with the overarching strategy: Getting It Right for Everyone – A Clinical, Care and Professional Governance Framework with no major issues reported.
- Embedding the issuing of directions to NHS Tayside and Dundee City Council reflected in Integration Joint Board reports during the year.
- Reporting of the implications of national overview reports by scrutiny bodies such as Audit Scotland.
- Regular reporting to the Performance & Audit Committee of external scrutiny reports relating to delegated services from scrutiny bodies such as the Care Inspectorate and Mental Welfare Commission and supporting subsequent action plans.
- Provision of a Governance Action Plan progress report to monitor progress of previous recommended areas of improvement provided to each meeting of the Performance and Audit Committee.
- Assurance provided around the quality of Social Work Services through the Chief Social Work Officer Governance Framework and annual Chief Social Work Officer's Annual Report.
- Quarterly Reporting of Complaints in relation to delegated Health and Social Care services.
- The consideration of inspection reports from other IJB's such as North Ayrshire and Perth and Kinross and implications of lessons learned from these to Dundee IJB.
- The revision of the IJB's Partnership and Engagement Strategy to ensure all stakeholders have the opportunity to contribute to the continued development of health and social care services.
- Assurances on the procedures, processes and systems of NHS Tayside and Dundee City Council.

Review of Adequacy and Effectiveness

Dundee City 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.

The review is informed by the work of the Senior Leadership Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditors and the Chief Internal Auditor's annual report, and reports from external auditors and other review agencies and inspectorates.

The review of Dundee City Integration Joint Board's governance framework is supported by a process of self-assessment and assurance certification by the Chief Officer. The Chief Officer completes a "Self-assessment Checklist" as evidence of review of key areas of the Integration Joint Board's internal control framework. The Senior Leadership Team has input to this process through the Chief Finance Officer. There were no significant internal control issues identified by the self-assessment review.

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

ANNUAL GOVERNANCE STATEMENT

In preparing the Annual Governance Statement, the Integration Joint Board gave consideration to both NHS Tayside and Dundee City Council's Annual Governance Statements. There were no issues arising which require any further disclosure in the Integration Joint Board's Governance Statement.

Throughout the year, the Performance and Audit Committee has considered a range of issues which cover its core responsibilities in providing the Integration Joint Board with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements. Assurances are provided through the internal audit reviews undertaken throughout the financial year and presented to the Performance and Audit Committee. During 2019/20 the number of carried forward days from previous annual audit plans has been a significant factor causing changes to target dates for reporting. The complexity of the control environment for IJBs, the demand on IJB management time to feed into the audit process; as well as the time taken to clear reports with the range of parties involved means some audits planned for 2019/20 were not reported by year-end. Fieldwork on these audits was either substantially completed by the end of May 2020, or a risk assessment process for inclusion in the 2020/21 internal audit plan carried out. The Chief Internal Auditor has assured the Performance and Audit Committee that the work completed at year end on the governance checklist and annual internal audit report is sufficient to allow them to provide sufficient assurance for the governance statement.

It is recognised that progress in delivering a number of actions from previous internal and external audit recommendations has been slower than originally planned, mainly due to lack of capacity within Dundee Health and Social Care Partnership to take these actions forward at the expected pace. Plans are being developed to enhance capacity throughout 2020/21 to mitigate this risk in future years. In the context of the other controls in place, this is not deemed to undermine the systems of governance and control within the IJB.

The Chair of the Performance and Audit Committee provides an update to the next available Integration Joint Board meeting on the issues raised and any areas of concern which the Integration Joint Board should be made aware of. Over the course of 2019/20, no such areas of concern were noted by the Chair of the Performance and Audit Committee although, as noted below, the Committee will be focusing on the delivery of the amalgamated governance action plan in 2020-21.

Dundee City Integration Joint Board complies in full 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 Performance and Audit Committee with the right of access to the Chief Finance Officer, Chief Officer and Chair of the Performance and Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the Performance & Audit Committee.

The Chief Internal Auditor has carried out his review of the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk management and control. The findings of this review are reflected in the Annual Internal Audit Report 2019/20 which supports the outcome of Dundee City IJB's self-assessment process noted above and concludes that although some areas for improvement have been identified these do not impact on the level of assurance provided and reliance can be placed on the Integration Joint Board's governance arrangements and systems of control for 2019/20. A management response, actions and planned completion dates in relation to these areas of improvement will be developed with the progress of these actions monitored through the Performance and Audit Committee.

Continuous Improvement

The following areas for improvement have been identified through the self-assessment process and Annual Internal Audit Report. Progress against these will be monitored by the Performance and Audit Committee during 2020/21. A number of these are outstanding from previous year's continuous improvement plans and are now included in the Governance Action Plan and updated at each Performance and Audit Committee meeting with revised planned completion dates as appropriate. These have primarily been delayed due to resource capacity and the impact of other priorities across the wider partnership with NHS Tayside and the other Tayside Integration Joint Boards. The unprecedented implications of responding to the challenges of the Covid-19 pandemic have had an impact in the first 6 months of 2020/21 of progressing a range of governance improvement actions. The impact of the Covid-19 pandemic on the capacity of the service to take these actions forward has been taken into consideration and a report setting out the revised actions to be undertaken to ensure completion of these actions was presented to the Integration Board at its meeting of the 27th October 2020 as an escalation from the PAC.

Area for Improvement	Lead Officer	Planned Completion Date
Previous Year Actions Carried Forward and Included in the Governance Action Plan.		
Development of improved Hosted Services arrangements around risk and performance management for hosted services and associated assurances.	Chief Officer / Chief Finance Officer	Revised date March 2021
Clarification of deputising arrangements for the Chief Officer to be presented to the IJB.	Chief Officer	Revised date December 2020
Further develop the Integration Joint Board's local Code of Governance.	Chief Officer / Chief Finance Officer	Revised date December 2020
Development of Large Hospital Set Aside arrangements in conjunction with the Scottish Government, NHS Tayside and Angus and Perth and Kinross Integration Joint Boards.	Chief Officer / Chief Finance Officer	Revised date March 2021
Range of developments following the Internal Audit report on Risk Maturity as reflected in the Risk Management Action Plan, including updating the risk management strategy, streamlining risk registers to prevent duplication and agree reporting arrangements and schedules.	Chief Finance Officer	All actions to be completed by revised date of March 2021
Range of actions arising from the Workforce Internal Audit Review including development of the Integrated Workforce and Organisational	Chief Finance Officer/Chief Officer	All actions to be completed by revised date March 2021

ANNUAL GOVERNANCE STATEMENT

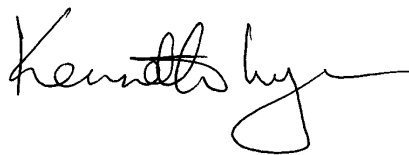
Development Plan in addition to provision of staff governance reporting.		
2019/20 Areas for Improvement Identified		
The financial ledger should be fully updated in 2019/20 prior to the approval of the annual accounts.	Chief Finance Officer	June 2020
A long-term financial strategy (5 years or more) supported by clear and detailed financial plans (3 years or more) should be prepared.	Chief Finance Officer	March 2021
The IJB should liaise with NHS Tayside and consider the arrangements for regular attendance by a member appointed as the registered medical practitioner providing primary care.	Clerk to the Board	November 2020
The IJB should liaise with its partner organisations to ensure an agreed budget is approved prior to the start of the year.	Chief Finance Officer	March 2021
The IJB should seek to combine financial and performance reporting to ensure that members have clear sight of the impact of variances against budget in terms of service performance.	Chief Finance Officer	March 2021
The IJB should review its reserves to ensure they are adequate.	Chief Finance Officer	March 2021
Mechanisms and reporting arrangements should be implemented to provide assurance to the Chief Officer and the Board that the IJB has arrangements in place to demonstrate that services are delivering Best Value.	Chief Finance Officer	September 2020
Implementation of and reporting on all outstanding recommendations arising from the Ministerial Steering Group report on Health and Social Care Integration as reported to the IJB at its meeting of 25 June 2019.	Chief Officer / Chief Finance Officer	March 2021
Further development of governance and assurance arrangements considering agreed governance principles and updated advice from the Scottish Government Health & Social Care Division.	Chief Officer / Chief Finance Officer	December 2020

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 Dundee City 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.



Ken Lynn
Chair
Dundee City Integration Joint Board

Date: 25 November 2020



Vicky Irons
Chief Officer
Dundee City Integration Joint Board

Date: 25 November 2020

THE FINANCIAL STATEMENTS

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the cost of providing services which are funded by budget requisitions from the partners for the year according to accepted accounting practices.

2018/19		2019/20
Net Expenditure (Income) £000		Net Expenditure (Income) £000
71,019	Older People Services	78,085
18,447	Mental Health	21,062
33,186	Learning Disability	35,448
9,680	Physical Disability	8,672
4,330	Substance Misuse	5,256
13,089	Community Nurse Services / AHP* / Other Adult Services	15,128
11,463	Community Services (Hosted)***	10,776
7,314	Other Services / Support / Management	4,875
33,620	Prescribing	32,406
25,110	General Medical Services (FHS**)	26,687
18,083	FHS – Cash limited & Non-Cash Limited	19,216
245,341	Net Cost of Operational Services during the Year	257,611
287	IJB Operational Costs	294
17,449	Large Hospital Set Aside	18,172
263,077	Total Cost of Services	276,077
(261,283)	Taxation and Non- Specific Grant Income (Note 5)	(273,803)
1,794	(Surplus) or Deficit on Provision of Services	2,274
1,794	Total Comprehensive Income & Expenditure	2,274

Notes

* AHP – Allied Health Professionals

** FHS – Family Health Services

*** Reflects the impact of hosted services not attributable to specific client groups

Dundee City Integration Joint Board's Comprehensive Income and Expenditure Statement shows the net commissioning expenditure provided to partners to support services. It does not separately detail income received from service users as this remains the statutory responsibility of the partners.

THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Dundee City Integration Joint Board's reserves.

Total Reserves 2018/19 £000	Movements in Reserves	General Fund Balance Total Reserves £000
4,560	Opening Balance at 31 March 2019	2,766
(1,794)	Total Comprehensive Income and Expenditure	(2,274)
(1,794)	Increase/(Decrease)	(2,274)
2,766	Closing Balance at 31 March 2020	492

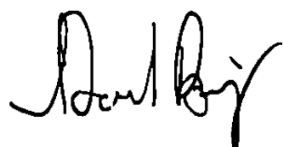
THE FINANCIAL STATEMENTS

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by Dundee City Integration Joint Board.

31 March 2019 £000		Notes	31 March 2020 £000
2,786	Short Term Debtors	Note 6	5,600
2,786	Current Assets		5,600
(20)	Short Term Creditors	Note 7	(5,108)
(20)	Current Liabilities		(5,108)
2,766	Net Assets		492
2,766	Usable Reserve: General Fund	Note 8	492
2,766	Total Reserves		492

The unaudited accounts were issued on 30 June 2020 and the audited accounts were authorised for issue on the date noted below.



Dave Berry, CPFA
Chief Finance Officer
Dundee City Integration Joint Board

Date: 25 November 2020

1. Significant Accounting Policies

General Principles

The Financial Statements summarise Dundee City Integration Joint Board's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020. The Dundee City Integration Joint Board 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 prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS), and statutory guidance issued under Section 12 of the Local Government in Scotland Act 2003.

The accounts are prepared on a going concern basis, which assumes that the Dundee City 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 occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Dundee City Integration Joint Board.
- Income is recognised when the Dundee City Integration Joint Board 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 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

Dundee City Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Dundee City Council and NHS Tayside. Expenditure is incurred as the Integration Joint Board commission's specified health and social care services from the funding partners for the benefit of service recipients in the Dundee City Integration Joint Board area.

Cash and Cash Equivalents

Dundee City Integration Joint Board does not operate a bank account or hold cash. Transactions are settled on behalf of Dundee City Integration Joint Board by the funding partners. Consequently, Dundee City Integration Joint Board 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 Dundee City Integration Joint Board's Balance Sheet.

Employee Benefits

Dundee City 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. Dundee City Integration Joint Board therefore does not present a Pensions Liability on its Balance Sheet. Dundee City 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.

Reserves

The Dundee City Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2020 shows the extent of resources which the Dundee City IJB can use in later years to support service provision.

Indemnity Insurance

Dundee City Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Dundee City Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. Unlike NHS Boards, Dundee City Integration Joint Board does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). Dundee City Integration Joint Board participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

The Dundee City IJB currently has no known or potential claims against it.

2. Critical Judgements and Estimation Uncertainty

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Dundee City Integration Joint Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Annual Accounts are:

The value of the Large Hospital "set aside" expenditure reported within the total Integration Joint Board expenditure is £18.172m. This figure for 2019/20 has been agreed with NHS Tayside and will be included in both the NHS Tayside and Dundee City IJB annual accounts. The figure is based on the most recently available, full year activity levels for hospital inpatient and day case activity (2018/19) as provided by NHS Scotland's Information Services Division and 2017/18 unit costs information uplifted to 2019/20 provided by NHS Tayside. As such, the sum set aside included in the accounts will not reflect actual hospital usage in 2019/20. This is a transitional arrangement for 2019/20 agreed locally between NHS Tayside and the three Tayside Integration Joint Boards and with the Scottish Government. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

On behalf of all IJBs within the NHS Tayside area, Dundee City IJB acts as the lead partner under hosting arrangements for a range of services including Palliative Care, Brain Injury, Dietetics, Sexual and Reproductive Health and Psychology. It commissions services on behalf of the three Tayside IJB's and is responsible for the strategic planning and operational budget of those hosted services. The Dundee City IJB reclaims the cost of these services using an agreed methodology based around population shares from the other IJB's. Dundee City IJB

NOTES TO THE FINANCIAL STATEMENTS

is not responsible for covering the full cost of any overspends in these areas, nor do they retain the benefits of any underspends. The Dundee City IJB will also receive a corresponding charge from the other Tayside IJB's for the services they host on Dundee's behalf. This arrangement is treated as an agency arrangement.

Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Annual Accounts contain estimated figures that are based on assumptions made by the Dundee City Integration Joint Board about the future or that which are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

3. Events after the Reporting Period

The Dundee City IJB's response to the Covid-19 pandemic, and the associated financial implications, are set out in the Management Commentary section on page 7. It is considered that there have been no events occurring between 1 April 2020 and the date the accounts were authorised for issue that would have an impact on the 2019/2020 financial statements.

4. Expenditure and Income Analysis by Nature

2018/19 £000	Description	2019/20 £000
159,473	Services commissioned from NHS Tayside	166,641
103,317	Services commissioned from Dundee City Council	109,142
262	Other IJB Operating Expenditure	266
25	Auditor Fee: External Audit Work	28
(182,825)	Partners Funding Contributions – NHS Tayside	(190,228)
(78,458)	Partners Funding Contributions – Dundee City Council	(83,575)
1,794	(Surplus) or Deficit on the Provision of Services	2,274

NOTES TO THE FINANCIAL STATEMENTS

5. Taxation and Non-Specific Grant Income

2018/19 £000	Description	2019/20 £000
(182,825)	Funding Contribution from NHS Tayside	(190,228)
(78,458)	Funding Contribution from Dundee City Council	(83,575)
(261,283)	Taxation and Non-Specific Grant Income	(273,803)

The funding contribution from the NHS Board shown above includes £18.172m in respect of 'set aside' resources relating to acute hospital and other resources (Large Hospital Set Aside). Dundee City Integration Joint Board has responsibility for the strategic planning of the amount set aside based on the local population's consumption of these resources. NHS Tayside has the responsibility to manage the costs of providing these services. The value of the set aside noted above is based on activity information provided by NHS Scotland's Information Services Division, set against direct expenditure figures provided by NHS Tayside. The methodology of calculating future values of the Large Hospital Set Aside is being developed locally and nationally.

6. Debtors

2018/19 £000	Description	2019/20 £000
1,837	NHS Tayside	4,298
949	Dundee City Council	1,302
2,786	Total Debtors	5,600

Amounts owed by the funding partners are stated on a net basis. Debtor balances relating to income yet to be received by the funding partners but not yet settled are offset against the funds they are holding on behalf of the Dundee City Integration Joint Board.

7. Creditors

2018/19 £000	Description	2019/20 £000
1	NHS Tayside	3
19	Other Bodies	28
-	Dundee City Council	5,077
20	Total Creditors	5,108

Amounts owed are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled are offset against the funds they are holding on behalf of the Dundee City Integration Joint Board.

NOTES TO THE FINANCIAL STATEMENTS

8. Usable Reserve: General Fund

Dundee City Integration Joint Board holds a general reserve balance in line with its reserves policy for two main purposes:

- To commit, 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 with resources to be used in line with the delivery of the IJB's Strategic and Commissioning Plan.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the Dundee City Integration Joint Board's risk management framework.

As stated in the IJB's reserves policy, in light of the size and scale of the Integration Joint Board's operations, over the longer term it is considered that it would be an aspiration to achieve a level of general reserves which represent approximately 2% of net expenditure. The value of reserves must be reviewed annually as part of the Integration Joint Board's Budget and Strategic and Commissioning Plan and in light of the financial environment at that time. At the end of the financial year 2019/20, the IJB has utilised all of its uncommitted, contingency reserves.

Under the IJB's reserves policy, committed reserves relate to specific funds for specific purposes and will only be used for these purposes, often spanning multiple years. Whilst these reserves are fully committed and therefore not free to use, these are regularly monitored. Any change of use, or decisions relating to residual balance will require the approval of the IJB.

2018/19	Balance at 1 April 2018 £000	Transfers Out 2018/19 £000	Transfers In 2018/19 £000	Balance at 31 March 2019 £000
Uncommitted	230	0	331	561
Committed	4,330	(3,630)	1,505	2,205
Total – General Fund Balances	4,560	(3,630)	1,836	2,766

2019/20	Balance at 1 April 2019 £000	Transfers Out 2019/20 £000	Transfers In 2019/20 £000	Balance at 31 March 2020 £000
Uncommitted	561	(561)	-	0
Committed	2,205	(2,147)	434	492
Total – General Fund Balances	2,766	(2,708)	434	492

Committed Balances

The transfers out in 2019/20 mainly reflect the planned draw down of general fund balances to support overall expenditure levels during the year including supporting transformation. The transfers in reflect the impact of funding for specific initiatives carried forward to 2020/21. The reserves balance of £492k has been committed by the Dundee City Integration Joint Board through the planned reinvestment of Scottish Government ring fenced funding in line with the conditions of this funding for Primary Care Improvement Plan, Action 15 Mental Health Strategy and Alcohol and Drug Partnership.

9. Related Party Transactions

The Dundee City Integration Joint Board has related party relationships with NHS Tayside and Dundee City Council. In particular the nature of the partnership means that the Dundee City Integration Joint Board may influence, or be influenced by, its partners. The following transactions and balances included in Dundee City Integration Joint Board's accounts are presented to provide additional information on the relationships. Dundee City Integration Joint Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence Dundee City Integration Joint Board or to be controlled or influenced by Dundee City Integration Joint Board. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of these transactions allows readers to assess the extent to which the Dundee City Integration Joint Board may have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with Dundee City Integration Joint Board.

Dundee City Integration Joint Board Members

Board members of Dundee City Integration Joint Board have direct control over the Board's financial and operating policies. The Dundee City Integration Joint Board membership is detailed on page 6 of these statements. Board members have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, board members with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties.

Officers

Senior Officers have control over Dundee City Integration Joint Board's financial and operating policies. The total remuneration paid to senior officers is shown in the Remuneration Report. Officers have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, officers with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties.

Key Management Personnel

The Non-Voting Board members employed by Dundee City Council and recharged to the Dundee City Integration Joint Board include the Chief Officer and the Chief Finance Officer. Details of the remuneration for these post-holders is provided in the Remuneration Report.

NOTES TO THE FINANCIAL STATEMENTS

Transactions with NHS Tayside

2018/19 £000	Description	2019/20 £000
182,825	Funding Contributions received from the NHS Tayside Board	190,228
(159,473)	Net Expenditure on Services Provided by the NHS Tayside Board	(166,641)
23,352	Net Transactions with NHS Tayside	23,587

NHS Tayside did not charge for any support services provided in the year ended 31 March 2020 (2019: nil)

Balances with NHS Tayside

2018/19 £000	Description	2019/20 £000
1,837	Debtor balances: Amounts due from the NHS Board	4,298
(1)	Creditor balances: Amounts due to the NHS Board	(3)
1,836	Net Balance with the NHS Board	4,295

Transactions with Dundee City Council

2018/19 £000	Description	2019/20 £000
78,458	Funding Contributions received from Dundee City Council	83,575
(103,604)	Net Expenditure on Services Provided by Dundee City Council	(109,436)
(25,146)	Net Transactions with Dundee City Council	(25,861)

Dundee City Council did not charge for any support services provided in the year ended 31 March 2020 (2019: nil).

The Net Expenditure on Services Provided by Dundee City Council figure includes IJB Operating Expenditure of £294k.

Balances with Dundee City Council

2018/19 £000	Description	2019/20 £000
949	Debtor balances: Amounts due from Dundee City Council	1,302
0	Creditor balances: Amounts due to Dundee City Council	(5,077)
949	Net Balance with Dundee City Council	(3,775)

NOTES TO THE FINANCIAL STATEMENTS

10. Value Added Tax (VAT)

Dundee City IJB is not a taxable person and does not charge or recover VAT on its functions. The VAT treatment of expenditure in the Dundee City IJB's accounts depends on which of the partner agencies is providing the service as these are treated differently for VAT purposes. The services provided to Dundee City IJB by the Chief Officer are outside the scope of VAT as they are undertaken under a special legal regime.

11. Agency Income and Expenditure

On behalf of all Integration Joint Boards within the NHS Tayside area, the Dundee City Integration Joint Board acts as the lead manager for a variety of Community, Older People, Physical Disability, Mental Health and Learning Disability Services. It commissions services on behalf of the other Integration Joint Boards (Perth & Kinross and Angus) and reclaims the costs involved. The payments that are made on behalf of the other Integration Joint Boards, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the Dundee City Integration Joint Board is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2018/19 (£000)	Description	2019/20 (£000)
11,341	Expenditure on Agency Services	11,904
(11,341)	Reimbursement for Agency Services	(11,904)
0	Net Agency Expenditure Excluded from CIES	0

12. Provisions

Dundee City Integration Joint Board has currently made no provisions. This does not prohibit Dundee City Integration Joint Board making provisions in the future and will where necessary consider the needs for a provision based on the merits of the incumbent circumstances at a relevant future point.

13. Accounting Standards that have been issued but not adopted

There were no relevant accounting standards that have been issued but are not yet adopted in the 2020/21 Code of Practice on Local Authority Accounts in the United Kingdom.

Independent Auditor's Report

Independent auditor's report to the members of Dundee City Integration Joint Board and the Accounts Commission.

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 Dundee City Integration Joint Board for the year ended 31 March 2020 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 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Dundee City Integration Joint Board as at 31 March 2020 and of its income and expenditure 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 2019/20 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 for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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 was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of the Dundee City 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 Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Dundee City Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Dundee City Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Chief Finance Officer and Performance and Audit Committee 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.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Dundee City Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Performance and Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain 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) 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other

irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud. A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

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, the audited part of the Remuneration Report, 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, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited 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 audited 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.

INDEPENDENT AUDITOR'S REPORT

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight

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26 November 2020