



**NORTH LANARKSHIRE
INTEGRATION JOINT BOARD**

ANNUAL REPORT AND ACCOUNTS

2016/2017

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NORTH LANARKSHIRE INTEGRATION JOINT BOARD ANNUAL REPORT AND ACCOUNTS 2016/2017

MANAGEMENT COMMENTARY

Introduction

This management commentary provides an overview of the key messages relating to the objectives and strategy of the North Lanarkshire Integration Joint Board (IJB). It considers our financial performance for the year ended 31st March 2017 and provides an indication of the issues and risks which may impact upon our finances in the future.

The Role and Remit of the IJB

The IJB was established as a body corporate by order of Scottish Ministers, and became operational in June 2015.

The IJB has responsibility for the strategic planning and commissioning of a wide range of health and social care services within the North Lanarkshire area.

The IJB is made up of eight voting members: four elected members appointed by North Lanarkshire Council and four non-executive directors appointed by NHS Lanarkshire. Non voting members of the Board include the Chief Accountable Officer, the Chief Social Work Officer, the Nurse Advisor, the Medical Advisor, the Chief Financial Officer, the Registered Medical Practitioner and representatives for staff, the third sector, service users and carers.

Integrated delivery of health and social care services commenced on 1 April 2016. The functions delegated by North Lanarkshire Council and NHS Lanarkshire to the IJB are detailed in the Integration Scheme which is available at [North Lanarkshire Integration Scheme](#).

In summary, these include:

- accident and emergency services provided in a hospital;
- inpatient services related to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine and palliative care services in a hospital;
- community health services;
- social care services;
- justice services; and
- health orientated services designed on a Lanarkshire-wide basis (hosted services)

The purpose of the IJB is to improve the wellbeing of people who use health and social care services and their carers, particularly those whose needs are complex and involve support from health and social care at the same time. A primary focus of the partnership is therefore to deliver on the nine national health and wellbeing outcomes.

A strategic needs assessment was undertaken at both a North Lanarkshire and locality level. This needs assessment has considered a range of available health and social care data in order to provide a baseline of health and social care needs for each locality including Scottish Public Health Observatory profiles and also data from the NHS Information Services Division.

Each profile can be accessed through the following links: [Airdrie](#), [North](#), [Coatbridge](#), [Bellshill](#), [Motherwell](#) and [Wishaw](#). The most recent population, health, economic, education and housing statistics are also available at [Local Area Partnership Profiles](#).

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MANAGEMENT COMMENTARY (Cont.)

The Role and Remit of the IJB (Cont.)

Key aspects of the profile are summarised as follows:

- The population of North Lanarkshire is 337,730. From the most recent population projections, life expectancy of both men and women has been improving but is still lower than the Scottish average. Based on the most up-to-date statistical information available, the population of North Lanarkshire is expected to decrease by 1,392 people in the time period between 2014-2039. This period will see growth in the first 5 years, of around 249 people, and a further increase of around 757 by 2024, before falling again by 2,398 by 2039.
- The population growth and decline will be different across different age groups. A decrease of 9% in the age groups 0 to 15 years and of 13% in the age group 16 to 64 years is projected. However, an increase of 37% in the age groups 65 to 74 years and 87% in the age group 75 years and over is projected.
- Approximately 10% of the population are providing unpaid care. 5% of the caring population were providing between 1 and 19 hours of care per week, with 3% providing care of greater than 50 hours per week.
- Presentations at A&E from North Lanarkshire have remained constant over the last three years though demand fluctuates in line with the seasons. Emergency department attendances and admissions are higher than the Scottish average. The number of people being admitted to hospital for alcohol related reasons has risen over the last few years exceeding the Scottish average. Discharge planning and the numbers of people requiring to be discharged home with support has been an area of significant demand for the partnership. Monitoring the number of emergency bed days related to admissions for those aged 75+ therefore continues to be a key performance measurement.
- Approximately 30% of the population are living with one or more long term conditions. The incidence of all cancers is predicted to rise by 35% by 2027. It is estimated that two thirds of the population are either overweight or obese. The percentage of people prescribed medication for anxiety, depression or psychosis in 2014/2015 was, at 19%, higher than Scotland overall (17%). The number of psychiatric hospitalisations and the number of suicides was similar to the experience across Scotland. The economic deprivation indicators mostly suggested that the level of deprivation in North Lanarkshire was higher than the level for Scotland overall with 22% of the population living in the 15% most deprived areas in Scotland. Across all tenures, 41% of households were in fuel poverty.
- The percentage of those dying in North Lanarkshire who spent their last 6 months at home or in a community setting is consistent with the Scottish average. Supporting more people to die in their own home or a homely setting is an aspiration for the partnership. Between 2010 and 2014, among those aged under 75 years, cancer and coronary heart disease mortality rates were higher than the Scottish average. The number of deaths from alcohol conditions was higher than the Scottish level.
- The number of adult protection referrals has doubled every two years since the enactment of the adult protection legislation.

Our plan for achieving safer, healthier, independent lives by commissioning health and social care supports and services across North Lanarkshire is available at [Achieving Integration](#).

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MANAGEMENT COMMENTARY (Cont.)

The IJB's Operations for the Year

The North and South Health and Social Care Partnerships Strategic Commissioning Plans and the NHS Lanarkshire Strategy, Achieving Excellence, all set out the ambitions for the people of Lanarkshire to be supported to maintain their own health and wellbeing in the community or their own home, with hospital services only used for critical incidents or planned care. To support this ambition there is a requirement to shift services traditionally provided in a hospital setting to the community. The main objective of this shift is to reduce the number of beds in hospital and, bed days, plus the outpatient activity, in addition to moving the balance of care into the community.

During the first year of the IJB, an Integrated Service Review Board has been established to consider, develop and prioritise the commissioning of new models of support and care and explore integrated structures. This includes:

- Consideration of all areas of integrated service provision in a phased approach;
- Identifying service areas for future integration that have traditionally been NHS, Council or both;
- Exploring new combined training, accreditation, professional development, staff roles and career progression pathways;
- Identifying areas for investment and disinvestment;
- Identifying service synergies across the whole system including the interface with hospitals; and
- Identifying areas of financial efficiencies

The outcome of this review will inform commissioning from 2018/2019 onwards.

Following a significant amount of engagement with our stakeholders, twenty commissioning intentions have been identified which will be progressed in 2017/2018 and 2018/2019. These commissioning intentions and the outcome of the Integrated Service Review Board will contribute to the delivery of the nine national health and wellbeing outcomes, the three national outcomes for children and families and the seven national criminal justice outcomes. To support the commissioning work, eight supporting plans and frameworks will be developed including the Joint Strategic Needs Assessment, the Prioritisation Model, the Resources Plan, the Workforce Plan, the Performance Plan, the Engagement Plan, the Market Facilitation Plan, the Technology Strategy and the Housing Contribution Statement.

Strengthening locality teams is the key priority for the partnership in order to deliver the aims and ambitions of the strategic plan. A more detailed implementation plan will be produced and potential costs identified, although the initial stages of locality modelling are likely to be cost neutral. As the locality modelling approach develops, there should be recognisable benefits and a strategic fit with a number of the commissioning themes which the partnership is committed to. Providing an integrated infrastructure for community based Allied Health Professions is essential to delivering care and support within the community.

A new model for Home Support in North Lanarkshire is required to keep pace with rising demand and costs within the sector. Options for the future model of care and considerations about the development of a Care Academy, possibly through a social enterprise, will be brought to the IJB after June 2017.

Changing the community bed capacity is one of the major ways that we are able to release resources to be invested within home based service provision. The facilities we have are also an essential part of how we will provide intensive rehabilitation and re-ablement and their use requires to be optimised. Feedback, however, is that this work needs to be expanded to take account of the independent sector care home capacity and specialist housing provision to provide a holistic picture of the facilities and range of options that are available.

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MANAGEMENT COMMENTARY (Cont.)

The IJB's Operations for the Year (Cont.)

The national landscape with regards to the planning and performance of health and social care services remains complex and challenging. A suite of performance monitoring measures is already embedded across the partnership and performance management arrangements have been implemented during 2016/2017. Detailed joint performance reports are now produced quarterly for scrutiny. These reports are also scrutinised by the IJB's Performance, Scrutiny and Assurance Sub-Committee.

The range of mechanisms in place to scrutinise performance enables areas of good practice to be shared and performance improvement plans to be developed in response to identified areas of underperformance, which are monitored on an ongoing basis. In addition to this existing framework, in order to ensure more integrated working across the wider health and social care pathways, the following six indicators will also be monitored:

- unplanned admissions
- occupied bed days for unscheduled care
- Accident and emergence department performance
- delayed discharges
- end of life care
- the balance of spend across health and social care

The partnership is also currently working on the annual performance report which sets out our performance. This will be published in July 2017.

The IJB's Position at 31 March 2017

The 2016/2017 income for integrated health and social care services totalled £554.725 million. An analysis of this income is detailed at note 4 of the annual accounts.

Excluded from the total income is the amount of £0.789 million which was transferred by the North Lanarkshire IJB to the South Lanarkshire IJB in respect of the Primary Care and Mental Health Transformation Fund. The South and North Lanarkshire health and social care partnerships and NHS Lanarkshire were successful in securing an investment of £4 million in 2016/2017 to take forward the aims of the Primary Care and Mental Health Transformation Programme which supports the aspirations of the partnership. The South Lanarkshire IJB is the lead for this fund for both the North and South partnerships. This transfer of £0.789 million was necessary to allow the South Lanarkshire IJB to carry forward the balance of the fund, in line with the hosted services arrangements. The funding of £0.789m however still remains the responsibility of the North Lanarkshire IJB and this transaction is an adjustment only for the purposes of the year-end accounts.

The budget also included Scottish Government funding of £16.282 million which was directed from the national health budget to the integration authorities for social care. Half of this was allocated to support additional spend on expanding social care to support the objectives of integration, including increasing thresholds at which charges begin for all non-residential services to address poverty. The balance was provided to help meet a range of existing costs faced by the IJB in the delivery of effective and high quality health and social care services in the context of reducing budgets. This included the impact of delivering the Scottish Living Wage for all social care workers.

A financial due diligence assurance process was undertaken on the 2016/2017 funding contributions made available by NHS Lanarkshire and North Lanarkshire Council. This process was also independently assessed by the internal auditors who confirmed the approach was consistent with the Integration Scheme and the national guidance.

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MANAGEMENT COMMENTARY (Cont.)

The IJB's Position at 31 March 2017 (Cont.)

In accordance with the requirements set out in the Public Bodies (Joint Working) (Scotland) Act 2014, the IJB issued directions effective from 1 April 2016 to NHS Lanarkshire Health Board and North Lanarkshire Council in respect of the delivery of integrated functions and how resources were to be allocated for resultant services.

The value of commissioned services delivered across the partnership in 2016/2017 totalled £547.263 million. An analysis of this expenditure is also detailed in note 4 of the annual accounts.

A surplus of £7.462 million was therefore achieved at 31 March 2017, of which £3.168 million is ring-fenced or earmarked for specific commitments in 2017/2018. The balance of £4.294 million will be carried forward as a general contingency to manage unanticipated budget pressures in future years in support of our strategic plan priorities. The detail of the reserves strategy approved by the IJB is set out at note 11 of the annual accounts.

Significant efficiency savings across the partnership were identified for 2016/2017. The key focus of savings continued to be through alternative methods of service delivery and efficiency initiatives whilst protecting, where possible, front line service delivery. In line with the IJB Financial Regulations, plans were also agreed to address in-year budget pressures.

The indicative IJB budget for 2017/2018 has been agreed and includes additional funding from both partners, taking into consideration the Scottish Government guidance on the financial settlements. Efficiency savings across the partnership have been agreed for 2017/2018. An implementation plan is in place and will be regularly monitored to ensure savings targets are achieved. The risk profile associated with delivering savings plans is reflected in each of the partner's risk registers, as appropriate, and also that of the IJB. As part of the Scottish Government budget announcement in December 2016, the Scottish Government and COSLA also set out their expectations in terms of the IJBs' priorities for 2017/2018, which may have further cost impacts for the IJB. They include:

- reduce occupied hospital bed days associated with avoidable admissions and delayed discharges, focussing investment in care alternatives that can help people to continue living independently in their own homes and communities for as long as possible;
- increase provision of good quality, appropriate palliative and end of life care, particularly in people's own homes and communities and also, where appropriate, in hospices;
- enhance primary care provision, with particular focus on developing and expanding multidisciplinary teams; sustainability of provision; development of GP clusters and responsiveness to a new GP contract;
- reflect delivery of the new Mental Health Strategy;
- where children's services are integrated, continue to invest in prevention and early intervention, particularly in the early years, with the expectation that work will continue to deliver 500 more health visitors by 2018;
- support delivery of agreed service levels for Alcohol and Drugs Partnerships' work;
- ensure provision of the living wage to adult care workers and plan for sustainability of social care provision;
- continue implementation of self directed support; and
- prepare for the commencement of the Carers (Scotland) Act 2016 on 1 April 2018.

These expectations are set against a backdrop of significant demographic change which most likely will result in increasing demand for community health and social care services.

The North Lanarkshire health and social care partnership is the lead for the Mental Health and Learning Disability Service which totals approximately £59 million across Lanarkshire. This service provides inpatient and community services for people living in Lanarkshire aged 16 to end of life.

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MANAGEMENT COMMENTARY (Cont.)

The IJB's Position at 31 March 2017 (Cont.)

The financial position for public services continues to be challenging. Inflationary cost increases and demographic growth pressures in 2017/2018 and beyond will require to be met within the financial envelope. We will have to review the way we currently deliver health and social care supports and services to make sure we remain focussed on our priorities and they offer best value.

The IJB's Business Model and Strategy

The business of the IJB and the partnership are managed through an architecture of strategic and financial management and core leadership groups that ensure cross-care and cross-locality working. This structure includes the senior management team, operational management teams, the strategic planning group and locality events.

Front-line service delivery continues to be carried out by the Council and Health Board, under direction from the IJB. As required by the Public Bodies (Joint Working) (Scotland) Act 2014, directions from the IJB to the Council and Health Board are made in writing. This is enabled through the Chief Accountable Officer writing to the Leader of the Council and the Chair of the Health Board giving the details of directions agreed by the IJB.

Directions from the IJB to NHS Lanarkshire and North Lanarkshire Council ensure and control front-line service delivery in as much as they outline what the IJB requires both bodies to do, the funding allocated to these functions, and the mechanisms through which the performance in delivering the directions will be monitored.

There has been significant participation and engagement activity undertaken by the partnership throughout the course of developing the way forward for health and social care integration and we have listened to what people with an interest in our services have told us. Seven strategic commissioning plan workstreams are underway to address the challenges ahead and to ensure our priorities are progressed. These workstreams have been aligned to both the NLC Business Plan and the NHS Lanarkshire Healthcare Strategy, Achieving Excellence.

Achieving Excellence sets out the redesign and improvement of health care delivery for the next ten years. This has both a direct and indirect impact on the functions delegated to the partnership. The aspirations of the NLC Business Plan include improving the health, well-being and care of our communities, improving economic opportunities and outcomes, improving relationships with communities and the third sector and supporting all children to realise their full potential.

Strong financial planning and management, the achievement of best value and the allocation of resources to support sustainable models of service delivery from a whole system perspective need to underpin everything that we do to ensure that our limited resources are targeted to maximise the contribution to our objectives.

Key Risks and Uncertainties

A Risk Management Strategy has been developed which complements the existing risk management processes within each partner. The IJBs Risk Register, and the separate registers which currently remain in place for social care and health services, are reviewed regularly by the management team.

Three "very high" IJB risks have been identified. Two of the risks are related to the financial envelope available within which the increasing demand for health and social care services needs to be met. The third risk is in relation to the availability of GPs within communities. These risks were managed during the year under review and continue to be monitored by the IJB and each of the IJB sub-committees.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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MANAGEMENT COMMENTARY (Cont.)

Matters of Strategic Importance

Achieving Integration, the Health and Social Care North Lanarkshire Strategic Commissioning Plan, largely aims to:

- Prevent avoidable admissions to hospital;
- Improve timely discharge from hospital;
- Support more people to remain at home;
- Shift resources from a hospital to a community setting;
- Increase the choice and control people have over the care and support they receive;
- Help people to stay safe;
- Improve the support to carers;
- Reduce the administrative burden of joint working;
- Enable people to live healthier lives;
- Address inequalities and enable more people to achieve their potential.

In order to address health and social care needs, reduce inequality and support communities to reach their potential, we are committed to working hand in hand with all agencies to ensure we have a single, cohesive plan that optimises our collective efforts for the benefit of those who need support.

Like many other public sector organisations, we continue to face significant financial challenges. Pressures on public sector expenditure are expected to continue, both at a UK and Scottish level due to the continuing difficult national economic outlook and the increasing demand for services. This will impact on the ability of North Lanarkshire Council and NHS Lanarkshire to resource the functions delegated to the IJB and we will need to operate within tight fiscal constraints for the foreseeable future.

A range of wider issues also present some degree of uncertainty to the IJB, particularly in terms of future planning relating to finance, the workforce and the scale and scope of the IJB. These include:

- the potential reform of the NHS boards;
- the future employment rights of health and social care staff from EU countries which may be impacted by Brexit;
- the impact of welfare reform;
- the impact of the living wage and other nationally agreed policies; and
- the costs associated with meeting new legislative requirements without adequate resources being put in place.

The specific impacts of these potential issues cannot be reliably quantified at this time. These developments will continue to be monitored and appropriate action will be taken if and when required.

Annual Accounts 2016/2017

The annual accounts report the financial performance of the IJB. The main purpose is to demonstrate the stewardship of the public funds that have been entrusted to us for the delivery of our vision and strategic priorities. The requirements governing the format and content of the IJBs' annual accounts are contained in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code). These annual accounts have been prepared in accordance with this Accounting Code.

Integrated delivery of health and care services commenced on 1 April 2016. The financial year 2016/2017 is therefore the first fully operational financial year for the IJB and the figures within the annual accounts reflect this. The IJB's financial performance is presented in the comprehensive income and expenditure statement, which can be seen on page 25. The balance sheet on page 27 is also presented and sets out the liabilities and assets at 31st March 2017.

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MANAGEMENT COMMENTARY (Cont.)

Annual Accounts 2016/2017 (Cont.)

Whilst a surplus was delivered for 2016/2017, significant pressures were nonetheless apparent, most notably the continued growth in demand reflecting a growing elderly population who are living longer with more complex needs. It will be important moving forward to 2017/2018 and future years that expenditure is managed within the financial resources available and this will require close partnership working between the IJB as service commissioner and North Lanarkshire Council and NHS Lanarkshire as providers of services.

Our financial plan for 2017/2018 was approved on 15 March 2017 and recognises the relationship between delivery of ongoing financial balance, our ability to make investments in line with our strategic plan priorities and the requirement to deliver efficiency savings. In order to work within the total annual funding, it is therefore crucial that we focus on early intervention and prevention and embed the proposed locality model to ensure that people receive the right care in the right place at the right time.



Paul Kelly

Chair

Date 26 September 2017



Janice Hewitt

Chief Accountable Officer

Date 26 September 2017



Marie Moy

Chief Financial Officer

Date 26 September 2017

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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STATEMENT OF RESPONSIBILITIES

Responsibilities of the North Lanarkshire Integration Joint Board

The North Lanarkshire Integration Joint Board (IJB) is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the IJB has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this IJB, that officer is the Chief Financial Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (s12 of the Local Government in Scotland Act 2003).
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature at a meeting of the North Lanarkshire Integration Joint Board on ~~17~~²⁶ September 2017.

Signed on behalf of the North Lanarkshire Integration Joint Board



Chair: Paul Kelly

Date: 26 September 2017

Responsibilities of the Chief Financial Officer

As Chief Financial Officer I am responsible for the preparation of the IJB's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017 (the "Code of Practice"), as supported by the International Financial Reporting Standard (IFRS), is required to give a true and fair view of the financial position of the IJB at the financial year end and its income and expenditure for the year then ended.

In preparing the Annual Accounts, I am responsible for:

- Selecting suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent; and
- Complying with the Code of Practice.

I am also required to:

- Keep proper accounting records which are up to date; and
- Take reasonable steps to ensure the propriety and regularity of the finances of the IJB.

I certify that these Annual Accounts present a true and fair view of the financial position of the North Lanarkshire Integration Joint Board as at 31st March 2017 and the transactions for the year then ended.



Chief Financial Officer: Marie Moy

Date: 26 September 2017

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REMUNERATION REPORT

1 Introduction

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014 which requires, at least, disclosure about remuneration and pension benefits of any persons whose remuneration is £150,000 or more.

2 Integration Joint Board

The Standing Orders of the IJB, as prescribed by the Public Bodies (Joint Working) (Integration Joint Board) Order 2014, sets out the detail regarding IJB membership, voting, calling of meetings and the quorum for meetings.

The IJB comprises eight voting members, four of whom are elected members appointed by North Lanarkshire Council and four of whom are non-executive directors appointed by the NHS Lanarkshire Health Board. The term of office of members is for a period of three years.

There are also non-voting representatives on the IJB drawn from health and social care professionals, employees, the third sector, service users and carers.

3 Remuneration: IJB Chair and Vice Chair

The board members do not currently receive remuneration or expenses directly from the IJB however voting board members will be remunerated by their relevant IJB partner organisation.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting member costs borne by the partner.

During 2016/2017, the Chair of the IJB was Councillor Harry McGuigan and the Vice Chair was Dr Avril Osborne. Following Councillor McGuigan's retirement and also the local government elections in May 2017, Councillor Paul Kelly has been appointed as the Chair of the IJB. Dr Osborne continues to hold the post of Vice-Chair.

The details of the Chair and Vice Chair appointments held during 2016/2017 and any taxable expenses paid by the IJB are shown below.

Name	Post Held	Nominated by	Taxable Expenses 2016/2017	Taxable Expenses 2015/2016
Mr H. McGuigan	Chair (April 2016 to March 2017)	North Lanarkshire Council	Nil	Nil
Dr. A. Osborne	Vice Chair (April 2016 to March 2017)	NHS Lanarkshire	Nil	Nil
Total			Nil	Nil

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

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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REMUNERATION REPORT (Cont.)

4 Senior officers

The Chief Accountable Officer is appointed by the IJB in consultation with NHS Lanarkshire Health Board and North Lanarkshire Council. The Chief Accountable Officer is employed by North Lanarkshire Council and seconded to the IJB.

The Chief Financial Officer is appointed by the North Lanarkshire IJB and is employed by South Lanarkshire Council. The Chief Financial Officer is seconded to the IJB in line with the local arrangements.

5 Remuneration policy

The Board Members do not currently receive remuneration or expenses directly from the IJB however voting Board Members will be remunerated by their relevant IJB partner organisation.

The remuneration of the Chief Accountable Officer is set with reference to national arrangements as well as local decisions on management structures and their associated remuneration levels.

The Scottish Joint Negotiating Committee for Local Authority Services sets out the spinal column salary points for Chief Officers which can be utilised in setting salary levels for such posts.

6 Remuneration: Officers of the IJB

The senior officers received the following remuneration in the period:

Name	Salary, fees, allowances	Taxable Expenses	2016/2017 Total Remuneration	2015/2016 Total Remuneration
Janice Hewitt Chief Accountable Officer	£102,237 Full Year Equivalent - £102,237)	- (Full Year Equivalent Nil)	£102,237 Full Year Equivalent - £102,237)	£77,734 (Full Year Equivalent - £100,926)
Marie Moy Chief Financial Officer (April 2016 to March 2017)	£32,563 (FYE - £32,563)	-	£32,563 (FYE - £32,563)	-

The remuneration disclosed in the table above is the proportion of remuneration received in relation to the activity of the North Lanarkshire IJB during 2016/2017.

The Chief Financial Officer is also appointed to the South Lanarkshire Integration Joint Board. The remuneration in respect of this post is therefore shown separately in the South Lanarkshire Integration Joint Board Annual Accounts.

The Integration Joint Board does not directly employ any Health or Social Care staff. They are employed by either NHS Lanarkshire or North Lanarkshire Council and remuneration for staff is reported in the employing organisation.

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REMUNERATION REPORT (Cont.)

7 Officer's Remuneration

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

Remuneration Band	Number of Employees 2016/17	Number of Employees 2015/16
£50,000 - £54,999	-	-
£55,000 - £59,999	-	-
£60,000 - £64,999	-	-
£65,000 - £69,999	-	-
£70,000 - £74,999	-	-
£75,000 - £79,999	-	-
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	1	1

8 Pension benefits

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 IJB balance sheet for the Chief Accountable Officer or any other officers. The IJB 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 IJB.

The senior officers are members of the Strathclyde 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.

Costs of the pension scheme contributions for the year to 31 March 2017 are shown in the table below:

Name		To 31 March 2017	To 31 March 2016
Janice Hewitt Chief Accountable Officer (April 2016 to March 2017)	In-year pension contributions	£19,675 (Full Year Equivalent £19,675)	£14,836 (Full Year Equivalent £19,479)
	Accrued pension benefits	£38,190 (Full Year Equivalent £38,190)	£27,129 (Full Year Equivalent £35,619)
	Movement in accrued pension benefits	£2,571 (Full Year Equivalent £2,571)	£11,625 (Full Year Equivalent £15,263)
	Lump Sum	£73,099	£72,148

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REMUNERATION REPORT (Cont.)

8 Pension benefits (Cont.)

Name		To 31 March 2017	To 31 March 2016
Marie Moy Chief Financial Officer (April 2016 to March 2017)	In-year pension contributions	£12,569 (Full Year Equivalent £12,569)	-
	Accrued pension benefits	£22,277 (Full Year Equivalent £22,277)	-
	Movement in accrued pension benefits	£1,547 (Full Year Equivalent £1,547)	-
	Lump Sum	£39,283	-

The pension benefits detailed in the table above relate to the total amount attributable to each post on a full-time basis. A pro-rata approach has not been adopted.

All of the information disclosed in this remuneration report is subject to audit.



Paul Kelly

Chair

Date: 26 September 2017



Janice Hewitt

Chief Accountable Officer

Date: 26 September 2017

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ANNUAL GOVERNANCE STATEMENT

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 set out the arrangements required to progress an integrated health and social care service. The North Lanarkshire Health and Social Care Integration Scheme was approved by the Scottish Parliament in May 2015 and the North Lanarkshire Integration Joint Board (IJB) became a public sector organisation in June 2015.

The Annual Governance Statement explains the governance arrangements for the IJB and also reports on the effectiveness of the IJB's system of internal control.

Scope of Responsibility

The IJB is responsible for commissioning health and social care supports and services to improve the outcomes of the people of North Lanarkshire.

The IJB has a responsibility to ensure business is conducted in accordance with legislation and proper standards and adheres to and works within a framework of internal values and external principles and standards.

Within a strategic context, as part of that responsibility, the IJB ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively through the continuous improvement of service provision and delivery.

The purpose of the Governance Framework

The overall aim of the governance framework is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The attainment of the partnership outcomes is the key focus of the governance processes and structures. The outcomes give the role of the health and social care partnership its meaning and importance and they are central to the IJB's governance. Furthermore, the focus on sustainability and the links between governance and public financial management are crucial.

The IJB must recognise the need to focus on the long term and take account of the impact of current decisions and actions on future generations.

To meet this responsibility, the IJB 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 IJB's policies, aims and objectives. The system of internal control is also proportionate to the IJB's strategic responsibility and reliance is placed on the NHS Lanarkshire (NHSL) and North Lanarkshire Council (NLC) systems of internal control. These support compliance with each organisation's policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB.

The system of internal control can only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's aims and objectives by evaluating the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically. Internal controls cannot eliminate all risks of failing to achieve policies, aims and objectives. Internal controls however are a significant part of the governance framework and are designed to manage risk at a reasonable level.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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ANNUAL GOVERNANCE STATEMENT (Cont.)

The IJB Code of Corporate Governance

The term Code of Corporate Governance essentially refers to the governance structure and arrangements in place within an organisation. The IJB has developed a Code of Corporate Governance which is consistent with the principles set out in the Delivering Good Governance in Local Government Framework (CIPFA 2016). This framework is consistent with the International Framework, Good Governance in the Public Sector, which aims to promote the development of robust governance in the public sector by establishing good governance benchmarks.

The Code of Corporate Governance, which was approved by the IJB on 18 July 2017, sets out the main features of the governance framework in existence during 2016/2017 and including details of the IJB and sub-committee structures and terms of reference, IJB members' and officers' responsibilities and the key elements of the IJB's system of internal controls. The IJB's Code of Corporate Governance is available on the website.

Strategic Planning Framework

Fundamental to developing services that are fit for the future is the commitment to ensuring that the people of North Lanarkshire, their carers, staff and the third and independent sectors are full planning partners and also partners in the delivery of support and services. Health and Social Care North Lanarkshire has a range of ways by which we involve our stakeholders.

We have established a strategic planning group which encompasses representatives from all our main stakeholders. This group helps to shape the changes that we are going to make to supports and services and highlights the gaps in our planning. For example, we have added community transport as a priority after feedback from this group.

We hold locality events on a six monthly basis to engage with members of staff, local councillors, GPs and other independent contractors. We present the progress we are making and discuss the changes that we intend to make. The feedback from these groups helps us to adapt supports and services to meet the needs of our different communities.

There are a number of well established groups and forums across North Lanarkshire, for example Local Area Partnerships, Public Partnership Forums, Partnership 4 Change and User and Carer forums. We engage with these partners on a regular basis. This supports our efforts to communicate effectively and take feedback from a wide range of people and community representatives on our plans.

Starting in 2018, conferences will play a key part in our engagement strategy over time. All of our stakeholders will be invited to attend and will be asked to consider the progress we have made and contribute to setting the future direction we take.

The Governance Framework and Internal Control System

The IJB came into existence in June 2015 with the health and social care functions being delegated to the IJB on 1 April 2016. The Chief Accountable Officer was in post during the year under review. The Chief Financial Officer was offered and accepted the post on 31 March 2016.

The governance framework described below operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. The reliance placed on each partner's procedures, processes and systems has been considered as part of the assessment against the Delivering Good Governance in Local Government Framework (CIPFA 2016) and includes cognisance of each partner's standing financial instructions, financial regulations, contract standing orders and whistle blowing arrangements.

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Our Purpose, vision and goal for North Lanarkshire

The purpose of health and social care integration is to ensure the people of North Lanarkshire live safer, healthier, independent lives. Our Strategic Plan, “Safer, Healthier, Independent Lives” was published in March 2016. This set out the outcomes we are aspiring to achieve over the next ten years and our vision that the people of North Lanarkshire will achieve their full potential and through:

- Living safe, healthy and independent lives in their communities;
- Receiving the information, support and care they need, efficiently and effectively, at the right time, in the right place and in the right way; and
- Ensuring that North Lanarkshire is the best place in Scotland to grow up.

The Achieving Integration document provides a further update on the IJB’s plan for achieving safer, healthier, independent lives.

The Scottish Government has set nine national outcomes that we must contribute to achieving through integrating health and social care and shifting the balance of care from hospital to community service provision. The national outcomes can be found at <http://www.gov.scot/Topics/Health/Policy/Adult-Health-SocialCare-Integration/Outcomes>.

In order to deliver the national health and wellbeing outcomes and to achieve our goals, we must build on and further enhance effective partnership working. Health and Social Care North Lanarkshire needs to take a whole system approach to planning with its main partners. NHSL has developed a healthcare strategy that spans both hospital and community services. In partnership with them we are taking forward work to enhance the services we provide. NLC has recently published its business plan which sets out five key priorities. We shall fully support the achievement of these priorities working in particular with North Lanarkshire Leisure, Housing and Education services. Health and Social Care North Lanarkshire is a member of a wide range of other partnerships within North Lanarkshire. Being involved in these partnerships ensures that the changes we are making align with the plans our statutory partners are putting in place to improve the outcomes of people and communities across North Lanarkshire. Two other important bodies are the Children’s Services Partnership and the Criminal Justice Partnership. These Partnerships will be setting out their plans in 2017/2018. Health and Social Care North Lanarkshire will support the delivery of the ambitions in these plans as well.

In order for health and social care to be completely successful we have ensured that it links to the NHSL’s Healthcare Strategy, the NLC’s Business Plan and the South Lanarkshire Health and Social Care Partnership’s Commissioning Plan. All these plans aim to make Lanarkshire a safer, healthier, wealthier and fairer place to grow up, live and retire.

Performance Management Framework

The IJB Performance Management Framework ensures that progress against key plans and strategies are monitored routinely in order that timely action can be taken to address any performance issues. Progress is monitored by the Strategic Leadership Team, the Performance, Scrutiny and Assurance Sub-Committee, the IJB and also both partners.

Analysis and consideration of this performance management information supports informed decision making.

The annual performance report will include details of the progress we have made to deliver the national health and wellbeing outcomes and the allocation of resources as well as an assessment of performance during the year. This report, and performance management information, will be made available on the website.

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Financial Management Arrangements

The Scottish Government established the Integrated Resources Advisory Group to consider the financial implications of integrating health and social care and to develop professional guidance. In line with this guidance and the Integration Scheme, the resources in the first year of the IJB were based on the due diligence process which began during the shadow year. This involved an assessment of the 2016/2017 budget against the previous four financial years and took into consideration the financial plans, including planned efficiencies, non-recurring costs and uplifts.

The due diligence process was also independently assessed by the internal auditors as part of this year's audit plan coverage. The internal auditors concluded that the due diligence process in respect of the sums being delegated in 2016/2017 by NLC and NHSL were consistent with the North Lanarkshire Integration Scheme and the Guidance for Integration Financial Assurance issued by the Scottish Government, except that the process was not completed until after the functions had transferred. No other significant issues or weaknesses were identified.

An indicative 2016/2017 budget was initially agreed in March 2016. In accordance with the requirements set out in the Public Bodies (Joint Working) (Scotland) Act 2014, the IJB issued a letter of direction on 31 March 2016 to NHSL Health Board and NLC in respect of the delivery of integrated functions and how resources were to be allocated for resultant services. The budget was further refined during the course of the year by both partners and also updated to reflect additional in-year funding.

Each of the partners, NLC and NHSL have a proven track record of sound financial management and robust monitoring arrangements to manage their finances in year. The IJB places reliance on these existing financial monitoring arrangements.

As a result of the budget recovery plan, cost control activity across the partnership and favourable movements in the financial performance towards the end of the year, both partners reported a surplus at 31 March 2017. This included planned underspends in relation to ring fenced and ear-marked funding and also the early implementation of 2017/2018 savings.

The IJB is recognised as a section 106 body and, as such, has the legal power to hold a General Fund which will be accounted for in the financial accounts and records of the IJB as appropriate. A reserves policy and strategy was agreed by the IJB.

Management action to address anticipated cost pressures in 2017/2018 also requires to be taken by the IJB, in consultation with both partners, to ensure financial balance is achieved for 2017/2018. This includes the financial implications associated with the Council's decision to remove the community alert alarm charge, a statutory responsibility which is retained by local authorities. IJBs do not have authority to set charges. An Integration Sounding Review Board has been established as part of the work to develop our future commissioning intentions.

The Chief Financial Officer is a member of the Senior Management Team, and as such, is involved in all major decisions taken by the IJB's Chief Accountable Officer, and in material matters which are submitted to IJB members for decision. This involvement fulfils the expectation of the Chartered Institute of Public Finance and Accountancy (CIPFA) in terms of the role of the Chief Financial Officer. The Chief Financial Officer has overall responsibility for the IJB's financial arrangements and is professionally qualified.

A fundamental element of the role of the Chief Financial Officer is to provide professional advice to the IJB on all aspects of the IJB's finances and, in partnership with the Director of Finance of NHSL and the Head of Business for Financial Solutions of NLC, ensure sound financial management across the partnership. The financial monitoring arrangements for the IJB will be further developed during the year to support the IJB's decision-making processes.

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Decision Making, Governance Roles and Responsibilities

The IJB is responsible for the strategic commissioning of health and social care services. There are seven general principles of conduct that underpin public life and these are fundamental requirements of good governance. They are: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership.

The IJB is responsible for setting priorities and policies in the context of legislative requirements and has an obligation to report, explain and be answerable for its decisions. The IJB has rules under which decisions are made with the IJB Members and officers being aware of their roles and responsibilities. Decision making powers lie with the IJB. A Performance Scrutiny and Assurance Sub-Committee and a Finance and Audit Sub-Committee have also been established.

The IJB's decision making arrangements and procedures are regulated by a set of procedural documents which embed sound governance across the IJB including Terms of Reference for the IJB and each of the IJB sub-committees and Financial Regulations. These documents are supported by a range of other policies and frameworks within the IJB and across each of the partners. The roles and responsibilities of the IJB officers are outlined within a structured performance appraisal process which links to the priorities and objectives of the IJB and the Strategic Plan.

Information Governance

The IJB has a commitment to high standards of governance including information governance. An Information Sharing Protocol has been developed. A process is also in place for responding to Freedom of Information requests and for handling complaints.

Internal Audit Arrangements

The internal audit service plays an essential role in the control environment by providing assurance that internal controls are being applied. The IJB approved the joint appointment of the Head of Audit and Inspection for NLC and the Chief Internal Auditor for NHSL, both of whom report directly to the Finance and Audit Sub-Committee with the right of access to the Chief Financial Officer, Chief Accountable Officer and Chair of the IJB Finance and Audit Sub-Committee on any matter.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA). An internal audit plan was agreed for 2016/2017. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the IJB Finance and Audit Sub-Committee. The agreed programme of assignments included a review of the due diligence exercise, financial monitoring, performance monitoring and governance arrangements.

Risk Management Arrangements

Risk management is an essential element in the governance control environment by providing assurance that the IJB is compliant with best practice standards and that work is being undertaken to address the gaps highlighted by ongoing IJB wide and partner wide risk identification.

A Risk Management Strategy has been developed which complements the existing risk management processes within each partner. Three "very high" IJB risks have been identified. All IJB risks are monitored by each of the IJB sub-committees and also the IJB. The operational risks in respect of the delegated health and social care functions have also been identified and are regularly monitored by both partners. The IJB has oversight of service delivery and the associated risks.

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Overview of Control and Governance Improvements during 2016/2017

As a result of the improvement areas identified in the Annual Governance Statement for 2015/2016 and also the implementation of internal controls, the IJB's governance arrangements have been further developed as follows:

- the IJB's indicative budget for the financial year 2016/2017 was confirmed in March 2016 and updated during the year to reflect additional funding;
- the IJB risk management strategy has been developed and workshops were held to confirm the IJB specific risks for inclusion on the IJB risk register with operational risks continuing to be monitored by each of the partners;
- the forward programme of the IJB and the two sub-committee meetings was scheduled to take place from September 2016 onwards.
- the internal audit plan for 2016/2017 was approved by the IJB in September 2016;
- the IJB Reserves Policy and Reserves Strategy was approved in January 2017; and
- the due diligence exercise in respect of the financial year 2016/2017 was concluded in February 2017;
- there was extensive consultation throughout 2016/2017 to develop the strategic commissioning plan, entitled Achieving Integration, which sets out the key commissioning intentions and was published in March 2017;

The IJB is required to conduct a review at least once in a year of the effectiveness of its system of internal control. An Annual Governance Statement which reports on the outcome of the review must be included in the Annual Accounts.

Assurance for 2016/2017 has been developed and informed through a wide range of sources including:

- The governance structures of the IJB have been reviewed against the principles contained in the Delivering Good Governance in Local Government Framework (CIPFA 2016).
- Individual internal statements of assurance and self assessments from the Chief Accountable Officer;
- Internal audits;
- Internal reviews and improvement action plans;
- National reports and guidance; and
- Development of the strategic commissioning plan.

In respect of the first year during which the IJB was responsible for the delegated health and social care functions, the assessment of the governance arrangements was proportionate to reflect the progress made.

The following good governance control measures and related actions are also highlighted:

- The locality model is being developed to provide an integrated, multi-disciplinary approach in each locality area to remove hand-offs and service barriers and to support more specialist service delivery in a community setting.
- Locality profiles are available which set out the key information and priority areas for action in each of our six locality areas. Performance data and management information systems are being reviewed so that locality teams can better identify and proactively support individuals in need.
- The governance arrangements for adult and child protection are being reviewed to ensure that the IJB can fulfil its obligations in this regard. The duties set out within the Children and Young People's Act are also being embedded within the governance arrangements of the IJB.

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Overview of Control and Governance Improvements during 2016/2017 (Cont.)

- An overarching governance framework for hosted services was established with the South Lanarkshire Health and Social Care Partnership.
- The Primary Care Strategy Board was also created to oversee the Primary Care Transformation Programme which incorporates eight key workstreams. Targetted support to individual practices was also provided as required.
- The pan- Lanarkshire Mental Health and Learning Disability Strategy Group was established. Opportunities to further integrate Community Mental Health teams into localities and the formation of a central Mental Health Hub for specialist and inpatient services continue to be considered.
- Work continues to progress with the Scottish Government and other stakeholders to undertake the necessary changes to the criminal justice oversight by the IJB following confirmation of the new requirements.
- Work continues to progress with the North Lanarkshire Partnership on the Enabling Collaborative Leadership programme to provide stronger leadership and direction in tackling inequalities across North Lanarkshire.
- Work continues to progress with partners to achieve the stretch aims of the Early Years Collaborative works streams and ensure every child has the best possible start in life, placing a focus on the needs of looked after children.
- Work continues to progress with Community Planning Partners to identify and address the needs of vulnerable populations with complex health and care needs. Developing the assets based approach to improving health and wellbeing within our most deprived communities is integral to this.
- The governance arrangements underpinning information sharing between health and social work professional staff where they are jointly supporting an individual have been reviewed.

Internal Audit Assurance for 2016/2017

The Annual Governance Statement for the IJB was reviewed by both the Head of Audit and Inspection for NLC and the Chief Internal Auditor for NHSL. Their joint conclusion was that the statement substantively complies with the requirements of the CIPFA/SOLACE Delivering Good Governance Framework and the Local Authority Accounts (Scotland) Regulations 2014. There is nothing included in the statement that is considered to be materially incorrect or inconsistent with their knowledge of the IJB.

As this was the first year of operation for the IJB and following the appointment of the Chief Financial Officer in June 2016, the 2016/2017 internal audit work was planned for the latter part of the first financial year. The outcome of these audits will therefore be reported to the Finance and Audit Sub-Committee in September 2017. Where appropriate, actions arising from the programme of audits are being agreed to take forward areas for improvement. These actions will be followed up during 2017/2018.

No issues have been identified during the course of the internal audit work which would require to be disclosed in the Annual Governance Statement.

The internal audit work for 2017/2018 will be programmed earlier in the second year of the IJB with regular reports to the IJB Finance and Audit sub-committee throughout the year. The internal audit findings will inform the review of the governance arrangements for the second year of the IJB and also the preparation of the Annual Governance Statement for 2017/2018.

Internal Audit recognises that managing demand for services within available budgets continues to be a significant challenge for the IJB and understands that further developments are planned in respect of financial monitoring and financial planning arrangements to better support effective decision-making and to ensure best value is achieved from the use of available resources.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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ANNUAL GOVERNANCE STATEMENT (Cont.)

Overview of Control and Governance Improvements for 2017/2018

Following consideration of the internal review of the adequacy and effectiveness of the IJB governance arrangements, continuous improvement actions will be progressed in 2017/2018 to further develop good governance controls.

Ref	Good Governance Control and Continuous Improvement Actions
1	Ensure a balanced budget is achieved for 2017/2018. <ul style="list-style-type: none"> ▪ Continue to ensure the process used for managing budgets and monitoring and achieving identified savings continues to be effective.
2	In respect of the medium to longer term financial outlook, ensure a financial strategy is developed to maintain a balanced budget. <ul style="list-style-type: none"> ▪ Develop a financial strategy which is consistent with the financial planning principles adopted by each partner. ▪ Consider investment and disinvestment options in line with the detailed commissioning plan.
3	The role of the IJB members will continue to be developed. <ul style="list-style-type: none"> ▪ Implement the recommendations of the external audit review on the role of Board members. ▪ Effective training will be delivered to new members.
4	Further develop the governance arrangements for the IJB and the partnership to ensure effective controls are in place, best value is secured and outcomes are achieved. <ul style="list-style-type: none"> ▪ Establish a good governance group to review the current arrangements and implement best practice.
5	Further develop the strategic commissioning plan and implement the outcome of the Integrated Service Reviews Board. <ul style="list-style-type: none"> ▪ Continue to progress the development of an integrated workforce strategy. ▪ Explore opportunities to rely on a wide range of partners to achieve the national health and well being outcomes. ▪ Develop a market facilitation plan with our stakeholders. ▪ Engage with the North Lanarkshire Community Planning Partnership to better understand how our detailed commissioning plans can contribute to reducing inequalities.
6	Health Boards and Integration Authorities will be encouraged to prioritise establishing revised processes for the planning and performance management of delegated hospital functions (set-aside) and associated resources in 2017/18. <ul style="list-style-type: none"> ▪ Continue to progress the 'bed modelling' exercise to consider how our community facilities can be developed to support the delivery of improved outcomes. ▪ Create a plan for future bed requirements, in line with developments around the new Monklands Hospital.
7	Ongoing effectiveness of business continuity plans. <ul style="list-style-type: none"> ▪ Spread and share knowledge and good practice across the partnership with a particular focus on the provision of support to those individuals who are taking on new responsibilities within the partnership.
8	Further development of the Performance Management Framework. <ul style="list-style-type: none"> ▪ Ongoing review of performance trajectories.
9	Following a significant amount of engagement with our stakeholders, twenty commissioning intentions have been identified which will be progressed in 2017/2018 and 2018/2019. <ul style="list-style-type: none"> ▪ Undertake the preparatory work to scope each of the commissioning intentions. ▪ To support the commissioning work, develop eight supporting plans and frameworks.

NORTH LANARKSHIRE INTEGRATION JOINT BOARD

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ANNUAL GOVERNANCE STATEMENT (Cont.)

Review of Adequacy and Effectiveness

We propose in the coming year to take steps to further enhance the IJBs governance arrangements. We will monitor and assess the implementation of the action plan as part of our next review.

The IJB is required to report publicly on compliance with its own Code of Corporate Governance on an annual basis and on how it has monitored the effectiveness of its governance arrangements during the year and on planned changes.

This Annual Governance Statement explains how the IJB has complied with the Code of Corporate Governance.

Conclusion and Opinion on Assurance

During 2016/2017, the IJB has adhered to the stated principles of good governance, acted in the public interest and been committed to continuous improvement. The Annual Governance Statement reflects the vision of the IJB.

It is the IJB's view that the systems for governance and internal control in respect of the first year of operation for the IJB were effective and fit for purpose during 2016/2017 and that there are no significant weaknesses.

While recognising that continuous improvement actions will be progressed during the second year of operation as set out in the 2017/2018 action plan, it is the IJB's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

The IJB considers that systems are in place to regularly review and improve the internal control environment and that the current internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

This assurance is limited, however, to the work undertaken during the year and the evidence available at the time of preparing this statement.



Paul Kelly

Chair

Date 26 September 2017



Janice Hewitt

Chief Accountable Officer

Date 26 September 2017

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

2015/2016				2016/2017		
Gross Expenditure	Gross Income	Net		Gross Expenditure	Gross Income	Net
£m	£m	£m		£m	£m	£m
-	-	-	Health Care Services	328.472	0.000	328.472
-	-	-	Social Care Services	218.593	(9.120)	209.473
0.108	-	0.108	Corporate Services (Note 6)	0.198	0.000	0.198
0.108	-	0.108	Cost of Services	547.263	(9.120)	538.143
-	(0.108)	(0.108)	Taxation and Non-Specific Grant Income (Note 5)	-	(545.605)	(545.605)
0.108	(0.108)	-	(Surplus)/Deficit on provision of services	547.263	(554.725)	(7.462)
-	-	-	Other Comprehensive Income and Expenditure	-	-	-
0.108	(0.108)	-	Net Income and Expenditure (Note 11)	547.263	(554.725)	(7.462)

The IJB was established on 27 June 2015. Integrated delivery of health social care services commenced on 1 April 2016. Consequently, 2016/2017 is the first year of operation for the IJB and the figures above reflect this.

There are no statutory or presentation adjustments which affect the IJB's application of the funding received by partners.

The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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MOVEMENT IN RESERVES STATEMENT

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

Movements in Reserves during 2016/2017	General Fund Balance £m	Total Reserves £m
Opening balance at 1 April 2016	-	-
Total Comprehensive Income and Expenditure	7.462	7.462
Adjustments between accounting basis and funding basis under regulations	-	-
Increase or decrease in 2016/2017	7.462	7.462
Closing balance at 31 March 2017	7.462	7.462

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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BALANCE SHEET AS AT 31 MARCH 2017

The balance sheet shows the value as at 31 March 2017 of the IJB's assets and liabilities at the balance sheet date. The net assets of the IJB are matched by the reserves held by the IJB.

	Notes	31 March 2017 £m	31 March 2016 £m
Current assets			
Short term debtors	7	7.462	0.006
Current liabilities			
Short term creditors	8	-	(0.006)
Net assets / (liabilities)		7.462	-
Usable reserves	11	7.462	-
Total reserves		7.462	-

The Statement of Accounts present a true and fair view of the financial position of the North Lanarkshire Integration Joint Board as at 31 March 2017 and its income and expenditure for the year then ended.

The unaudited accounts were authorised for issue on 28 June 2017 and the audited accounts were authorised for issue on 26 September 2017.

Marie Moy

Marie Moy

Chief Financial Officer

Date: 26 September 2017

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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

1.1 General principles

The financial statements summarise the transactions of the IJB for the financial year 2016/2017 and its position at the year end of 31 March 2017.

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

The financial statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017, supported by the International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

1.2 Going concern

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future.

1.3 Accounting convention

The accounts are prepared under the historical cost convention as modified for the valuation of certain assets.

1.4 Accruals of income and expenditure

Activity is accounted for in the year that it relates to and not simply when financial transactions are undertaken. In particular:

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

1.5 Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, North Lanarkshire Council and NHS Lanarkshire, to fund its services. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in North Lanarkshire.

1.6 Cash and cash equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a "cash and cash equivalent" figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March 2017 is represented as a debtor or creditor on the IJB's balance sheet.

1.7 Employee benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a pensions liability on its balance sheet.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

1. Accounting policies (Cont.)

1.8 Corporate services

The IJB has a legal responsibility to appoint a Chief Officer. A Chief Financial Officer has also been appointed to the IJB. The details in respect of these arrangements are outlined in the Remuneration Report. The charges from the employing partner are treated as employee costs within Corporate Services.

The absence entitlement of both the Chief Officer and the Chief Financial Officer as at 31 March 2017 is not material and has therefore not been accrued.

1.9 Provisions, contingent liabilities and assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March 2017 due to a past event, settlement of the obligation is probable and a reliable estimate of the amount can be made. Recognition of a provision would result in expenditure being charged to the Comprehensive Income and Expenditure Statement. There are no provisions in respect of the IJB for the financial year 2016/2017.

A contingent liability is a possible liability arising from events on or before 31 March 2017 whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's balance sheet, but is disclosed in a note where it is material. There are no contingent liabilities in respect of the IJB for the financial year 2016/2017.

A contingent asset is a possible asset arising from events on or before 31 March 2017 whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's balance sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured. There are no contingent assets in respect of the IJB for the financial year 2016/2017.

1.10 Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding board member and officer responsibilities.

NHS Lanarkshire and North Lanarkshire Council have responsibility for claims in respect of the services that they are statutory responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any "shared risk" exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in CNORIS is therefore analogous to normal insurance arrangements.

Known claims would be assessed as to the value and probability of settlement. If material, the overall expected value of known claims, taking probability of settlement into consideration, would be provided for in the IJB balance sheet.

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

There are no known claims for which the IJB would be liable in respect of the financial year 2016/2017.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL REPORT AND ACCOUNTS 2016/2017**

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

1. Accounting policies (Cont.)

1.11 Debtors and creditors

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

1.12 Reserves

A reserve is the accumulation of surpluses, deficits and appropriation over a number of years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB. Reserves should be split between usable and unusable on the balance sheet. As at 31 March 2017, the useable reserve balance totals £7.462 million. There are no unusable reserves.

2. Critical judgements and estimation uncertainty

The critical judgements made in the financial statements relating to complex transactions are in relation to the accounting treatment of hosted services and the hospital acute services (set-aside). The aforementioned areas of expenditure are therefore included in the financial statements on the basis of estimated figures. Estimates are made taking into account the best available information, however, actual results could be materially different from the assumptions and estimates used.

2.1 Hosted services.

The relevant share of the pan Lanarkshire and area wide service expenditure is included in the North Lanarkshire IJB on the basis of 51% of the total expenditure.

In line with the Integrated Resource Advisory Guidance, the IJB responsible for the management of the hosted service is also responsible for managing overspends. As a result, these are accounted for within the annual accounts of the lead IJB. The same accounting treatment was adopted where an underspend arose in respect of a hosted service.

2.2 Hospital Acute Services (Set Aside)

The legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care services.

In respect of the current financial year 2016/2017, a notional figure for the sum set aside has been agreed with NHS Lanarkshire and will be included in both the Health Board and IJB 2016/2017 annual accounts. This is based on 2014/2015 activity levels uprated to reflect the 2016/2017 price basis.

It should be noted therefore that the sum set aside recorded in the annual accounts will not therefore reflect actual hospital use in 2016/2017. This is a transitional arrangement for 2016/2017. Advice is expected to be issued in 2017/2018 to Health Boards and Integration Authorities to help establish arrangements that meet the legislative requirements and statutory guidance.

3. Events after the reporting period

The Chief Financial Officer authorised the audited accounts for issue on 26 September 2017. There have been no other material events since the date of the balance sheet which requires revision to the figures in the Accounts.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL REPORT AND ACCOUNTS 2016/2017**

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

4. Expenditure and Income Analysis by Nature

2015/2016 £m		2016/2017 £m
-	Locality Services	32.541
-	Family Health Services	87.685
-	Prescribing Costs	72.586
-	Area Wide Services Fund	6.391
	Out-of Area Services	3.715
-	Primary Care Transformation Fund	1.251
-	Hosted Services – Led by the North IJB	47.661
-	Hosted Services – Led by the South IJB	16.641
-	Hospital Acute Services (Notional Set Aside Budget)	60.000
-	Social Care Services	210.016
-	Community Justice Services	6.307
-	Housing Services - General Fund	0.133
-	Housing Services – Housing Revenue Account	2.138
-	Corporate Services	0.198
-	Total Gross Expenditure	547.263
-	Funding Contribution – North Lanarkshire Council	(166.331)
-	Funding Contribution – NHS Lanarkshire	(377.461)
-	Resource Transfer – NHS Lanarkshire	(0.021)
-	Transfer of Hosted Service Funding to South Lanarkshire IJB	0.789
-	Specific Service Income	(9.120)
-	Other Service Income	(2.581)
-	Total Income	(554.725)
-	Surplus on the provision of services	(7.462)

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

5. Taxation and Non-Specific Grant Income

2015/2016 £m		2016/2017 £m
(0.054)	Funding Contribution from NHS Lanarkshire	(376.693)
(0.054)	Funding Contribution from North Lanarkshire Council	(168.912)
-	Other Non-Ring Fenced Grants and Contributions	-
(0.108)	Total	(545.605)

The funding contribution from the NHS Board shown above includes £60.000 million in respect of the "set aside" resources relating to acute hospital and other resources. These are provided by NHS Lanarkshire which retains responsibility for managing the costs of providing these services.

The IJB however, has responsibility for the consumption of, and level of demand placed on, these resources.

There are no other non-ring fenced grants or contributions.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

The ring fenced contributions received by the North Lanarkshire IJB are detailed as follows:

2015/2016 £m		2016/2017 £m
-	Housing Revenue Account	(2.138)
-	Community Justice Grant	(6.789)
-	Other Justice Services Grant	(0.021)
-	Scottish Legal Aid Board	(0.122)
-	Asylum Seekers Grant	(0.050)
-	Total	(9.120)

In line with the principles agreed with the South Lanarkshire Health and Social Care Partnership in respect of hosted services, funding totalling £0.789m has been transferred from the North Lanarkshire IJB to the South Lanarkshire IJB in respect of the hosted service Primary Care Transformation Fund (PCTF). This is included in the transfer to reserves in the South Lanarkshire IJB of £2.749 million for the PCTF and will be available to both partnerships to meet planned commitments in 2017/2018.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL REPORT AND ACCOUNTS 2016/2017**

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

6. Corporate Services

31 March 2016 £m		31 March 2017 £m
0.102	Staff Costs	0.177
-	Administration Costs	0.004
0.006	External Audit Fee	0.017
0.108	Total	0.198

7. Short Term Debtors

31 March 2016 £m		31 March 2017 £m
0.003	NHS Lanarkshire	5.238
0.003	North Lanarkshire Council	2.224
0.006	Total	7.462

8. Short Term Creditors

31 March 2016 £m		31 March 2017 £m
-	NHS Lanarkshire	-
0.006	North Lanarkshire Council	-
0.006	Total	-

9. VAT

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

The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these are treated differently for VAT purposes.

Where North Lanarkshire Council is the provider, income and expenditure excludes any amounts related to VAT, as collected VAT is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

North Lanarkshire Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from HM Revenue & Customs.

Where NHS Lanarkshire is the provider, expenditure incurred will include irrecoverable VAT as, generally, NHS Lanarkshire cannot recover VAT paid as input tax and will seek to recover its full cost as income from the IJB.

The services provided by the Chief Officer to the IJB are outside the scope of VAT as they are undertaken under a specific legal regime.

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

10. Agency Income and Expenditure

On behalf of the South Lanarkshire IJB within the NHS Lanarkshire area, the North Lanarkshire IJB acts as the lead for a number of delegated services. It therefore commissions services on behalf of the South Lanarkshire IJB and reclaims the costs involved. The payments that are made on behalf of the South Lanarkshire IJB, and the consequential reimbursement, are removed from the Comprehensive Income and Expenditure Statement, since the North Lanarkshire IJB is not acting as principal in these transactions. The net amount of expenditure and income relating to these agency arrangements is shown below:

2015/2016			Delegated Services - Hosted Services	2016/2017		
Expenditure on agency services	Income from agency services	Net Expenditure		Expenditure on agency services	Income from agency services	Net Expenditure
£m	£m	£m		£m	£m	£m
-	-	-	Sexual health Services	1.127	(1.127)	0.000
-	-	-	Continence Services	1.091	(1.091)	0.000
-	-	-	Immunisation Services	1.200	(1.200)	0.000
-	-	-	Speech and Language Therapy Services	2.397	(2.397)	0.000
-	-	-	Children and Adult Mental Health Services	2.520	(2.520)	0.000
-	-	-	Children's Services	4.803	(4.803)	0.000
-	-	-	Integrated Equipment and Adaptation Service	0.495	(0.495)	0.000
-	-	-	Dietetics Services	1.589	(1.589)	0.000
-	-	-	Podiatry Services	1.798	(1.798)	0.000
-	-	-	Prisoner Healthcare Services	0.718	(0.718)	0.000
-	-	-	Blood Borne Virus Services	0.777	(0.777)	0.000
-	-	-	Mental Health Services	29.034	(29.034)	0.000
-	-	-	Services hosted by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB	47.549	(47.549)	0.000

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL REPORT AND ACCOUNTS 2016/2017**

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

10. Agency Income and Expenditure

Similarly, the South Lanarkshire IJB within the NHS Lanarkshire area acts as the lead for a number of delegated services on behalf of the North Lanarkshire IJB. The payments that are made by the South Lanarkshire IJB on behalf of the North Lanarkshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement, since this expenditure is incurred for the residents of North Lanarkshire. The net amount of expenditure and income relating to those agency arrangements is shown below:

2015/2016			Delegated Services - Hosted Services	2016/2017		
Expenditure on agency services	Income from agency services	Net Expenditure		Expenditure on agency services	Income from agency services	Net Expenditure
£m	£m	£m		£m	£m	£m
-	-	-	Primary Care Transformation	1.251	(1.251)	0.000
-	-	-	Community Dental Services	3.259	(3.259)	0.000
-	-	-	Out of Hours Services	3.040	(3.040)	0.000
-	-	-	Diabetic Services	1.389	(1.389)	0.000
-	-	-	Occupational Therapy Services	3.500	(3.500)	0.000
-	-	-	Palliative Care Services	0.865	(0.865)	0.000
-	-	-	Primary Care Services	0.318	(0.318)	0.000
-	-	-	Physiotherapy Services	4.270	(4.270)	0.000
-	-	-	Services hosted by the South Lanarkshire IJB on behalf of the North Lanarkshire IJB	17.892	(17.892)	0.000

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

11. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

11. Usable Reserve: General Fund (Cont.)

2015/2016				Useable Reserve	2016/2017		
Balance as at 1 April 2015	Transfers Out	Transfers In	Balance as at 31 March 2016		Transfers Out	Transfers In	Balance as at 31 March 2017
£m	£m	£m	£m		£m	£m	£m
-	-	-	-		Mental Health and Learning Disability Fund	-	0.363
-	-	-	-	Alcohol and Drug Partnership Fund	-	0.403	0.403
-	-	-	-	Mental Health Service Redesign	-	0.600	0.600
-	-	-	-	Physical Activity Programmes	-	0.267	0.267
				Adaptations Fund	-	0.249	0.249
-	-	-	-	Mobile Device Refresh Project	-	0.140	0.140
				Integrated Equipment and Adaptations Service	-	0.091	0.091
				Financial Inclusion Services	-	0.077	0.077
-	-	-	-	Bellhaven and Chilterns Project	-	0.100	0.100
-	-	-	-	Veterans Fund	-	0.016	0.016
-	-	-	-	Training Fund	-	0.246	0.246
-	-	-	-	Prescribing Fund	-	0.616	0.616
-	-	-	-	Total Earmarked	-	3.168	3.168
-	-	-	-	Contingency	-	4.294	4.294
-	-	-	-	General Fund	-	7.462	7.462

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
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NOTES TO THE FINANCIAL STATEMENTS (Cont.)

12. Related Party Transactions

The IJB has related party transactions with NHS Lanarkshire and North Lanarkshire Council. In particular, the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

2015/2016 £m	Transactions with NHS Lanarkshire	2016/2017 £m
(0.054)	Funding Contributions received from NHS Lanarkshire	(376.693)
-	Service Income received from NHS Lanarkshire	-
0.054	Expenditure on Services Provided by NHS Lanarkshire	328.472
	Key Management Personnel: Non-Voting Board Members	-
	Support Services	0.009
-	Net Transactions with NHS Lanarkshire	(48.212)

Key Management Personnel: The non-voting Board members are not directly employed by NHS Lanarkshire however a contribution of 50% of the cost of the Chief Officer and the Chief Financial Officer is made by NHS Lanarkshire. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. Details of the remuneration of these post holders is included in the Remuneration Report.

NHS Lanarkshire provide a range of support services for the IJB including finance services, personnel services, planning services, audit services, payroll services and creditor services. There is no charge from NHS Lanarkshire to the IJB for these support services.

31 March 2016 £m	Balances with NHS Lanarkshire	31 March 2017 £m
0.003	Debtor balances: Amounts due from NHS Lanarkshire	5.238
-	Creditor balances: Amounts due to NHS Lanarkshire	-
0.003	Net Balance with NHS Lanarkshire	5.238

2015/2016 £m	Transactions with North Lanarkshire Council	2016/2017 £m
(0.054)	Funding Contributions received from North Lanarkshire Council	(168.912)
-	Service Income received from North Lanarkshire Council	(9.120)
0.054	Expenditure on Services Provided by North Lanarkshire Council	218.593
-	Key Management Personnel: Non-Voting Board Members	0.177
-	Support Services	0.012
-	Net Transactions with North Lanarkshire Council	40.750

**NORTH LANARKSHIRE INTEGRATION JOINT BOARD
ANNUAL REPORT AND ACCOUNTS 2016/2017**

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

12. Related Party Transactions

Key Management Personnel: The Chief Officer is a non-voting Board member and is directly employed by North Lanarkshire Council.

The Chief Financial Officer is also a non-voting Board member and is directly employed by South Lanarkshire Council. The cost of the Chief Financial Officer post is shared equally between North Lanarkshire and South Lanarkshire Council.

The total cost of the Chief Accountable Officer and the Chief Financial Officer is made by North Lanarkshire Council. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. A contribution of 50% of this cost is met by NHS Lanarkshire. Details of the remuneration of these post holders is included in the Remuneration Report.

North Lanarkshire Council also provide a range of support services for the IJB including finance services, personnel services, planning services, legal services, audit services, payroll services and creditor services. There is no charge from North Lanarkshire Council to the IJB for these support services.

31 March 2016 £m	Balances with North Lanarkshire Council	31 March 2017 £m
0.003	Debtor balances: Amounts due from North Lanarkshire Council	2.224
(0.006)	Creditor balances: Amounts due to North Lanarkshire Council	-
(0.003)	Net Balance with North Lanarkshire Council	2.224

The financial information contained in the IJB Annual Accounts excludes any values associated with transactions between each of the partners. This has been removed to prevent double counting.

13. Contingent Assets and Liabilities

The IJB is not aware of any material contingent asset or liability as at 31 March 2017.

Independent auditor's report to the members of North Lanarkshire Integration Joint Board and the Accounts Commission

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

Report on the audit of the financial statements

Opinion on financial statements

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the North Lanarkshire Integration Joint Board as at 31 March 2017 and of its surplus on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis of opinion

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

Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial 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 Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

Other information in the annual accounts

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

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

Report on other requirements

Opinions on other prescribed matters

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

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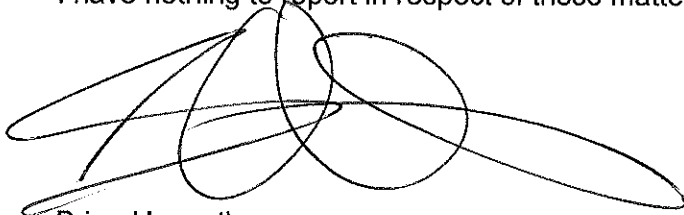
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.



Brian Howarth
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27 September 2017