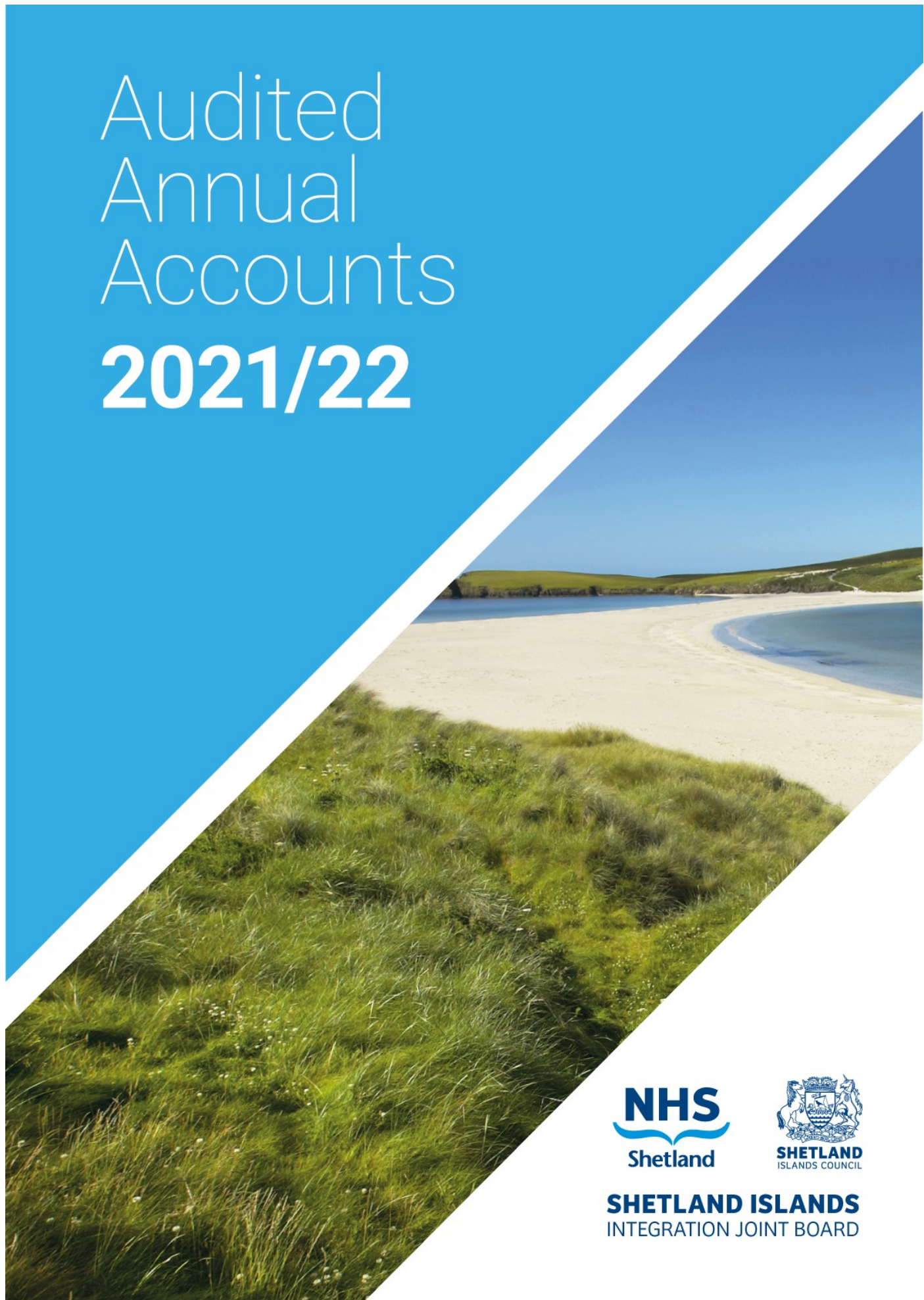


Shetland Islands Integration Joint Board

Audited Annual Accounts **2021/22**



SHETLAND ISLANDS
INTEGRATION JOINT BOARD

Shetland Islands Integration Joint Board

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Shetland Islands Integration Joint Board

Introduction

The Shetland Islands Health and Social Care Partnership (Integration Joint Board) is a Body Corporate, established by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014, on 27 June 2015.

The Parties:

Shetland Islands Council (“the Council” or “SIC”), established under the Local Government etc. (Scotland) Act 1994.

Shetland Health Board (“the Health Board” or “NHS Shetland” or “NHSS”), established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as Shetland NHS Board).

The Parties agreed the Integration Scheme of Shetland Islands Health and Social Care Partnership, which sets out the delegation of functions by the Parties to the Integration Joint Board (IJB). The Integration Scheme was reviewed during 2020/21 and the IJB considered and recommended the revised Integration Scheme to be approved by NHSS & SIC for submission to Scottish Government Ministers for final endorsement. Both Parties approved the Revised Integration Scheme in April 2021.

The Shetland IJB Members for 2021/22 were as follows:

Voting Members:

- Ms E Macdonald (Chairperson - SIC)
- Ms N Cornick (Vice Chairperson – NHSS)
- Mr L Carroll (NHSS) – Appointed 28 April 2021
- Mr J Fraser (SIC)
- Ms J Haswell (NHSS)
- Ms S Manson (NHSS) – Resigned 27 April 2021
- Mr R McGregor (SIC)

Non-Voting Members:

- Mr B Chittick (Chief Officer) – Appointed substantively from 1 August 2021.
- Ms J Adamson (Patient/Service User Representative)
- Ms E Campbell (Allied Health Professionals Representative)
- Dr A Einarsson (Senior Consultant: Local Acute Sector)
- Dr C Evans (GP Representative)
- Ms S Gens (Staff Representative)
- Mr J Guyan (Carers’ Representative)
- Dr S Laidlaw (Public Health Representative)
- Ms M McFarlane (Pharmacy Representative)
- Ms D Morgan (Chief Social Work Officer)
- Ms J Robinson (Interim Depute Chief Officer)
- Mr I Sandilands (Staff Representative)
- Mrs L Tulloch (Third Sector Representative)
- Mrs E Watson (Lead Nurse for the Community)
- Mr K Williamson (Chief Financial Officer)

Post Year End Changes to Voting Membership

- Mr J Fraser (Chairperson - SIC) – Appointed 23 May 2022
- Ms J Haswell (NHSS) – Resigned 26 April 2022
- Mrs K Hubbard (NHSS) – Appointed 26 April 2022
- Ms E Macdonald (Chairperson – SIC) – Resigned 4 May 2022
- Ms L Peterson (SIC) – Appointed 23 May 2022

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Management Commentary

The purpose of the Management Commentary is to inform all users of these Accounts and help them to understand the most significant aspects of Shetland Islands Health and Social Care Partnership's financial performance for the year to 31 March 2022 and its financial position as at 31 March 2022.

The Management Commentary has been prepared in accordance with the requirements of the Local Authority Accounts (Scotland) Regulations 2014 (SSI 2014/20) and the statutory guidance in Finance Circular 5/2015 which is based on Companies Act legislation and Financial Reporting Council guidance.

Background

The Public Bodies (Joint Working) (Scotland) Act was granted royal assent on 1 April 2014. SIC and NHSS took the decision that the model of integration of health and social care services in Shetland would be the Body Corporate known as an Integrated Joint Board (IJB).

Under the Body Corporate model, NHSS and SIC delegate the responsibility for planning and resourcing service provision of adult health and social care services to the IJB.

As a separate legal entity, the IJB has full autonomy and capacity to act on its own behalf and can make decisions about the exercise of its functions and responsibilities within its allocated funding, as it sees fit.

The IJB is responsible for the strategic planning of the functions delegated to it by SIC and NHSS and for the preparation of the Strategic Commissioning Plan. The SIC delegate responsibility for all adult social care services to the IJB. NHSS delegate responsibility for all community based health services plus an element of acute services including unscheduled care. The Strategic Commissioning Plan specifies the services to be delivered by the Parties and binding Directions issued by the IJB to SIC and NHSS act as the mechanism to action the Strategic Commissioning Plan. The IJB is also responsible for ensuring the delivery of its functions through the locally agreed operational arrangements set out within its [Integration Scheme](#).

The practical application of the Integration Scheme is managed and administered in accordance with the Financial Regulations, Standing Orders and Scheme of Administration of the Parties, as amended to meet the requirements of the Act.

Purpose and Objectives

Integration of health and social care is the Scottish Government's ambitious programme of reform to improve services for people who use health and social care services. Integration will ensure that health and social care provision across Scotland is joined-up and seamless, especially for people with long-term conditions and disabilities, many of whom are older people. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act; as follows:

National Health and Wellbeing Outcomes

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long-term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.

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9. Resources are used effectively and efficiently in the provision of health and social care.

Shetland's Partnership Plan

The Shetland Partnership is a wide range of partners and community bodies who collectively make up the Community Planning Partnership (CPP) for Shetland. A CPP should have a clear and ambitious vision for its local area.

The Partnership and the key partners within it, including the IJB, SIC & NHSS, have a statutory duty to produce Shetland's Partnership Plan and ensure it is delivered and resourced.

Extracts from Shetland's Partnership Plan 2018-2028:

Our shared vision

“Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges”

Our shared priorities



The IJB approved [Shetland's Partnership Plan 2018-2028](#) – the Local Outcomes Improvement Plan (LOIP) on 20 June 2018, agreeing to prioritise resources in the annual budgeting process to improve local outcomes.

The focus for the IJB with regard to delivery of the LOIP outcomes will be 'People' and 'Participation' with specific focus on:

- Tackling alcohol misuse;
- Healthy weight and physical activity;
- Low income/poverty;
- Satisfaction with public services; and
- People's ability to influence and be involved in decisions which affect them.

The IJB, SIC and NHSS jointly developed the Performance Management Framework 2019-24 (PMF). The PMF was approved for implementation by the three bodies in June/July 2019. The intention of the PMF is to provide a consistent “Once for Shetland” approach and a clear focus on improving outcomes. This is in line with the principles of Shetland's Partnership Plan and allows the IJB to monitor and report on improvement against the LOIP outcomes as part of its overall performance reporting.

Strategic Commissioning Plan

During 2021/22, the IJB continued to work towards the objectives in the Strategic Commissioning Plan 2019-2022, approved 13 March 2019, acknowledging that this plan had underpinned the progress of the integration agenda in Shetland during the plan period. However, it was recognised that a new plan should be developed, setting new strategic priorities, with reflection on where the IJB is now and what the priorities should be for the future.

The IJB approved its [Strategic Commissioning Plan 2022-2025](#) (Strategic Plan) on 24 March 2022.

The Strategic Plan, has been developed by the Strategic Planning Group, drawing on stakeholder engagement, and is intended to be agile in nature and reviewed regularly. It recognises the progression of the integration agenda in Shetland up to 2022 and reflects the impact the Covid-19 pandemic has had on our community and services in the last 2 years.

It is important that the Strategic Plan is capable of responding to changes in the strategic environment, as it will encompass key stages in the formation of the new National Care Service by the Scottish Government.

Our Vision: The people of Shetland are supported in and by their community to live longer, healthier lives, with increased levels of well-being and with reduced inequalities.

Our approach: Our approach will be strengths based, agile and responsive, ensuring we promote choice and control for our population. We want to listen to and work collaboratively with communities to find realistic and effective ways that enable people to live healthier lives.

Our Strategic Priorities:

To prevent poor health and wellbeing and intervene at an early stage to prevent worsening outcomes.

To prevent and reduce the avoidable and unfair differences in health and wellbeing across social groups and between different population groups.

To demonstrate best value in the services that we commission and the ways in which we work.

To shift the balance of care towards people being supported within and by their communities.

To meaningfully involve communities in how we design and develop services to be accountable to their feedback.

The success of the Strategic Plan will be measured against a range of key performance indicators which align with the National Health and Wellbeing Outcomes.

In approving its Strategic Plan the IJB recognised the need for further steps to be taken during 2022/23 to ensure its intended outcomes are achieved. These include:

- Completion of a report on progress against the Strategic Commissioning Plan 2019-2022;
- Development of a Housing Contribution Statement;
- Development of a Joint Workforce Plan;
- Completion of a Needs Assessment;
- Development of performance indicators; and
- Implementation of the Participation and Engagement Strategy.

Performance Overview

IJB performance in 2021/22 has continued to be dominated by the response to the Covid-19 Pandemic, which began in March 2020. The IJB submitted a third Remobilisation Plan covering the period from April 2021 to March 2022 which was approved by the Scottish Government in April 2021. The focus of this iteration of the Remobilisation Plan was around re-establishing services and ensuring recovery following the pandemic, recognising the impacts Covid-19 has had, and continues to have, on the people of Shetland. It can be found [here](#).

The strength of partnership working, both within the IJB itself, and in conjunction with the wider Shetland Partnership, has been crucial to the continued delivery of health and care services to the Shetland public. Health and Social Care staff have stepped up to the challenge, continuing to work on the front line throughout, adapting to meet ever-changing guidance and legislation.

The IJB continued to monitor specific targets and objectives to make sure that health and social care service in Shetland provide the best possible outcomes for the community within available resources. The measures used align with those monitored by the Scottish Government to check the system is working as whole.

The IJB are provided with Planning and Performance updates on a quarterly basis.

The IJB is obliged by the Public Bodies (Joint Working) (Scotland) Act 2014 to publish an Annual Performance Report by July each year. The Coronavirus Scotland Act (2020) has been extended to 30 September 2022, so Integration Authorities can delay the release of their APR until November 2022 if they wish. The Annual Performance Report (APR) 2021-22 will be presented to meet the revised deadline.

The purpose of the APR is to provide an open account of the IJB's performance in relation to planning and delivering delegated health and social care services. The APR acknowledges the various challenges the IJB has faced this year, notably the emergency response to Covid-19, reflecting on what has been learned.

Operational Review

The Year-Ended 31 March 2022, has again been dominated by the Covid-19 pandemic, with restrictions only gradually easing after the end of the financial year. All staff working within the services delegated to the IJB must be celebrated for their resilience and efforts to continue to manage and deliver services, maintain standards and pursue improvement under such difficult circumstances. Throughout the year there was consistent effort to recognise and learn from positive changes precipitated by the pandemic, work to stabilise services as restrictions continued, and look to a time when improvement work put on hold could recommence.

A huge number of staff have been involved in delivering the very complex Covid-19 vaccination programme throughout 2021/22, which saw 39,000 doses of Covid-19 vaccine delivered to 19,000 people in Shetland. By the end of March 2022, 93% of the Shetland community aged 12 and over had received at least one dose with more than 85% for those aged 18 and over having received a third “booster” dose.

Following this massive effort by many colleagues a core vaccination team has now been made substantive under the Vaccination Transformation Programme (VTP). They are working with teams in Primary Care, Community Nursing, Occupational Health, School Health, Maternity and Sexual Health, to deliver the full range of vaccination programmes, including travel vaccines. Uptake rates for vaccination programmes will be published in a local annual vaccination report later in the year.

Findings of the most recent Health and Care Experience survey (2022) demonstrate the incredible resilience of the workforce as results have largely been stable compared to 2020, and remain consistently above the Scottish average, even while contributing to the management of the Covid-19 response locally (see table below). While this is to be celebrated there are specific areas that require improvement, for example expansion of the Physiotherapist First Contact Practitioner (FCP) model in Health Centres, and the programme around Mental Health Service improvement to stabilise staffing and improve service delivery with restrictions of staff availability

Comparison to Scotland and 2020: Shetland Islands

	2022 % Positive (selected area)	Comparison to Scotland		Comparison to 2020	
		Statistically different to Scotland?	Scotland 2022 % Positive	Statistical change since 2020?	2020 % Positive (selected area)
03 How easy is it for you to contact your GP practice in the way that you want?	92%	Statistically higher than Scotland	75%	Not statistically different from 2020	90%
09b Overall, how would you rate the arrangements for getting to speak to a Doctor at your GP practice?	82%	Statistically higher than Scotland	61%	Statistically higher than 2020	74%
09c Overall, how would you rate the arrangements for getting to speak to a Nurse at your GP practice?	90%	Statistically higher than Scotland	71%	Not statistically different from 2020	86%
09d Overall, how would you rate the arrangements for getting to speak to a Pharmacist / Chemist at your GP practice?	88%	Statistically higher than Scotland	79%	Not statistically different from 2020	91%
09e Overall, how would you rate the arrangements for getting to speak to a Physiotherapist at your GP practice?	57%	Not statistically different from Scotland	53%	Not statistically different from 2020	56%
09f Overall, how would you rate the arrangements for getting to speak to a Mental Health Professional at your GP pra..	52%	Not statistically different from Scotland	44%	Not statistically different from 2020	43%
32b Experience of Social Care: I had a say in how my help, care or support was provided	67%	Statistically higher than Scotland	55%	Not statistically different from 2020	80%
32c Experience of Social Care: People took account of the things that mattered to me	74%	Statistically higher than Scotland	62%	Not statistically different from 2020	79%
32d Experience of Social Care: I was treated with compassion and understanding	82%	Statistically higher than Scotland	70%	Not statistically different from 2020	81%
38d Local services are well coordinated for the person(s) I look after	49%	Statistically higher than Scotland	29%	Not statistically different from 2020	45%
38e I feel supported to continue caring	45%	Statistically higher than Scotland	30%	Not statistically different from 2020	50%

Figure 1 Health and Care Experience Survey 2022

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Given Shetland's ageing population and the recognised increase in demand for services for people under 65 with complex support needs, the importance of Unpaid Carers to the IJB cannot be underestimated. There are concerns around Unpaid Carers not feeling supported to continue in their caring role (45% feel supported, compared to a national average of 30%). The roll out of Community Led Support (CLS) and its hub approach, identifying and building on strengths within communities to provide more accessible, holistic support should improve this. The number of people registered with Shetland Carers in the 3rd sector has increased by 57% over the 2 years of the pandemic, suggesting more carers are receiving much needed support, which is positive. There is a hope that census data released next year will give clearer information about the number of Unpaid Carers in Shetland allowing support to be better targeted and developed.

During 2021/22, the Health Improvement Team have played a core role in remobilisation and supporting the Covid-19 response, as well as contributing to the shift towards prevention and early intervention -via the services they deliver, and through supporting staff in other areas. Work included development of the focus on tackling inequalities and prevention within primary care, further development of the Health Improvement Practitioner/Community Link Worker model, the Quit Your Way service, Counterweight/Healthy Shetland programme, HENRY parenting programme, mental health training delivery, review of Alcohol Brief Interventions, and continuing implementation of the Type II Diabetes Framework. A recent Population Health Survey undertaken by the Public Health Team will help more effective targeting of work as resources become more limited.

The Health Improvement Team have explored different ways of connecting with and supporting people as restrictions continued. Shetland's smoking rate, as recorded by GP practices, was down to 13.1% for 2020/21 (reduced from 14.6% in 2018/19) and the percentage of mothers smoking during pregnancy is down to 10.3%, well below the national average.

Different ways of accessing services have become the norm as learning from pandemic working has been applied to develop technology enhanced care pathways. Examples include, the

AskmyGP service which can be accessed from 3 Health Centres and Attend Anywhere remote

appointments, both for Shetland-based care and appointments supported by mainland health boards, helping people get the help they need in a way that suits them.

Data has shown that the AskmyGP Service has been very well received with patient satisfaction averaging more than 90%, and the Health and Care Experience survey showing more than 90% satisfaction around being able to contact a GP in the way that you want. However the service, rather than redirecting demand, appears to be addressing previously unmet demand, thus clinician time remains under significant pressure in Primary Care and the AskmyGP service has had to be "offline" for periods of decreased staffing. The Primary Care Improvement Plan continues to work to address these concerns around staffing and access by building resilience into Health Centre teams and looking at different models of working and supervision to make the most of technology and respond to a lack of available trained staff nationally.

The Pharmacy Team continue to contribute to improved outcomes through their change work focussing on improving medicines management and patient outcomes, along with effectiveness of pharmacy input into both secondary care pathways and the Primary Care Team. Work around input into pathways has been scoped out over 2021/22, while developing the skill mix in Primary Care. This has changed how the Pharmacy Team work, including use of technology for supervision which has already started to release pharmacist time for patient facing activity. This work will be scaled up through 2022/23 and will redirect considerable activity from GPs by having a consistent appropriately staffed model for managing medicine reviews.

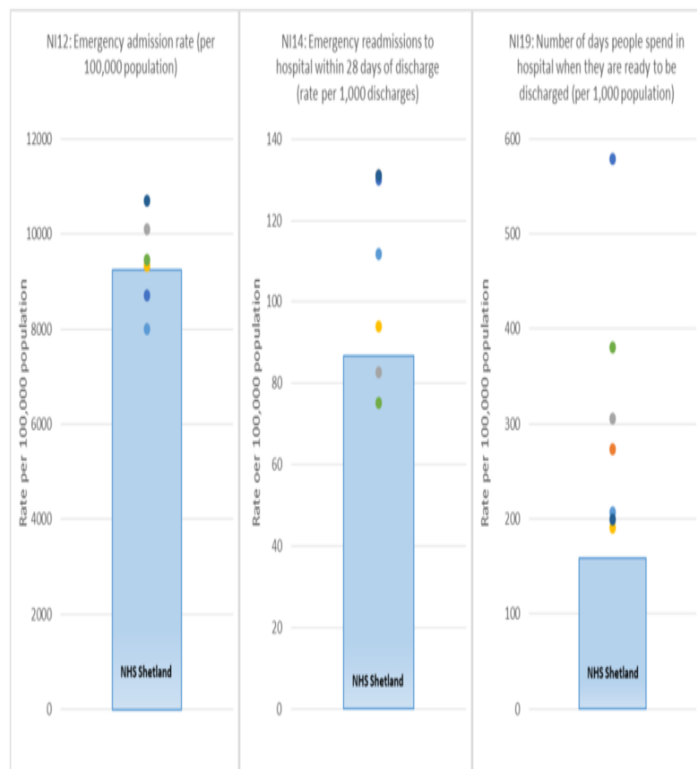
Even where services are performing well and meeting national targets, there is a commitment among staff to work with service users and communities to improve outcomes. An example of this from 2021/22 is the 'Trauma-Informed-Lens' Service Review undertaken by Justice Social Work with service users. This series of interviews with people with lived experience of the Justice system in Shetland was largely positive, reflecting a team of staff who bring their values around person-centred care to their work.

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An action plan developed from the service review, including improvements in how to access buildings and support around the Court process is being implemented. The work has been shared throughout the organisation as an exemplar of taking a trauma-informed approach.

Effective engagement has also supported co-developed solutions to staffing challenges in islands with small populations, including the development of a Healthcare Support Worker model, in Skerries. This model makes use of effective triage, remote supervision and telehealth approaches to stabilise and strengthen local healthcare provision, while acknowledging the need to deliver differently in harder to staff areas, in ways that support staff and communities and work effectively within limited resources.

The Integration indicators below (shown ranked against our comparative 'family' areas as advised by Local Government Benchmarking Framework) around emergency admissions, readmission and delayed discharge represent positive decision making around clinical care, effective information sharing and strong work within the community to support patients at home.



Early in the year, a change to planning and performance reporting was approved by the IJB. This proposal was in response to audit feedback around the length and complexity of performance

reporting, questioning the effectiveness of the system in providing assurance to the IJB. The proposal set out enhanced means of measuring performance, making it more outcome focussed, for example via Therapy Outcome Measures (TOMs) by Allied Health Professionals (AHPs). The aim was to provide a reduced amount of performance data to allow for more targeted review at a managerial level, with inclusion of case studies to demonstrate service outcomes. This change was well received and has supported more effective assurance, scrutiny and performance-based improvement.

This year has been an extremely challenging one for Care Homes and care delivered within community settings. Teams have worked incredibly hard to protect the vulnerable people that they care for, juggling pressures on staffing, increased levels of Personal Protective Equipment, intensive Infection Prevention and Control requirements and frequent adjustment to ways of working, including access to visitors and day care as part of their response to Covid-19 outbreaks.

The work on protecting the residents of care homes was overseen by the Enhanced Assurance for Care Homes Group, as part of the oversight roles held by the Chief Nurse, Director of Public Health and Chief Social Work Officer for Shetland.

The continued rollout of CLS has gone well, with the Brae Hub opening in October 2021 and establishing excellent links with partners such as the Community Learning and Development Team. Implementation of the CLS plan, including delivery of training in Good Conversations, capturing of learning to support development in other localities and bringing complementary work together under the Early Action Programme is supporting a system wide shift towards strengthening communities, placing emphasis on early intervention and prevention.

As Covid-19 restrictions continued, and the cost of living crisis emerged, the predicted increase in demand for mental health services was realised both locally and nationally. A number of improvement actions have been planned and progressed in response to continued challenges for provision of Psychological Therapies.

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These include: upskilling of the wider staff group; establishment of Survive and Thrive group therapy; and; development of Clinical Associate in Applied Psychology (CAAP) and Mental Health Occupational Therapist (MHOT) posts. The MHOT post has remained vacant, while the CAAP post has been made substantive. While there is still improvement to be made, these changes have resulted in a decrease in waiting times – from 158 weeks at March 2021, to 54 weeks in February 2022.

Improvement work has also continued within the Shetland Alcohol and Drug Partnership to realise its vision and work towards the priorities in the Scottish Government's Rights, Respect and Recovery Strategy. This has included opening of the Recovery Hub and expansion of the support available through creation of a Harm Reduction and Outreach Worker post. This has allowed for delivery of a range of services, activities and support groups. The Hub is also now able to distribute Naloxone as part of a piece of ongoing work that will soon include Pharmacies in Shetland.

As the IJB reflects on this year of hard work, there is a recognition that health inequalities have worsened considerably during the pandemic and will continue to do so as we now find ourselves in a Cost of Living Crisis. This means that despite our best efforts outcomes may worsen and we need to consider how to support people differently within limited resource. Work has continued throughout the year delivering Money Worries sessions, working with partners on tackling child poverty, and raising awareness and understanding of health inequalities within our organisations, but there is a lot more to do.

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Financial Statements

The Financial Statements detail the IJB's transactions for the year and its year-end position as at 31 March 2022. The Financial Statements are prepared in accordance with the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (IASB Framework) as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom.

A description of the purpose of the primary statements has been included immediately prior to each of the Financial Statements: The Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the Balance Sheet. These Statements are accompanied by Notes to the Accounts which set out the Accounting Policies adopted by the Partnership and provide more detailed analysis of the figures disclosed on the face of the Primary Financial Statements.

No Cashflow Statement is required as the IJB does not operate a bank account or hold cash.

The Primary Financial Statements and notes to the accounts, including the accounting policies, form the relevant Financial Statements for the purpose of the auditor's certificate and opinion. The remuneration of the Chief Officer and Interim Depute Chief Officer of the Partnership is disclosed in the Remuneration Report.

Financial Review

At its meeting on 25 March 2021 the IJB approved its 2021/22 budget of £53.035m (2020/21: £50.736m). Subsequently budget revisions have been made during the year for additional funding allocations and application of contingency and cost pressure budgets with the total budget delegated from the IJB to the Parties for 2021/22 being £60.609m (2020/21: £56.381m).

The purpose of the Financial Statements is to present a public statement on the stewardship of funds for the benefit of both Members of the IJB and the public. The IJB is funded by SIC and NHSS in line with the Integration Scheme.

The Comprehensive Income and Expenditure Statement presents the full economic cost of providing the Board's service in 2021/22.

For the year-ended 31 March 2022, the IJB generated a surplus of £2.118m (2020/21: £1.220m), after adjustment has been made for additional payments to/from SIC and NHSS.

The final IJB surplus of £2.118m for 2021/22 represents the underspend of Scottish Government Additionality Funding and other specific funding allocations during the year off-set by expenditure that the IJB agreed would be met from its Reserve. Some of the specific funding allocations were agreed late in the year, giving no opportunity to spend in 2021/22. The surplus will be carried forward and the IJB can then make decisions on how best it can be utilised to further its objectives, in line with its Strategic Commissioning Plan.

The outturn position at 31 March 2022 for the IJB is an overall deficit against budget of (£2.764m) (2020/21: (£0.230m)), which represents an overspend in relation to services commissioned from SIC of (£0.184m) (2020/21: £1.110m underspend) and an overspend in relation to services commissioned from NHSS of (£2.580m) (2020/21: (£1.340m)). The £2.764m deficit (which includes 'set aside budget') is detailed in Row 3 in the following table.

In order to achieve the final IJB surplus of the year of £2.118m (2020/21: £1.220m), NHSS made a one-off additional contribution of £7.753m to the IJB. The additional contribution from NHSS is non-recurrent in nature and does not require to be paid back in future years. The SIC received a one-off additional contribution from the IJB of £2.871m.

Additional contributions, sometimes described as payments to the IJB from the Parties, are made in-line with the Integration Scheme. The contributions recognise the allocation of IJB funding, which must initially be paid out to one of the Parties given the IJB doesn't have its own bank account. The payments also allow for one-off contributions to recognise the year-end surplus or deficit of each party against their delegated budgets.

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Financial Transactions 2021/22

	2021/22			2020/21		
	SIC £000	NHSS £000	TOTAL £000	SIC £000	NHSS £000	TOTAL £000
Budgets delegated to the Parties from the IJB	27,967	32,642	60,609	26,550	29,831	56,381
Contribution from the Parties to the IJB (against delegated budgets)	(28,151)	(35,222)	(63,373)	(25,440)	(31,171)	(56,611)
Outturn Position	(184)	(2,580)	(2,764)	1,110	(1,340)	(230)
Additional contributions from Parties to meet IJB Direct Costs	(15)	(16)	(31)	(15)	(15)	(30)
IJB Direct Costs (Audit fee, Insurance & Members Expenses)	15	16	31	15	15	30
Additional contributions (to)/from the Parties to/(from) IJB	(2,871)	7,753	4,882	(1,081)	2,531	1,450
Final Surplus/(Deficit) of IJB	(3,055)	5,173	2,118	29	1,191	1,220

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Significant Budget Variances

The table below provides the details of the significant budget variances for the year. This has been analysed under the themes which make up the overall £2.764m overspend.

Themes	2021/22 Budget Variance £000	2020/21 Budget Variance £000	Variance £000
Locum Costs	(2,482)	(1,553)	(929)
Agency Staffing	(1,070)	(531)	(539)
Vacancies & Other Staffing underspends	444	529	(85)
Increased Service Demand	(296)	(302)	6
External Service Provider	221	215	6
Pharmacy & Prescribing Savings	238	121	117
Maintenance Delayed	170	294	(124)
Vehicles/Mileage savings	66	174	(108)
Pay award impact	(439)	0	(439)
Overachievement of Income	0	526	(526)
Funding allocation unspent	53	130	(77)
Other	331	167	164
Total	(2,764)	(230)	(2,534)

Locum Costs

The IJB Parties continue to experience difficulty in recruiting to specialist posts, necessitating the use of locums to continue delivering services, notably in Mental Health, Primary Care and Unscheduled Care.

Due to difficulty in recruiting to specialist posts it has been necessary to continue to contract Consultant Mental Health locums in 2021/22, at a cost (including flights and accommodation) of (£0.513m) (2020/21: (£0.427m)).

Efforts continue regarding ways to reduce the requirement for expensive locums in Mental Health including the redesign of urgent care pathways, a move to better use of skill mix in the out of hours period and scoping the potential for remote models for consultant out of hours cover.

Locum cover was also required in Primary Care for General Practitioners (£0.964m) (2020/21:

(£0.535m)) where it was not possible to fill vacant posts, with notable overspend against budgets at the locations as per table below:

Location	2021/22 £000	2020/21 £000
Yell	(164)	(85)
Whalsay	(30)	(26)
Unst	(62)	(75)
Brae	(217)	(210)
Bixter	(51)	(22)
Scalloway	(178)	(78)
Walls	(89)	Nil
Out of Hours	(173)	(39)
Total	(964)	(535)

A GP has been appointed in Brae from January 2022, and another for Bixter on a 26-week contract beginning in April 2022. This will improve the financial position into 2022/23. From September 2021, there have been 4 rotational GPs working in Unst which has reduced the need for expensive locums. A project is underway to review Out of Hours services to reduce the reliance on locums to cover gaps in rotas.

Within Unscheduled Care, Locum use has been required to cover junior doctors and consultants (£0.868m) (2020/21: (£0.591m)). Ward 3 and A&E also incurred high bank and overtime cost throughout the year of (£0.137m) (2020/21: (£0.047m)).

Recruitment to consultant and junior doctor posts actively continues, working closely with the Deanery, Universities and NHS Education for Scotland to look at ways in which training can be developed to support remote and rural practice and encourage doctors to take up posts in Shetland. There has been success in the use of a proleptic (anticipatory) appointment and flexible contract models for consultants in order to broaden the appeal of the generalist role.

Agency Staffing Cost

Shetland has low unemployment, but rising demand for health and social care services. Over recent years, this has led to challenges for the IJB Parties in recruiting local people to work in Community Health and Social Care roles and the need to employ agency staffing to ensure

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service delivery. This has been further exacerbated by the Covid-19 Pandemic, which has placed greater stress on the existing workforce and additional need to cover for absence due to sickness and adherence to Covid-19 isolation rules.

In order to continue to safely deliver services and meet the level of demand, it has therefore been necessary to use agency staff during the year, leading to a total overall spend of (£1.070m) (2020/21: (£0.531m)), to cover various service areas;

Service	2021/22 £000	2020/21 £000
Community Care Resources	(773)	(416)
Adult Services	(125)	(61)
Community Nursing	(172)	Nil
Adult Social Work	Nil	(54)
Total	(1,070)	(531)

In addition to these costs, a further (£0.741m) (2020/21: (£0.005)) of Agency staffing costs related to the impact of Covid-19 were claimed via IJB Mobilisation Plan forming part of the overall Covid-19 cost explained below.

It is hoped that use of agency staffing can be reduced during 2022/23, as Covid-19 restrictions are lifted and work continues to encourage people to take up roles in social care.

Vacancies and Staffing Underspend

Community Care Resources underspent employee costs budgets by £0.307m (2020/21: £0.222m) due to difficulty in recruiting and retaining staffing during the year. Shifting the balance of care and workforce availability have also led to reduced bed capacity in some units, with staff redeployed where possible to deliver care at home. This underspend is off-set by use of agency staffing (described above).

There was an underspend of £0.056m (2020/21: £0.050) in Mental Health due to a temporary staffing arrangement in Dementia Services and vacant hours in Talking Therapies.

There was an underspend in Adult Social Work of £0.081m (2020/21: £Nil) due to difficulty in recruiting to social worker roles. A Community Health and Social Care Draft Interim Workforce Plan was noted by the IJB in September 2021. The Draft Interim Plan was

collated to align with the Remobilisation Plan 3, covering the period from 1 April 2021 to 31 March 2022, focusing primarily on the response and impact of Covid-19. The priority then shifted to preparation of the 3-Year Workforce Plan for Health and Social Care for the period from 1 April 2022 to 31 March 2025 which was completed and presented to the IJB on 29 September 2022.

The 3-Year Workforce Plan recognises the changing needs for staffing within Health and Social Care as a result of the shift in the balance of care since the instigation of Integration and as we recover from the Covid-19 Pandemic. Recognition is required of the impact that unpaid carers, third sector and voluntary services can have in terms of overall staffing resources.

Work continues to find ways to attract people to take up jobs within Health and Social Care and retain them, including offering relocation packages in Social Care. Success has been found via Modern Apprenticeships and efforts to “grow our own”.

Pay Award Impact

The underspends in staffing budgets, are off-set by an overspend of (£0.439m) (2020/21: £Nil) in respect of agreed pay uplifts to SIC staff. In setting the 2021/22 budget, an uplift of 2% had been assumed for all paygrades, however the agreed uplift was:

- An £850 increase in salary for those earning £25,000 or less;
- A 2% increase for those earning more than £25,000 and up to £40,000;
- An increase of 1% for those earning more than £40,000 and up to £80,000; and
- A flat rate increase in salary for those earning over £80,000 annually.

The implementation date for this uplift was back-dated for 3 months from January to March 2021.

The majority of social care fall in the £25,000 to £40,000 annual pay bracket, so did receive a 2% uplift, however budgets did not allow for the 3-month back-dating.

During 2021/22, the Council has also revised the lower end of its Pay Scales to reflect the impact of the consolidation of the Scottish Local Government Living Wage. These changes led to pay rate increases also not factored into the approved budgets for the year.

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Increased Demand

The overall budget for Self-Directed Support (SDS) provided through Option 1 and 2 packages was overspent by (£0.479m) (2020/21: (£0.187m)). Some of the new packages came about as a result of services being restricted due to Covid-19 with (£0.304m) (2020/21: (£0.086m)) and these have been funded by Scottish Government Remobilisation Plan Funding and included in overall Covid-19 cost explained below. The remainder of (£0.175m) (2020/21: (£0.101m)) relates to general increased service demand. It is unclear as restrictions are lifted, whether people will want to return to previous in-house service provision or retain their Option 1 and 2 packages. There is also underlying increased demand for services and a need to uplift packages to reflect public sector pay rises. To this end growth has been built into the 2022/23 budget of £0.790m.

Scottish Government Additionality Funding has been used for a number of years to support increased SDS payments. It was hoped that savings would be seen in areas of traditional service delivery, which would eventually free up this funding for other use. This has not been possible as the majority of the increase relates to demographic pressure, relating predominantly to individuals (and their carers) who would fall within the Adult Services remit. Some of the services in this area are operating at capacity and unable to meet the needs of individuals with increasingly complex conditions. It is also the case that younger people are looking for flexible/creative solutions to achieve their outcomes, which SDS can provide.

The Assertive Community Transition (ACT) Service, started in 2019/20. The Service is run primarily from one property in Lerwick, supporting young adults with very complex needs. During the last 2 years the service has continued to operate, adhering to Covid-19 guidance, but has also taken on additional outreach support. This has led to an overspend against budget for the ACT Service of (£0.121m) (2020/21: underspend, £0.015m) in employee costs. Budget growth of £0.143m was approved for 2022/23 recognising the need for an additional 2.43 FTE Social Care Worker in order to meet increased demand.

External Service Provider

There was an underspend in the contract between the Council and Crossreach for 2021/22 of £0.215m (2020/21: £0.215m) as a result daycare provision at Walter and Joan Gray Home not operating during 2021/22. During the year work has taken place to resume day care under a new model, with the service back up and running in April 2022. The underspend was offset by an overspend in the residential care element of the contract of (£0.081m) (2020/21: (£0.025m)).

There was also underspend in respect of Independent Sector placements budget of £0.088m (2020/21: £0.084) which is due to a change in the budgeted packages of care. This can vary annually based on changes in individuals needs and/or new packages of care being required or packages ending.

Pharmacy & Prescribing Savings

There was an underspend of £0.106m (2020/21: £0.150m) on Hepatitis C drugs due to lower than expected patient numbers and an underspend of £0.052m in hospital pharmacy drugs due to drug write offs being funded via Covid-19 funding. There was a further £0.037m (2020/21: £0.106m) underspend in Community Pharmacy due to increased discounts and reduced vaccine cost and underspend of £0.025m (2020/21: Nil) due to not backfilling the Head of Pharmacy post when seconded to the Director of Pharmacy role. This was offset by (£0.077m) (2020/21: (£0.135m)) in Home Care costs due to an increase in cystic fibrosis treatment.

Maintenance Delayed

Covid-19 restrictions have led to maintenance projects being delayed. The pandemic has also caused issues in acquiring the necessary materials to do repairs. There was an overall underspend in Maintenance budgets within SIC delegated services of £0.170m (2020/21: £0.294m). The Maintenance Programme has been revised for 2022/23 to take this slippage into account.

Mileage/Vehicle Savings

There was a underspend in year in mileage/vehicle costs budgets of £0.066m (2020/21: £0.174m), due to making best use of Social Care vehicles.

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A Council funded Spend to Save Project in 2018/19 facilitated the purchase of 30 vehicles for use by Social Care staff to deliver care at home services. The provision of these vehicles replaced the use of staff member's own vehicles for this purpose with vehicle costs replacing mileage claims. This investment, allowed for recurring savings of £0.085m per annum to be reinvested into provision of overnight scheduled care.

Scottish Government Additionality Funding

The IJB recognises an underspend in this funding of £0.053m (2020/21: £0.092m), a small underspend in Re-ablement Programme in Care Homes, £0.008m (2020/21: £0.012m), and underspend in employee costs due to vacant posts within the Intermediate Care Team during the year, £0.045m (2020/21: £0.080m).

NHSS Specific Funding

At the year-end, NHSS identified a number of specific funding allocations it had not been possible to spend in full during the year. These amounted to £2.879m overall.

Until NHSS funding allocations are confirmed, they are held in General NHSS Contingency, so during the year were not reflected in IJB delegated budget. NHSS made an additional funding allocation to the IJB at the year-end of £7.753m (see table on page 10) which included the transfer of these specific funding allocations.

The IJB will carry-forward these sums in the IJB Reserve as an Earmarked reserve.

Covid-19

The total cost of Covid-19 to the IJB was £3.706m (2020/21: £2.826m), which is set out in the table below.

IJBs were asked to provide details of emerging Covid-19 costs and projections throughout 2021/22 in line with their plans for remobilisation of services. The financial detail was collated together with NHSS Acute Services costs and submitted to the Scottish Government.

The Scottish Government have provided funding to cover the full cost impact of Covid-19 to the IJB in 2021/22, basing this on the January 2022 NHSS Financial Return. They have also

provided additional allocations late in 2021/22, which they have asked be carried forward in IJB Reserve, to be utilised in 2022/23 to meet the continuing cost impacts of Covid-19.

Covid-19 Cost Heading	NHSS	SIC	TOTAL HSCP
	£000	£000	£000
Additional PPE	0	59	59
Testing	0	98	98
Covid-19 Vaccination	0	30	30
Additional Capacity in Community	0	892	892
Community Hubs	195	0	195
Additional Infection Prevention and Control Costs	44	376	420
Additional Equipment and Maintenance	45	102	147
Additional Staff Costs	485	123	608
Staff Wellbeing	48	0	48
Additional FHS Prescribing	58	0	58
Social Care Provider Sustainability Payments	0	71	71
Digital & IT Costs	68	0	68
Other	1,008	4	1,012
TOTAL COVID-19 COSTS 2021/22	1,951	1,755	3,706

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Funding was as follows:

Covid-19 Funding	NHSS £000	SIC £000	TOTAL HSCP £000
Earmarked Funding c/f In IJB Reserve at 1 April 2021	582	38	620
Funding received 2021/22	3,252	2,118	5,370
Total Funding available in year	3,834	2,156	5,990
Less: Covid-19 Costs 2021/22	(1,951)	(1,755)	(3,706)
Earmarked Funding c/f In IJB Reserve at 31 March 2022	1,883	401	2,284

The IJB will carry-forward £2.284m (2020/21: £0.620m) funding within the IJB Reserve as Earmarked Reserves.

The Balance Sheet as at 31 March 2022

The IJB carried a General Reserve of £2.198m as at 1 April 2021. This Reserve was created from previous years underspending in the Scottish Government Additionality Funding of £0.564m and underspend in specific NHSS Funding which were carried forward as an earmarked element of the Reserve £1.634m.

During the year there has been a draw on the IJB Reserve of £0.814m, £0.756m of earmarked reserve and further spend against a number of projects which the IJB have agreed to fund from its Reserve, £0.058m.

Underspend in Scottish Additionality Funding and specific NHSS Funding in 2021/22 (including Covid-19 Funding) of £0.053m and £2.879m, respectively have been added to the Reserve.

As at 31 March 2022, the General Reserve has a balance of £4.316m, of which £3.757m is earmarked, leaving £0.559m uncommitted Reserve available to be spent in line with the IJB Strategic objectives.

2022/23 Budget and Medium Term Financial Outlook

The IJB Board approved the proposed budget for 2022/23 of £58.180m, on 24 March 2022, subject

to NHSS Board approval of their delegated budget which was given at its meeting on 26 April 2022. The IJB noted the risks associated with Covid-19 and the impact this may have on 2022/23 budgets and costs.

General Reserve is also available to support the strategic objectives of the IJB, as detailed in Note 6 to the Accounts (page 32). Since the inception of the Shetland IJB, like other health and social care partnerships, it has faced significant financial challenges and has anticipated that it will be required to operate within tight fiscal constraints into the future, due to the continuing difficult national economic outlook and increasing demand for services.

Additional funding for Health and Social Care Partnerships has been made available from the Scottish Government. Despite this additional funding, pressure continues on public sector expenditure at a UK and Scottish level with further reductions in government funding predicted in future years.

The Covid-19 Pandemic has meant that since March 2020 a huge amount of work was done by Health and Social Care Partnerships to respond quickly to changing legislation and guidance to manage the virus. During 2021/22, Covid-19 continued to have a significant impact on health and social care services. As the vaccination programme continued to be rolled out, restrictions to services continued. By the year-end, services have resumed, but restrictions on how these are delivered continue.

Funding of £2.284m will be carried forward into 2022/23 in respect of Covid-19, and will be utilised to meet the cost pressures placed on IJBs due to Covid-19.

The IJB approved its [Medium-Term Financial Plan 2022-2027](#) (MTFP) on 17 February 2022. The MTFP assumes that the IJB will be fully funded for the medium term, based on the track record since its inception of full funding being provided by SIC and NHSS to meet the cost of service provision. Despite this balanced position it is recognised that both funding partners are facing significant financial challenge over the term of the plan and beyond.

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Principal Risks and Uncertainties

The Integration Scheme requires a Risk Management Strategy is developed and that a Risk Register is maintained by the Chief Officer. An updated [IJB Risk Management Strategy](#) was approved by the IJB on 9 November 2021. The Risk Register was updated and considered by the IJB Audit Committee on 10 March 2022. The Risk Register and associated report can be found [here](#).

The main risks and uncertainties are listed below:

Risks and Uncertainties	Actions to Mitigate
Sustainability risk - failure to investigate, explore, invest in and implement new and sustainable models. Failure to realise Transformational Change Plans.	Strategic Commissioning Plan 2022 - 2025 approved by each of the Partners - IJB, NHSS and SIC. Programme Management Office (PMO) established within NHSS to support delivery of the Strategic Programmes, and Change Programme established withing SIC. Implementation of service wrap around planning meetings.
Disruption to the supply of goods and services which support the operational delivery of the NHS and SIC.	Active planning by SIC and NHSS and proposed review of cost increase of service provision in 2022/23. Establishment of an IJB Workforce Taskforce to look at workforce problem solving on a immediate, medium and long-term basis. IJB Workforce Plan 2022-2025 was complete in September 2022.
Difficulty in ensuring sustainable provision of service due to workforce resource issues. Inability to recruit to key posts and retain staff, which was exacerbated by the Covid-19 Pandemic response.	Establishment of IJB Workforce Taskforce who are looking at measures such as relocation packages, review of job descriptions and gradings and international recruitment. Formulation of robust 3-Year IJB Workforce Plan (by 31-Jul-2022) to allow insight into potential pinch point areas as well as outline workforce modelling and requirement for certain skill sets. Implement new recruitment approaches working in conjunction with Promote Shetland to attract more external candidates to hard-to-fill roles; revamp our range of apprenticeships and graduates opportunities, and improve our internal job market through challenging occupational segregation and supporting flexible working practises.
Establishment of National Care Service (NCS).	A robust consultation response was provided to the NCS consultation process which included lived experience and stakeholder views. Establishment of a Programme Baord to plan, implement and oversee the change process. Collaborative working with other island IJBs to ensure the "Island Voice" is heard during planning and implementation phases.
Disconnect between strategic planning and available finance.	During 2021/22, a new planning cycle was implemented to try to align the Strategic Plan with the Financial Plan and IJB Directions. The IJB Medium Term Financial Plan 2022/23 to 2026/27 was approved in February 2022 and presented a balanced financial position, based on the assumption of full funding from SIC and NHSS over the term of the Plan. It is recognised that both funding partners face significant fianncial challenge during that timeframe and all three bodies must work together to plan services and resouces in a sustainable manner.
Digital connectivity to take advantage of technological solutions to support service delivery. OpenReach are working on programme of switching off all analogue telephony services which will impact on IJB infrastructure.	Recognised as a strategic objective of the Shetland Partnership's Plan. A digital project officer is embedded in the Community Health Change Programme Team to ensure that technological infrastructure is robust enough to change service delivery with technological solutions. Additional funding from the Scottish Government has been secured to recruit a Telecare Project Manager to oversee the analogue switchover of community alarms.
Impact of the COVID-19 pandemic	Health and Social Care Services required rapid reorganisation to deal with the initial impact of the Covid 19 pandemic. Close partnership working within IJB has been crucial to the continued delivery of essential services and management of the pandemic in Shetland. The IJB will continue to respond to policy changes and guidance provided by Scottish Government and look to safely and incrementally restore services, however, it is recognised that no further funding is expected from Scottish Government in this regard in 2022/23.

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Acknowledgement

We would like to acknowledge the significant effort of all the staff across the IJB who contributed to the preparation of the Annual Accounts and to the budget managers and support staff who have ensured delivery of the outcomes of the Strategic Commissioning Plan within the adjusted financial resources available to the IJB for the year ended 31 March 2022.

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Brian Chittick
Chief Officer
29 September 2022

DocuSigned by:

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John Fraser
Chair
29 September 2022

DocuSigned by:

.....7B7D15A8A63E422.....
Karl Williamson
Chief Financial Officer
29 September 2022

Annual Governance Statement

Introduction

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

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure Best Value.

In discharging these responsibilities, the Chief Officer has a reliance on the systems of internal control of both NHSS and SIC that support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB.

The IJB has adopted a Local Code of Corporate Governance ("the Local Code") consistent where appropriate with the six principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "*Delivering Good Governance in Local Government*". This statement explains how the IJB has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirement for an Annual Governance Statement.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks facing the organisation. The system aims to evaluate the nature and extent of failure to achieve the organisation's policies, aims and objectives and to manage risks efficiently, effectively and economically. As such it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control has been in place at the IJB for the financial year ended 31 March 2022 and up to the date of the approval of the Annual Accounts.

The Governance Framework and Internal Control System

The Board of the IJB comprises the Chair and five Members with voting rights; three are SIC Members appointed by the Council and three are Non-Executive Directors appointed by the Scottish Government to the NHSS Board. The IJB via a process of delegation from NHSS and SIC has responsibility for the planning, resourcing and oversight of operational delivery of all integrated health and social care within its geographical area through its Chief Officer. The IJB also has strategic planning responsibilities for a range of acute health services for which the budget is "set aside".

The main features of the IJB's system of internal control are summarised below:

- The overarching strategic vision and objectives of the IJB are detailed in the IJB's Integration Scheme which sets out the key outcomes the IJB is committed to delivering through SIC and NHSS as set out in the IJB's Strategic Plan and Annual Accounts;
- Services are able to demonstrate how their own activities link to the IJB's vision and priorities through their Improvement Plans and Service Plans;
- Performance management, monitoring of service delivery and financial governance is provided through quarterly reports to the IJB as part of the Planning and Performance Management Framework. Quarterly reports include financial monitoring of the integrated budget and the "set aside" budget, the IJB Risk Registers, performance against national outcome measures, local outcome measures and service development projects. Discussions and outcomes from the NHSS Clinical Governance Committee ([which replaced the former IJB Clinical, Care and Professional Governance Committee](#)) and the IJB Audit Committee inform reports presented to the IJB;

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- The Participation and Engagement Strategy sets out the IJB's approach to engaging with stakeholders. Consultation on the future vision and activities of the IJB is undertaken collaboratively with SIC and NHSS and through existing community planning networks. The IJB publishes information about its performance regularly as part of its public performance reporting;
- The IJB operates within an established procedural framework. The roles and responsibilities of Board Members and officers are defined within Standing Orders, Scheme of Administration and Financial Regulations; these are subject to regular review;
- Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, the external auditor, national inspection agencies and the appointed Internal Audit service to the IJB's Senior Management Team, to the IJB and the main Board and Audit Committee;
- The IJB follows the principles set out in COSLA's *Code of Guidance on Funding External Bodies and Following the Public Pound* for both resources delegated to the Partnership by NHSS and SIC and resources paid to its SIC and NHSS Partners;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Financial Officer. The system of internal financial control is based on a framework of regular management information, Financial Regulations and Standing Financial Instructions, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB;
- The IJB's approach to risk management is set out in the Integration Scheme and IJB Risk Management Strategy. Reports on risk management are considered regularly by the Health and Social Care

Management Team with quarterly reporting on the IJB Risk Registers to the IJB Board and an annual report to the IJB Audit Committee;

- The IJB relies on NHSS and SIC counter fraud and anti-corruption arrangements as it is these Bodies who deliver IJB delegated services and manage all associated staff and financial transactions. The arrangement in place, across NHSS and SIC, are in accordance with Code of Practice on Managing the Risk of Fraud and Corruption;
- IJB Board Members observe and comply with the Nolan Seven Principles of Public Life. Comprehensive arrangements are in place to ensure IJB Board Members and officers are supported by appropriate training and development; and
- Staff of both NHSS and SIC are made aware of their obligations to protect client, patient and staff data. The NHS Scotland *Code of Practice on Protecting Patient Confidentiality* has been issued to all NHSS staff working in IJB directed services and all staff employed by SIC working in IJB directed services have been issued with the SSSC Codes of Practice.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Service Managers within SIC and NHSS (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditor, and reports from external auditor and other review agencies and inspectorates.

The review of the IJB's governance framework is supported by a process of self-assessment and assurance certification by Directors within SIC and NHSS. The IJB directs SIC and NHSS to provide services on its behalf and does not provide services directly. Therefore, the review of the effectiveness of the governance arrangements and systems of internal control within the IJB places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

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Governance – IJB Meetings

The Board continues to permit the practice of extensive remote attendance at its meetings, by voting and non-voting members and by officers of SIC and NHSS. This practice will be kept under review as the relieving of Covid-19 restrictions and general return to office working becomes established.

As part of its commitment to Openness and Transparency the Board welcomes the opportunity to share meeting accommodation with SIC who have recently begun using their new Council Chamber based at the former St Ringans Church. This enables greater accessibility for public attendance in person than was previously the case. Furthermore, the new chamber is equipped to provide live broadcasting of meetings and for said meetings to be recorded and viewed subsequently. This will enable greater levels of oversight and hugely enhance the capacity of the public of Shetland to observe the business of the IJB being transacted.

Roles and Responsibilities of the Audit Committee and Chief Internal Auditor

IJB Members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Audit Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2017 (PSIAS) and reviews the performance of the IJB's Internal Audit Service. The appointed Chief Internal Auditor has responsibility to review independently and report to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the IJB's system of internal control.

The internal audit service undertakes an annual programme of work, approved by the Audit Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control. During 2021/22 the strategic internal audit management continued to be provided by Audit Glasgow (part of Glasgow City Council's internal audit function).

The internal audit plan for 2021/22 included two specific IJB related reviews – IJB Governance and Governance at Care Homes. The majority of the audit fieldwork for 2021/22 has been completed but elements are ongoing in relation to governance at care homes. Based on the audit fieldwork undertaken to date there are no unsatisfactory audit opinions.

Internal Audit will undertake follow up work during 2022/23 to confirm implementation of the agreed recommendations and the results of the follow up audit work will be formally reported back to the Committee during 2022/23.

The Chief Internal Auditor also reviews matters arising from NHSS Internal Audit reports issued in the financial year by Azets, and those issued for SIC that may have an impact upon the IJB.

The Chief Internal Auditor has confirmed an audit of Management of Cash and Belongings at two SIC care establishments identified a number of significant issues relating to the security of cash and valuables.

Internal Auditors of NHSS have also confirmed that audits of business continuity arrangements and statutory and mandatory training requirements at NHSS identified a number of issues relating to the current arrangements. 'Waiting times' performance in Psychological Therapies is still falling significantly below the compliance standards. A management action plan is in place and will be progressed during 2022-23.

On the basis of the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2021/22.

Compliance and Best Practice

The IJB complies with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government 2016". The IJB's Chief Finance Officer has overall responsibility for the IJB's financial arrangements and is professionally qualified and suitably experienced to lead the IJB's finance function and to direct finance staff in both partner organisations to ensure the effective financial management of the IJB. The Chief Financial Officer has direct access to the Director

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of Finance for NHSS and the Executive Manager – Finance for SIC to address financial issues and is a member of the Local Partnership Finance Team.

The Partnership complies with the requirements of the CIPFA Statement on “*The Role of the Head of Internal Audit in Public Organisations 2019*”. The IJB’s appointed Chief Internal Auditor has responsibility for the IJB’s internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service operates in accordance with the CIPFA “*Public Sector Internal Audit Standards 2017*”.

Introduction of Financial Management Code (FM Code)

A high level assessment of the IJB’s compliance with the 17 standards set out in the FM code has been completed by management and It has been determined that the IJB is compliant with all standards through existing governance arrangements.

Issues and Actions

The following issues and related action plans are highlighted specific areas of concern:

Significant Governance Issue	Responsible Officer	Mitigating actions already in place	Proposed Action	Target Date
Waiting Times Performance in Psychological Therapies	Head of Mental Health Services NHSS	Additional resources within Psychological Therapies Service (PTS). Group work for identified individuals on waiting list. Monthly routine engagement meetings with Scottish Government representatives.	Occupational Therapist to be recruited to PTS. Brief Behavioural Activation to be re-introduced once identified staff trained.	March 2023
Management of Cash and Belongings in Community Health and Social Care Services	Executive Manager, Community Care Resources SIC Executive Manager, Adult Services SIC Executive Manager, Finance SIC	Petty cash procedures under review and update almost complete.	Petty cash procedures finalised. Review of Hansel fund procedures. Develop procedure for management of service users’ personal belongings. Training provided for all staff. Ensure procedures adhered to consistently across Directorate.	September 2022
Business Continuity (BC) Arrangements in NHSS	Resilience and Business Continuity Officer	A Business Continuity Officer is in post and has initiated the BC Management System. The BC Advisor is suitably training to Business Continuity Institute (BCI) standards A BC Policy is passing through staff governance channels for ratification. A Business Impact Assessment (BIA) tool has been introduced.	Creation of a training plan relating to all staff with suitable packages Creation of an exercising schedule Embedding of the BIA/Business Continuity Planning (BCP) system via ongoing training and support/awareness raising Reminders to all staff of BCP annual requirements/or if operational circumstances have changed.	December 2022
Statutory and Mandatory Training	Learning & Development Manager NHSS	Guidelines for Statutory and Mandatory Training were	Compliance reporting is a standing item on Staff	September 2022

Shetland Islands Integration Joint Board

Arrangements in NHSS		approved at Staff Governance Committee on 29 June 2022. This document provides guidance on roles and responsibilities, reporting arrangements, monitoring and a process for the introduction and review of new and existing statutory and mandatory training.	Governance Committee agenda. First meeting of Mandatory Training Review Group (MTRG) is due to take place in September 2022. Staff Development department has provided further information to managers on how to monitor staff compliance via Turas Learn, the NHS eLearning platform.
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The National Care Service (NCS) poses a significant risk to the current IJB 'body corporate' however until the arrangements are finalised the IJB will continue as going concern. This approach is supported by Practice Note 10 issued by Financial Reporting Council - 'If a body is to be discontinued, but its functions are to be transferred elsewhere in the public sector (e.g., the body is merging with another existing body, or the functions are being transferred to another public body), the going concern basis of accounting is still expected to be appropriate'.

There are no significant issues in regards to the internal control environment operating during the year but in line with our culture of continuous improvement the [IJB Audit Action Plan](#) will be progressed during 2022/23. Regular updates will be presented to the IJB Audit Committee during the year.

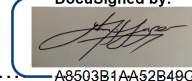
Assurance

Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement.

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Brian Chittick
 Chief Officer
 29 September 2022

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John Fraser
 Chair
 29 September 2022

Shetland Islands Integration Joint Board

Remuneration Report

Introduction

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

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the Financial Statements.

Remuneration: IJB Chair and Vice Chair

The voting Members of the Integration Joint Board comprise three persons appointed by NHSS, and three persons appointed by the SIC. Nomination of the IJB Chair and Vice Chair post holders alternates between a SIC Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board Members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The Chair and Vice Chair did not receive any taxable expenses paid by the IJB in 2021/22 or 2020/21.

The IJB does not have responsibilities, in either 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.

Remuneration: Officers of the IJB

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief

Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

The Chief Officer, is employed by NHSS but this is a joint post with SIC, with 50% of their cost being recharged to the SIC. Performance appraisal and terms and conditions of service are in line with NHS Scotland circulars and continuity of service applies. Formal line management is provided through the Chief Executive, NHSS, but the Director of Community Health and Social Care is accountable to both the Chief Executive of NHSS and the Chief Executive of SIC.

Brian Chittick was Interim Chief Officer during the period from 1 April 2021 to 31 July 2021. On 1 August 2021, he was appointed substantively as Chief Officer and has remained in post to 31 March 2022.

Interim Depute Chief Officer

The Interim Depute Chief Officer is employed by SIC. The cost of the Interim Depute Chief Officer was paid by SIC and reclaimed via the IJB Mobilisation Plan from the Scottish Government. The salary of senior employees of the SIC is set by reference to national arrangements and agreements. Performance appraisal and terms and conditions of service are in line with SIC policies and procedures. Formal line management is provided through the Chief Executive, SIC, but the Director of Community Health and Social Care/Interim Depute Director of Community Health and Social Care is accountable to both the Chief Executive of NHSS and the Chief Executive of SIC.

Jo Robinson was Interim Depute Chief Officer during the period from 1 April 2021 to 31 March 2022, which continued to allow additional support to the Chief Officer which was crucial in responding to the Covid-19 Pandemic.

Other Officers

No other staff are appointed by the IJB under a similar legal regime and no other non-voting board Members of the IJB meet the criteria for disclosure. All Partnership officers are employed by either NHSS or SIC, and remuneration to senior staff is reported through the employing organisation.

Shetland Islands Integration Joint Board

The IJB approved the appointment of the Chief Financial Officer at its meeting on 20 July 2015. The role of Chief Financial Officer for the IJB is

carried out by the NHSS Head of Finance & Procurement, Karl Williamson, with NHSS meeting his full cost.

Disclosure by Pay Bands (subject to audit)

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

Remuneration (subject to audit)

The Chief Officer and Interim Depute Chief Officer received the following remuneration during 2021/22:

Senior Employees	Designation	2021/22	2020/21
		*Total Remuneration £	*Total Remuneration £
Brian Chittick	Interim Chief Officer/Chief Officer	103,810	76,756
Jo Robinson	Interim Depute Chief Officer	66,826	78,541

*consists of salary, fees and allowances, with no expenses/benefits in kind/other payments.

Total remuneration for 2021/22 has been apportioned based on the period each senior employee was in appointment.

The full time equivalent value for total remuneration for the Chief Officer for 2021/22 is £103,810 (2020/21: £106,931). Please note that Brian Chittick became Interim Chief Officer on 13 July 2020, hence his actual remuneration was lower in 2020/21.

The full time equivalent value of total remuneration for the Interim Depute Chief Officer for 2021/22 is £72,222 (2020/21: £70,380). Please note that Jo Robinson acted up as Interim Chief Officer from 1 April to 12 July 2020, hence her actual remuneration was higher in 2020/21.

Pension benefits (subject to audit)

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 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 table below shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

The Chief Officer participates in the National Health Service Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations.

The Interim Depute Chief Officer participates in the Local Government Pension Scheme (LGPS) which is a funded pension scheme that receives contribution payments from both Scheme members and participating employers. From 1 April 2015, the Pension Scheme moved to a career average related earnings scheme for all scheme members.

Shetland Islands Integration Joint Board

Pension entitlements for the Chief Officer and the Interim Depute Chief Officer for the year to 31 March 2022 are shown in the table below, together with the contribution made to this pension by the employing body.

The pension entitlement of Brian Chittick for 2021/22 is reported jointly for the post of Interim Director of Community Health and Social Care and Interim Medical Director NHSS.

The pension entitlement of Jo Robinson for 2021/22 is reported jointly for the post of Interim

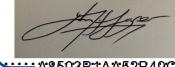
Director of Community Health and Social Care and Depute Director of Community Health and Social Care.

It is not possible to separate out the pension attributable to individual posts held by the officers during 2021/22, so their respective full entitlements are disclosed in the following table.

Name of Senior Official	Designation	In-Year Employer Pension Contributions		Accrued Pension Benefits			
		2021/22 £	2020/21 £	As at 31 March 2022		Increase from 31 March 2021	
				Pension £	Lump Sum £	Pension £	Lump Sum £
Brian Chittick	Interim Chief Officer/Chief Officer	20,924	21,894	13,978	0	2,469	0
Jo Robinson	Interim Depute Chief Officer	13,804	16,337	24,425	26,143	(2,387)	(6,853)

DocuSigned by:

 1BC2BD353D20447.....
 Brian Chittick
 Chief Officer
 29 September 2022

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 John Fraser
 Chair
 29 September 2022

Shetland Islands Integration Joint Board

Statement of Responsibilities for the Annual Accounts

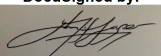
The Integration Joint Board's Responsibility

The Integration Joint Board is required to:

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

I can confirm that these Annual Accounts were approved for signature by the Integration Joint Board on 29 September 2022.

Signed on behalf of Shetland Integration Joint Board.

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John Fraser
Chair
29 September 2022

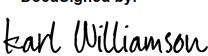
The Chief Financial Officer's Responsibilities

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

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).
- Kept adequate accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Integration Joint Board at the reporting date and the transactions of the Integration Joint Board for the year ended 31 March 2022

DocuSigned by:

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Karl Williamson
Chief Financial Officer
29 September 2022

Shetland Islands Integration Joint Board

Independent auditor's report to the Members of Shetland Islands Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Shetland Islands Integration Joint Board for the year ended 31 March 2022 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 any other disclosures presented as financial statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the body as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities

under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is 6 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Shetland Islands Integration Joint Board

Responsibilities of the Chief Financial Officer and Shetland Islands Integration Joint Board 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.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The Shetland Islands Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- considering the nature of the body's control environment and reviewing the body's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired with management, internal audit and those charged with governance about their own identification and assessment of the risks of irregularities;
- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, the Local Government in Scotland Act 2003 and the Public Bodies (Joint Working) Scotland Act 2014.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty.

Shetland Islands Integration Joint Board

These included the Data Protection Act 2018.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of the performing the above, we identified the greatest potential for fraud was in relation to the completeness and accuracy of the contributions received from the Health Board and the Council. The risk is that the partner bodies do not pass on any additional funding due. In response to this risk, we tested the income recognised to ensure that the correct contributions have been received in accordance with that agreed as part of the budget process.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

We have audited the part of the Remuneration Report described as audited. In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Financial Officer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material

Shetland Islands Integration Joint Board

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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

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

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or

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

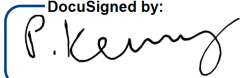
We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

DocuSigned by:

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Pat Kenny, CPFA (for and on behalf of Deloitte LLP)
110 Queen Street
Glasgow
G1 3BX
United Kingdom

29 September 2022

Shetland Islands Integration Joint Board

Comprehensive Income and Expenditure Statement for year ended 31 March 2022

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2020/21 Gross Expenditure £000	2020/21 Gross Income £000	2020/21 Net Expenditure £000	Notes	2021/22 Gross Expenditure £000	2021/22 Gross Income £000	2021/22 Net Expenditure £000
31,171	-	31,171	Health Services	35,222	-	35,222
25,440	-	25,440	Social Care Services	28,151	-	28,151
30	-	30	Corporate Services	31	-	31
56,641	-	56,641	Cost of Services	63,404	-	63,404
-	(57,861)	(57,861)	Taxation and Non-Specific Grant income 4	-	(65,522)	(65,522)
56,641	(57,861)	(1,220)	Surplus on Provision of Services	63,404	(65,522)	(2,118)
		(1,220)	Total Comprehensive Income and Expenditure			(2,118)

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from Partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement (CIES). Consequently, an Expenditure and Funding Analysis is not provided in these Annual Accounts.

Shetland Islands Integration Joint Board

Movement in Reserves Statement

This statement shows the movement in the year on the reserves held by the IJB.

2021/22	General Fund Balance £000
Balance at 1 April 2021	(2,198)
Total Comprehensive Income and Expenditure	(2,118)
Increase in 2021/22	(2,118)
Balance at 31 March 2022	(4,316)

Comparative movements in 2020/21	General Fund Balance £000
Balance at 1 April 2020	(978)
Total Comprehensive Income and Expenditure	(1,220)
Increase in 2020/21	(1,220)
Balance at 31 March 2021	(2,198)

Shetland Islands Integration Joint Board

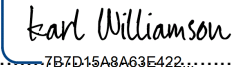
Balance Sheet as at 31 March 2022

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the IJB. The net assets of the IJB (asset less liabilities) are matched by the reserves held.

As at 31 March 2021 £000	Notes	As at 31 March 2022 £000
2,198	5	4,316
2,198	Other Current Assets	4,316
2,198	Current Assets	4,316
2,198	Net Assets	4,316
	Represented by:	
2,198	6	4,316
	Usable Reserves: General Fund	
2,198	Total Reserves	4,316

The Unaudited Financial Statements were issued on 23 June 2022 and the Audited Financial Statements were authorised for issue by Karl Williamson on 29 September 2022.

The Annual Accounts presents a true and fair view of the financial position of the Integration Joint Board as at 31 March 2022 and its income and expenditure for the year then ended.

DocuSigned by:

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 Karl Williamson
 Chief Financial Officer
 29 September 2022

Shetland Islands Integration Joint Board

Notes to the Primary Financial Statements

Note 1: Critical Judgements and Estimation Uncertainty

There are no material critical judgements or sources of estimation uncertainty included in the Financial Statements.

Note 2: Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Financial Officer on 29 September 2022. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Events taking place after this date are not reflected in the financial statements or notes.

The Covid-19 Pandemic has had a substantial impact on IJB services and financial sustainability. The impact on the IJB will continue to be monitored during 2022/23 with projected costs reported to the Scottish Government quarterly. At this stage it is anticipated that all additional Covid-19 costs incurred in 2022/23 will be fully funded by ear-marked funding carried-forward in the IJB Reserve.

Note 3: External Audit Costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

2020/21 £000		2021/22 £000
27,330	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year.	27,960
27,330		27,960

Note 4: Taxation and Non-Specific Grant Income

2020/21 £000		2021/22 £000
23,205	Funding contribution from Shetland Islands Council	25,112
29,938	Funding contribution from NHS Shetland	33,187
4,718	Other Non-ringfenced grants and contributions	7,223
57,861	Total	65,522

The funding contribution from NHSS shown above includes £8.577m (2020/21: £6.415m) in respect of 'set aside' resources. These are provided by NHSS which retains responsibility for managing the costs of providing the services. The IJB has responsibility for the consumption of, and level of demand placed on these resources.

Other non-ring fenced grants and contributions represents Scottish Government funding provided for the IJB. As the IJB does not have its own bank account, this funding was paid to NHSS as part of their annual funding settlement and transferred to the IJB by NHSS, together with their funding contribution.

Note 5: Other Current Assets

As at 31 March 2021 £000		As at 31 March 2022 £000
169	Shetland Islands Council	510
2,029	NHS Shetland	3,806
2,198	Total	4,316

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

The IJB does not have a bank account. Underspends recorded by SIC and NHSS that are carried forward are therefore held in their own bank accounts and reflected as Other Current Assets by the IJB.

Shetland Islands Integration Joint Board

Note 6: 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; and
- to provide a contingency fund to cushion the impact of unexpected events or emergencies.

2020/21 Total Usable Reserve £000	General Fund	2021/22 Earmarked Reserve £000	2021/22 Non- Earmarked Reserve £000	2021/22 Total Usable Reserve £000
(978)	Balance at 1 April 2021	(1,634)	(564)	(2,198)
(92)	Transfers in: Underspend in Scottish Government Additionality Funding	-	(53)	(53)
(1,429)	Underspend in Specific NHSS Funding (including Covid-19 Funding)	(2,879)	-	(2,879)
(2,499)	Sub-total	(4,513)	(617)	(5,130)
301	Transfers out: Draw on Reserve in year	756	58	814
(2,198)	Balance at 31 March 2022	(3,757)	(559)	(4,316)

Note 7: Related Party Transactions

The IJB has related party relationships with the SIC and NHSS. 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.

The funding contributions made by the SIC and NHSS are detailed in Note 4. The debtor balances of the SIC and NHSS with the IJB as at 31 March 2022 are detailed in Note 5.

Full expenditure detailed in the CIES on Health Services and Social Care Services was provided by NHSS and SIC, respectively.

SIC and NHSS provide support services to the IJB. These costs are not recharged to the IJB.

Note 8: Accounting Standards Issued and Adopted in Year

There are no accounting standards issued and adopted that impact on the IJB.

Note 9: Accounting Standards Issued but not yet Adopted

There are no accounting standards issued but not yet adopted that impact on the IJB.

Note 10: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the IJB's transactions for the 2021/22 financial year and its position as at 31 March 2022.

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 Act 1973 and as such is required to prepare its annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the Financial Statements is historical cost. The accounts have been prepared on a going concern basis, on the premise that its functions and services will continue in existence for the foreseeable future.

The Chief Financial Officer undertook an assessment of going concern in April 2022 seeking assurance from Shetland Islands Council and NHS Shetland with regard to future financial contributions. It was concluded that there is no material uncertainty regarding going concern and continued service presumption.

B Accruals of income and expenditure

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Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed, but where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- Where revenue 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. Where debts may not be settled, the balance of debtors is written down and a change made to the CIES for the income that might not be collected.

C Funding

The IJB is primarily funded through funding contributions from the statutory funding Partners, SIC and NHSS. Expenditure is incurred as the IJB commissions specified health and social care services from the funding Partners for the benefit of service recipients in Shetland.

D 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 2022 is represented as a debtor or creditor on the IJB's Balance Sheet.

E 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.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangement are provided in the Remuneration Report. Charges from the employing partner are treated as employee costs.

F Reserves

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

The IJB Reserve includes an earmarked element which is set aside for a specific purpose in line with the IJB's Reserves Policy.

G Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member or officer responsibilities. NHSS and SIC have responsibility for claims in respect of the services that they are statutorily 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 the CNORIS scheme is therefore analogous to normal insurance arrangements.

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

H Events after the Balance Sheet

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the annual accounts are authorised for issue.

Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period, whereby the annual accounts are adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period, whereby the annual accounts are not adjusted to reflect such events; where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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I VAT

The IJB is not VAT registered and does not charge VAT on income or recover VAT on payments. Any VAT incurred in the course of activities is included within service expenditure in the accounts.

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Glossary

While the terminology used in the Annual Accounts is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received overpaid.

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A noncurrent asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CLS

Community Led Support

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme.

COLSA

Convention of Scottish Local Authorities.

CPP

Community Planning Partnership

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the

accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

FRC

Financial Reporting Council

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

HSCP

Health and Social Care Partnership

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

LASAAC

Local Authority (Scotland) Accounts Advisory Committee.

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in

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the future or will be paid off by an annual sum over a period of time.

LOIP

Local Outcomes Improvement Plan.

MTFP

Medium Term Financial Plan.

PMF

Performance Management Framework.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far these sums are chargeable to UK income tax) and

the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

SSSC

Scottish Social Service Council.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom.

TURAS

Turas Learn – the NHS eLearning platform

VTP

Vaccination Transformation Programme

Certificate Of Completion

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Certificate Pages: 2	Initials: 0
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Time Zone: (UTC) Dublin, Edinburgh, Lisbon, London	Head office
	1 New Street Square
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Signer Events	Signature	Timestamp
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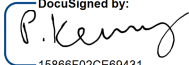
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John Fraser John.Fraser@shetland.gov.uk Security Level: Email, Account Authentication (None)	<p>DocuSigned by:</p>  <p>A8503B1AA52B49C...</p> <p>Signature Adoption: Uploaded Signature Image Using IP Address: 212.219.242.166</p>	<p>Sent: 9/29/2022 5:15:48 PM</p> <p>Viewed: 9/30/2022 9:36:07 AM</p> <p>Signed: 9/30/2022 5:31:08 PM</p>
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In Person Signer Events

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Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/29/2022 5:15:48 PM
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