



**FALKIRK INTEGRATION JOINT BOARD
UNAUDITED ANNUAL ACCOUNTS 2015/16**

Annual Accounts 2015-2016

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Annual Accounts 2015-2016

1. Management Commentary

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of health and adult social care in Scotland, to be governed by Integration Joint Boards (IJBs).

Following approval from Falkirk Council and the Forth Valley Health Board (NHS Forth Valley), the Falkirk Integration Scheme, the formal legal partnership agreement between the two parent organisations, was submitted to the Scottish Ministers on 24 June 2015. On 3 October 2015 Scottish Ministers legally established Falkirk Integration Joint Board. The IJB is responsible for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.

As health and social care functions in Falkirk were not formally delegated to the IJB until 1 April 2016, 2015/16 was a 'Shadow Year' to allow the IJB to undertake the necessary preparations for local implementation of integrated health and social care services.

This publication contains the financial statements for the first year or 'Shadow Year' of Falkirk Integration Joint Board for the year ended 31 March 2016.

Principal Activities

Over the shadow year, in anticipation of health and social care functions being formally delegated to the IJB on 1 April 2016, the IJB's principal role has been ensuring the necessary processes, policies and plans are in place to allow local implementation of integrated health and social care services in terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and to deliver on the commitments set out within the Integration Scheme.

During 2015/16 the key activities of Falkirk Integration Joint Board included:

- Appointment of its permanent Chief Officer and Interim Chief Finance Officer to lead integrated services and manage the joint budget
- Establishing a Strategic Planning Group (SPG) to ensure the interests of different local stakeholder groups are represented in relation to health and social care services within the strategic planning process
- Development of its Strategic Plan as further described below.
- Putting in place sound financial governance and assurance arrangements for the IJB in line with national guidance
- Carrying out a due diligence process to consider the social care budget being delegated from the Council and health budget delegated from NHS Forth Valley to the IJB from 1 April 2016, in order for the IJB to carry out its delegated functions, and to meet anticipated levels of demand to ensure the HSC Partnership can proceed on a basis where expenditure trends, financial pressures and resource constraints are as well understood as possible.
- Preparation to manage the delegation of the prescribed functions to the IJB from 1 April 2016
- Issuing of Directions to Falkirk Council and NHS Forth Valley for their respective delegated functions from 1 April 2016, as set out in Falkirk's Integration Scheme. The Directions are the mechanism by which the IJB instruct the constituent authority to carry out the delegated functions. These documents set out how the IJB expect the constituent bodies to deliver each function, and spend IJB resources, in line with the Strategic and Financial Plans.

On 1 April 2016 health and social care functions in Falkirk were formally delegated to the Integration Joint Board. The 'in scope' adult social services have transferred into the management structure of the Falkirk HSCP. The 'in scope' health services remain within the operational management of NHS Forth Valley, including those within the new Community Services Directorate.

Falkirk Health and Social Care Partnerships Strategic Plan

The IJB approved the strategic plan for 2016-19 at its March 2016 meeting. The strategic plan sets out the Partnerships strategic vision **“To enable people to live full, independent and positive lives within supportive communities”**.

The key issues for the Falkirk area detailed in the Strategic Plan are:

- there is an ageing population
- there are growing numbers of people living with long term conditions, multiple conditions and complex needs
- early intervention and prevention can make a difference
- carers support
- workforce
- deprivation, housing and employment

The plan details how the partnership will prioritise services in response to the key issues for the Falkirk area and is supported by a Joint Strategic Needs Assessment (JSNA).

The Annual Accounts 2015/16

The Annual Accounts report the financial performance of the IJB. The main purpose of the Accounts is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the IJB's vision and its core objectives. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2015/16 Accounts have been prepared in accordance with this Code and the Local Authority Accounts (Scotland) Regulations 2014.

IJBs are required to account for their income and expenditure in a way which complies with their legislative responsibilities.

Performance

The IJB is embedding a performance management culture throughout the Partnership. Over the next year we will work towards creating a framework of performance information which will analyse data, track progress and identify action to be taken as required. Regular performance management reports will be provided to the IJB, The Strategic Planning Group (SPG) and management teams.

The Partnership also embraces scrutiny including external inspection and self-assessment, and, in addition, benchmarking will be used to compare our performance with other organisations to support change and improvement.

Financial information will be part of this performance management framework with regular reporting of financial performance to the IJB.

Financial Outlook, Risks and Plans for the Future

On 1 April 2016 health and social care functions in Falkirk were formally delegated to the IJB. The Board has a significant financial challenge ahead to deliver better outcomes for service users, carers and communities in a climate of growing demand with limited resources.

Additional funding of £250m was allocated by the Scottish Government for Health and Social Care Partnerships for 2016/17 to help address cost pressures in social care including the impact of changes in demography and implementation of the Living Wage from 1 October 2016.

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

In addition to economic performance, other factors will influence the availability of funding for the public sector including local government elections, the Commission on Local Tax Reform, the outcome of the EU referendum, financial powers arising from the Scotland Act 2012, recommendations arising from the Smith Commission,

the introduction of a Single Tier Pension Scheme in 2016 and the demographic challenges that Falkirk is facing.

The most significant risks faced by the IJB over the short and medium to longer term can be summarised as follows:

- increasing demand for health and social care services linked to an ageing population and a growing population living with long term conditions, multiple conditions and complex needs
- the health inequalities between the affluent and more deprived areas and the challenges of deprivation, housing and employment
- the wider financial environment, with further budget pressures anticipated in future years
- the need to maintain and improve the quality of services and improve outcomes for service users, carers and communities
- workforce challenges including the an ageing workforce and issues around recruitment and retention of elements of the health and social care workforce
- the development of an effective operational management structure to enable the Chief Officer to provide the IJB with assurance on the delivery of the budget recovery plan, and performance on the Strategic Plan.

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

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

This will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our community. This will mean that the IJB can address the challenges faced.

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

Conclusion

In this shadow year, 2015/16, the Partnership has successfully prepared for the delegation of functions on 1st April 2016.

Going forward, Falkirk HSC Partnership has a significant financial challenge ahead to deliver better outcomes for its service users, in line with its Strategic and Financial Plans, in a climate of growing demand with limited resources.

In order to achieve, this we must identify and implement more innovative ways to deliver customer focused services cost effectively, by driving service improvement and organisational change within the Partnership through a structured approach to managing change, optimising the use of change and improvement competencies and developing and sharing best practice throughout the Partnership. We will work with staff, managers, services and partners to lead and support service redesign reviews, to identify and implement innovative, cost effective and customer focused service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Plan within resources available.

Where to Find More Information

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

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

Councillor Allyson Black
IJB Chair
XX September 2016

Patricia Cassidy
Chief Officer
XX September 2016

Ewan C. Murray
Chief Finance Officer
XX September 2016

2. Annual Governance Statement

Introduction

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use. In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes systems of internal control. These are designed to manage risk to a reasonable level, but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

During 2015/16 the Falkirk Integration Joint Board was operating within a governance framework suitable for the implementation phase of the Integration Joint Board and was also developing governance frameworks for the period when the Integration Joint Board becomes operational from 1st April 2016. On that basis the governance statement is set out to describe the position in terms of the 2015/16 governance framework and the work undertaken to prepare for 2016/17, an assessment of where we are now, and an indication of the areas for further development in our governance.

2015/16 Governance Framework

The IJBs governance framework for 2015/16 was built around the following:-

- The appointment of a permanent Chief Officer in December 2015 and an Interim Chief Finance Officer in February 2016
- Regular meetings of the Integration Joint Board (Transitional Board from January 2015 to September 2015) and then formally constituted from October 2015
- The establishment of and regular meetings of a Strategic Planning Group throughout the year to develop the IJB's Strategic Plan
- Appointment of Internal Auditors for financial year 2015/16 (Fife, Tayside and Forth Valley Management Services or FTF)
- Appointment of External Auditors for financial year 2015/16 (Audit Scotland)
- Completion of a financial assurance process regarding proposed devolved budgetary resources.

Preparation for 2016/17

- In October 2015, the Scottish Government approved the IJB's Integration Scheme thus formally constituting the Partnership with intention of it being responsible for services from 1st April 2016.
- In March 2016, the IJB Board approved a Strategic Plan that is the main document determining the direction of the IJB for period 2016-2019. The approval

of the Strategic Plan and agreement of the initial 2016/17 budget allowed compilation of Falkirk IJB's Annual Financial Statement setting out the available budgets.

- The IJB has approved a series of documents and actions that will aid its governance from 2016/17 as follows:-
 - Financial regulations
 - Standing Orders
 - Code of Conduct and Appointment of a Standards Officer
 - Agreeing the establishment of an Audit Committee
 - Directions to Partners
 - Complaints Handling
 - Performance Framework
 - Risk Management Strategy and Strategic Risk Register
 - Clinical and Care Governance Framework
 - Internal Audit Plan (FTF)
 - Integrated Workforce Plan

As these agreements have been reached so a number of them will be reviewed in coming year to ensure they remain fit for purpose as the IJB's role develops.

Assessment of Arrangements for 2016/17

The process of developing the IJB's governance framework was ongoing throughout 2015/16 and this will continue into 2016/17. The IJB has also undertaken a review of its overall governance framework using a self assessment checklist compiled by the IJB's 2015/16 Internal Auditors.

The IJB will also undertake to consider self-assessment checklists included in Audit Scotland audits of Health and Social Care Integration published in December 2015 and March 2016.

Developments in 2016/17

There are a number of areas of development required in 2016/17, many of these follow on from work already undertaken or will flow from Internal Audit recommendation or the outcomes of other assessments. The developments will include:-

- Initial meetings of Audit Committee
- Establishment of a Leadership Group and development of Joint Management Arrangements
- Development of a Strategic Risk Register
- Approval of 2016/17 Internal Audit plan
- Development of Performance Management Arrangements in line with the agreed framework
- Progressing Clinical and Care Governance arrangements in line with the agreed framework

- Approval of SASPI (Scottish Accord in the Sharing of Personal Information) protocols
- The IJB will seek to address any gaps in governance identified by the Internal Audit of the self –assessment.

While there remain a number of areas of governance that are work in progress, it is the view of the IJB Chief Officer and Chairperson that at the end of March 2016 the progress with governance arrangements was sufficient to allow the IJB to successfully take on its agreed responsibilities. It is also the accepted position of the Chief Officer and Chairperson that a number of reviews and revisions will be required to IJB Governance arrangements during 2016/17.

Management of Risk

Throughout 2015/16 the IJB has monitored the risk associated with the implementation phase of Health and Social Care Integration via a Forth Valley wide Programme Board. This included reviewing risks associated with financial governance issues, partnership development, and reporting frameworks.

The IJB has agreed a strategic risk register and this will form the basis of risk management and monitoring arrangements going forward.

A significant Financial Assurance process was undertaken during 2015/16. This process reviewed the resources being devolved to the IJB and sought to assess the adequacy of the proposed devolved budgets. This process was reviewed by Falkirk IJB's Internal Auditors and their formal report noted:-

“ In conclusion, we are content that our due diligence work has confirmed that, in setting the 2016/17 budget for the Integration Joint Board, the Council has been consistent with the requirements of Section 3.2.1 of the Integration Financial Assurance guidance.”

We can provide assurance that, in our opinion, the process undertaken to agree the health allocation base budget for 2015/16 has been sufficiently robust and the methodology used sound.”

The most significant financial risks faced by the IJB over the short and medium term are deliverability of devolved savings targets and financial pressures from NHS Forth Valley and Falkirk Council, the historic overspend in the Adult Social Care budget, the cost associated with increasing demand for health and social care services largely driven by changing demography, the financial implications of the implementation of the Living Wage within the context of the initial 2016/17 budget settlement and risks associated with Partnership Funds (funds received from the Scottish Government) in future years.

Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Falkirk IJB's systems of governance and that the development of governance arrangements to date demonstrates compliance with generally accepted standards of good corporate governance. It is also noted that the IJB fully expects to review and continue to develop its systems of governance during 2016/17 to reflect developments in 2016/17 and further shared learning as part of a process of continuous improvement.

Councillor Allyson Black
IJB Chair
XX September 2016

Patricia Cassidy
Chief Officer
XX September 2016

3. Remuneration Report

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No. 2014/200) require local authorities and IJBs in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

Voting Board Members

Voting IJB members constitute councillors nominated as board members by constituent authorities and NHS representatives nominated by the NHS Board. The voting members of the Falkirk IJB were appointed through nomination by NHS Forth Valley and Falkirk Council.

Voting board members do not meet the definition of a 'relevant person' under legislation. However, in relation to the treatment of joint boards, Finance Circular 8/2011 states that best practice is to regard Convenors and Vice-Convenors as equivalent to Senior Councillors. The Chair and Vice Chair of the IJB should therefore be included in the IJB remuneration report if they receive remuneration for their roles, for Falkirk IJB, neither the Chair or Vice Chair receive remuneration for their roles.

The IJB does not pay allowances or remuneration to voting board members; voting board members are remunerated by their relevant IJB partner organisation.

For 2015/16 no voting board members received any form of remuneration from the IJB.

IJB Chief Officer

The appointment of an IJB Chief Officer is required by section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. The IJB is not however empowered to directly employ the Chief Officer; therefore the contract of employment must be with one of the partner organisations. Given the specific legal requirement to appoint a Chief Officer and the special legal regime that applies to the employment contract arrangements, for the purposes of the Remuneration Report, the IJB Chief Officer should be regarded as an employee of the IJB.

For Falkirk IJB, the Chief Officer is therefore treated as an employee of the IJB, although their contract of employment is with Falkirk Council. The statutory responsibility for employer pension liabilities sits with Falkirk Council as the employing partner organisation. There is therefore no pension liability reflected on the IJB balance sheet for Falkirk IJB's Chief Officer.

During 2015/16 the IJB commissioned Interim Chief Officer services via a service agreement with NHS Lothian. This arrangement ended in December 2015. The cost of this arrangement was £0.023m.

Senior Officers

Other officers and staff are not regarded as employees of the IJB and are employed through either NHS Forth Valley or Falkirk Council.

The annual salaries and pension entitlement of the Chief Officer is shown in the following tables.

2014/15 Total	Name and Post Title	Taxable Salary	2015/16 Other Fees and Allowances	Total Earnings In Year
£		£	£	£
n/a	Chief Officer : P Cassidy (Start Date 14/12/2015)	30,507	0	30,507

The pension entitlement for the Chief Officer for the year to 31 March 2016 is shown in the table below, together with the contribution made by Falkirk Council to the pension during the year.

Name and Post Title	Accrued Pension Benefits as at 31 March 2016		Change in Accrued Pension Benefits since 31 March 2015		In Year Pension Contribution For Year to 31 March 2016
	Pension £	Lump Sum £	Pension £	Lump Sum £	
Chief Officer : P Cassidy	1,000	0	n/a	n/a	£ 6,407

Joined Fund December 2015: Transfer Values Being Investigated

4. Statement of Responsibilities for the Annual Accounts

The Integration Joint Board's Responsibilities

The IJB is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The Chief Finance Officer has been designated as that officer for the Joint Board.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- approve the Annual Accounts for signature.

I confirm that the audited Annual Accounts were approved for signature at a meeting of the Integration Joint Board Audit Committee on XX September 2016

Councillor Allyson Black..... IJB Chair

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper accounting 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 this Statement of Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Integration Joint Board at the reporting date and the transactions of the IJB for the year ended 31 March 2016.

Ewan C. Murray
Chief Finance Officer
30 June 2016

5. Independent Auditor's Report

Independent Auditor's report to the members of Falkirk Integration Joint Board and the Accounts Commission for Scotland

Under arrangements approved by the Commission for Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the annual accounts of Falkirk IJB for the year ended 31 March 2016 is:

Fiona Mitchell Knight
Assistant Director
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT

Statement

The audit of the IJB's Accounts for 2015/16 is not yet complete i.e. the figures are "subject to audit". The certified Accounts will be presented to Falkirk Integration Joint Board's Audit Committee for approval post audit on {DATE TO BE AGREED}.

6. The Statement of Accounts

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Integration Joint Board during the year. It includes, on an accruals basis, all of the Integration Joint Board's day-to-day expenses and related income.

2014-2015				2015-2016			
Gross Expenditure £m	Gross Income £m	Net Expenditure £m		Note	Gross Expenditure £m	Gross Income £m	Net Expenditure £m
n/a	n/a	n/a	Corporate and Democratic Core		0.072	0.072	-
n/a	n/a	n/a	(Surplus) or deficit on the provision of services		0.072	0.072	-
n/a			Total Comprehensive Income and Expenditure		-		

Balance Sheet

The balance sheet shows the value as at 31 March 2016 of the assets and liabilities recognised by the Integration Joint Board. The net assets of the Integration Joint Board are matched by the reserves held by the Integration Joint Board.

31 March 2015 £m		Note	31 March 2016 £m	
n/a	Short-term Debtors	4	0.005	
n/a	Current Assets		0.005	
n/a	Short-term Creditors	5	(0.005)	
n/a	Current Liabilities		(0.005)	
n/a	Net Assets		-	
n/a	Useable Reserves			
n/a	Total Reserves		-	

The unaudited accounts were issued on 30 June 2016

Ewan C. Murray
Chief Finance Officer

7. Notes to the Financial Statements

Note 1 Accounting Policies

The Financial Statements for the year ended 31 March 2016 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice, supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the IJB and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations. The accounts have been prepared under the historic cost convention and on a going concern basis.

Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted.

Events taking place after the date of authorisation for issue are not reflected in the Statements.

Prior Period Adjustments

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

Where there has been a change in accounting policy, that change will be applied retrospectively. Where there has been a change in accounting estimate, that change will be applied prospectively. Where a material misstatement or omission has been

discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

Provisions

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year.

Reserves

Reserves are created by appropriating amounts out of the revenue balances. When expenditure to be financed from a reserve is incurred it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement

VAT

VAT payable is included as an expense to the extent that it is not recoverable from HMRC. The costs reflected in the Comprehensive Income and Expenditure Statement have been adjusted with regards to the Special Legal Regime applying to Chief Officers under Section (10)1 of the Public Bodies (Joint Working) (Scotland) Act 2014. This deems the transactions relating to Chief Officers to be outside the scope of VAT.

Note 2 Accounting Standards Issued not Adopted

The code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/17 code:

1. Amendment to IAS1 Presentation of Financial Statements (Disclosure Initiatives)
2. Changes to the format of the Comprehensive Income and Expenditure Statement

The code requires implementation from 1 April 2016 and there is no impact on the 2015/16 financial statements.

Note 3 Events after the balance sheet date

The Chief Finance Officer, being the officer responsible for the IJB's financial affairs, signed the unaudited Annual Accounts on 30 June 2016. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have

been adjusted in all material respects to reflect the impact of this information. There were no such events.

Note 4 Debtors

31 March 2015 £m		31 March 2016 £m
n/a	Related Parties: Constituent Authorities	0.005
n/a	Central Government Bodies	-
n/a	Other Local Authorities	-
n/a	Public Corporations and Trading Funds	-
n/a	HM Revenue and Customs	-
n/a	Other entities and individuals	-
<u>n/a</u>	Total Debtors	<u>0.005</u>

Note 5 Creditors

31 March 2015 £m		31 March 2016 £m
n/a	Related Parties: Constituent Authorities	-
n/a	Central Government Bodies	0.005
n/a	Other Local Authorities	-
n/a	Public Corporations and Trading Funds	-
n/a	HM Revenue and Customs	-
n/a	Other entities and individuals	-
<u>n/a</u>	Total Creditors	<u>0.005</u>

Note 6 Related parties

The IJB's related parties are those bodies or individuals that have the potential to control or significantly influence the IJB, or to be controlled or significantly influenced by the IJB, or where those individuals or bodies and the IJB are subject to common control. The IJB is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

Disclosure of this information allows readers to assess the extent to which the IJB might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with them.

All of the IJB's funding is provided by NHS Forth Valley and Falkirk Council.

Note 7 External audit costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2015/16 were £0.005m. There were no fees paid to Audit Scotland in respect of any other services.

Note 8 Contingent assets and liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a potential obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent assets or liabilities also arise where a provision would otherwise be made but, either it is not probable that an outflow of resource will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts when they are deemed to be material.

Clinical and Medical Negligence

Falkirk IJB provides clinical services to patients under the statutory responsibility of NHS Forth Valley. In connection with this, it is responsible for any claims for medical negligence arising from the services it commissions, up to a specific threshold per claim. For claims in excess of this threshold NHS Forth Valley and IJB are members of the 'Clinical Negligence and Other Risks Indemnity Scheme' (CNORIS). This is a risk transfer and financing scheme which was established in 1999 for NHS organisations in Scotland, the primary objective of which is to provide a cost effective risk pooling and claims management arrangement for those organisations which it covers.

The Regulations governing the CNORIS Scheme were amended on 3 April 2015 so that Integration Joint Boards and Local Authorities could apply to the Scottish Ministers to become members of the Scheme.

CNORIS provides indemnity to member organisations in relation to Employer's Liability, Public/ Product Liability and Professional Indemnity type risks (inter alia) no less wider than that generally available within the commercial insurance market. NHS Forth Valley (through CNORIS) and Falkirk Council (through AIG) already have relevant insurance cover in place. This will remain in place to cover the employees who are employed by and the services that are delivered by those organisations.

Falkirk IJB have joined the CNORIS scheme to cover for Board members at this stage with effect from 1 April 2016. The cost of this cover is presently set at £0.003m per annum per IJB.

The IJB are required to make provision for any claims notified by the NHS Central Legal Office according to the value and probability of settlement. Where a claim is not provided for in full, the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts provided for would be recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.