

West Lothian Integration Joint Board

2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for West Lothian Integration Joint Board and the Controller of Audit
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Key messages

2023/24 annual accounts

- 1 Audit opinions on the annual accounts of the West Lothian Integration Joint Board are unmodified.
- 2 The unaudited annual accounts and working papers were provided within the agreed timescale and were of a good standard.

Financial management

- 3 The budget set for 2023/24 was overspent by £0.9 million but a break-even position was achieved due to a one-off allocation of £0.3 million from NHS Lothian and £0.6 million from West Lothian Council.
- 4 Integration Joint Boards across Scotland continue to operate in a challenging environment. West Lothian IJB met the financial challenges through planned use of reserves to support expenditure. The reported deficit of £2.5 million reflects this planned use of reserves.
- 5 West Lothian Integration Joint Board has appropriate and effective financial management.

Financial sustainability

- 6 The Board approved an updated 2-year budget plan and a 4-year financial outlook in March 2024.
- 7 The updated 2-year budget plan projects a funding gap of £12.5 million for the 2 years to 2025/26. Saving measures have been agreed for £11.4 million to 2025/26, leaving a funding gap of £1.1 million for the 2-year budget.
- 8 The 4-year financial outlook shows an estimated budget gap of £31.0 million, with savings identified for the 2-year budget of £11.4 million, this leaves savings to be identified of £19.6 million by 2027/28.

Vision, leadership, and governance

- 9 Governance arrangements remain appropriate and support effective scrutiny, challenge and informed decision making.

Use of resources to improve outcomes

- 10** West Lothian Integration Joint Board has effective arrangements for managing and reporting performance.
- 11** Appropriate arrangements remain in place to secure Best Value.

Introduction

1. This report summarises the findings from the 2023/24 annual audit of West Lothian Integration Joint Board (West Lothian IJB). The scope of the audit was set out in an Annual Audit Plan presented to the March 2024 meeting of the Audit, Risk and Governance Committee. This Annual Audit Report comprises:

- significant matters arising from an audit of West Lothian IJB's annual accounts
- conclusions on the following wider scope areas that frame public audit as set out in the current [Code of Audit Practice](#):
 - Financial Management
 - Financial Sustainability
 - Vision, Leadership, and Governance
 - Use of Resources to Improve Outcomes.
- conclusions on West Lothian IJB's arrangements for meeting its Best Value duties.

2. This report is addressed to the Board of West Lothian IJB and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment

3. Claire Gardiner has been appointed by the Accounts Commission as auditor of West Lothian IJB for the period from 2023/24 until 2026/27.

4. We would like to thank management for their cooperation and assistance this year and we look forward to working together constructively over the course of the remainder of the appointment.

Responsibilities and reporting

5. West Lothian IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. West Lothian IJB is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

6. The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973, the current Code of Audit Practice, and supplementary guidance, and International Standards on Auditing in the UK.

7. Weaknesses or risks identified are only those which have come to the attention of the audit team during our normal audit work and may not be all that exist. Communicating these does not absolve management of West Lothian IJB from its responsibility to address the issues raised and to maintain adequate systems of control.

Auditor Independence

8. We can confirm that the audit team comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2023/24 audit fee of £33,360 as set out in the 2023/24 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Adding value through audit

9. The annual audit adds value to West Lothian IJB by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, arrangements to ensure the best use of resources and financial sustainability.
- sharing intelligence and good practice identified.

1. Audit of 2023/24 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

Main judgements

Audit opinions on the annual accounts of the West Lothian Integration Joint Board are unmodified.

The unaudited annual accounts and working papers were provided within the agreed timescale and were of a good standard.

Audit opinions on the annual accounts are unmodified

10. The Board approved the annual accounts for West Lothian IJB for the year ended 31 March 2024 on 17 September 2024. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report was prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014
- the management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

Overall materiality was assessed as £6.7 million

11. The concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the financial statements, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

12. Our initial assessment of materiality was carried out during the risk assessment phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£6.7 million
Performance materiality	£5.0 million
Reporting threshold	£335,000

Source: Audit Scotland

13. The overall materiality threshold for the audit of the annual accounts of West Lothian IJB was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

14. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75% of overall materiality, reflecting a history of no significant matters arising, audit recommendations, adjusted or unadjusted errors.

15. It is our responsibility to request that all misstatements, other than those below the reporting threshold are corrected. However, the final decision on making the correction lies with those charged with governance.

Significant findings and key audit matters

16. Under ISA (UK) 260, we communicate significant findings from the audit to West Lothian IJB, including our view about the qualitative aspects of the body's accounting practices.

17. The Code of Audit Practice also requires me to highlight key audit matters, which are defined in ISA (UK) 701 as those judged to be of most significance.

18. We have no issues to report from the audit.

Audit work responded to the risks of material misstatement identified in the annual accounts

19. We have obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in the 2023/24 Annual Audit Plan. It also summarises the further audit procedures

performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Agreement of balances and transactions to West Lothian Council and NHS Lothian financial reports / ledger / correspondence. • Auditor assurances will be obtained from the auditors of West Lothian Council and NHS Lothian over the completeness, accuracy and allocation of income and expenditure. • Review of significant adjustments at year-end. • Review of financial monitoring reports during the year. 	<p>We obtained assurances from the external auditors of NHS Lothian and West Lothian Council.</p> <p>No significant weaknesses in the systems of internal control have been identified that impact on West Lothian IJB.</p> <p>We reviewed adjustments at year end and financial monitoring reports.</p> <p>Conclusion No incidents of management override of controls were identified.</p>

Source: Audit Scotland

There were no identified misstatements within the financial statements

20. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected. However, the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality.

21. Our audit identified no misstatements above our reporting threshold.

The unaudited annual accounts were received in line with the agreed audit timetable

22. The unaudited annual accounts were received in line with the agreed audit timetable in June 2024. The working papers provided to support the audit process were of a good standard and management provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly and concluded in line with the provisional timeline in the Annual Audit Plan.

There were no objections to the annual accounts

23. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on their website that includes details of the period for inspecting and objecting to the annual accounts. This must remain on the website throughout the inspection period. West Lothian IJB complied with this requirement and there were no objections to the 2023/24 annual accounts.

2. Financial management

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively.

Conclusion

The budget set for 2023/24 was overspent by £0.9 million but a break-even position was achieved due to a one-off allocation of £0.3 million from NHS Lothian and £0.6 million from West Lothian Council.

Integration Joint Boards across Scotland continue to operate in a challenging environment. West Lothian IJB met the financial challenges through planned use of reserves to support expenditure. The reported deficit of £2.5 million reflects this planned use of reserves.

West Lothian Integration Joint Board has appropriate and effective financial management.

The 2023/24 budget included planned savings to address the funding gap

24. West Lothian IJB approved its 2023/24 budget in March 2023. The budget was set at £333.7 million, which included planned savings of £6.6 million. Total funding provided to the IJB in 2023/24 was £334.6 million which included achieved savings of £6.4 million (97% of target), an overspend against budget of £0.9 million. The main reason for not achieving all savings targets was related to a specific scheme that was deemed non achievable.

25. The West Lothian IJB was able to break even 'in year' against the funding budget due to additional one-off allocations totalling £0.9 million from NHS Lothian (£0.3 million) and West Lothian Council (£0.6 million).

26. West Lothian IJB recognises that relying on one-off allocations from partner bodies to break even 'in year' is not financially viable in the longer term. West Lothian IJB faces pressures around inflationary costs, staff recruitment and retention and the changing demographics in West Lothian (ageing population).

The IJB returned a planned deficit of £2.5 million in 2023/24

27. West Lothian IJB expenditure in 2023/24 totalled £337.1 million which was achieved through the use of earmarked reserves carried forward to support expenditure in year. The [Exhibit 3](#) provides a summary of the financial position, including the movement in reserves for 2023/24.

Exhibit 3 Financial Position

IJB budget summary	CIES Outturn £m
Cost of Services	337.098
NHS Lothian funding	246.005
West Lothian Council funding	88.607
Deficit of Provision of Services	(2.489)
Reserves brought forward	11.294
Total Reserves as at 31 March 2024	8.808
Earmarked Reserves	6.808
Uncommitted General Fund Reserve	2.000

Source: West Lothian IJB Annual Accounts 2023/24

28. Integration Joint Boards in Scotland continued to operate in a challenging environment in 2023/24 with West Lothian IJB facing ongoing financial and operational challenges.

Uncommitted reserves remain at £2 million and new funds have been created to help with infrastructure and transformation

29. West Lothian IJB approved reserves policy has a target of a minimum level of uncommitted reserves of £2 million. This is maintained to provide flexibility where unexpected events or emergencies occur. For 2023/24, West Lothian IJB maintained this level of uncommitted reserves.

30. The earmarked reserves held by West Lothian IJB contains two significant funds. These were:

- **Infrastructure Fund** – a new earmarked reserve was agreed as part of the 2024/25 Budget to give the IJB scope to invest in Infrastructure requirements during a period of constrained capital funding.
- **Transformation Fund** – was approved as part of the 2023/24 Budget to support delivery of savings across the period of the medium-term financial plan. There was no drawdown from the reserve in 2023/24, however, the Board has approved £0.5 million of applications for 2024/25 and 2025/26.

31. West Lothian IJB continues to use reserves to help target financial pressures and identify areas where funding could be used to update and transform the services provided.

Financial management and reporting arrangements are effective and allow members and officers to scrutinise the budget effectively

32. Senior management and West Lothian IJB members regularly receive and monitor financial information. Finance updates were submitted to West Lothian IJB Board throughout the year. These clearly stated the outturn to date, latest budget information and the projected year-end outturn position. These reports also made clear the impact of ongoing financial pressures.

33. Through attending committee meetings, we observed that senior management and members receive regular and accurate financial information on the IJB's financial position and have concluded that West Lothian IJB has appropriate financial management and reporting arrangements in 2023/24.

West Lothian IJB has appropriate financial control arrangements in place

34. West Lothian IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure are incurred by partner bodies and processed in their accounting systems. West Lothian IJB does not have its own financial systems and instead relies on the financial systems of its partner bodies, NHS Lothian and West Lothian Council.

35. As part of our audit approach, we obtained assurances from the external auditors of NHS Lothian and West Lothian Council. The assurances confirmed that there were no significant weaknesses in the systems of internal control for either body which would impact West Lothian IJB.

Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate

36. In the public sector there are specific fraud risks, including those relating to tax receipts, welfare benefits, grants and other claims made by individuals and organisations. Public sector bodies are responsible for implementing effective systems of internal control, including internal audit, which safeguard public assets and prevent and detect fraud, error and irregularities, bribery and corruption.

37. West Lothian IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. West Lothian IJB has a Code of Conduct for members and the Members' Registers of Interest are publicly available on the IJB's website.

38. As part of our audit approach, we obtained assurances from the external auditors of NHS Lothian and West Lothian Council. The assurances confirmed

that there were no significant weaknesses in the arrangements for the prevention and detection of fraud at either body.

3. Financial sustainability

Financial Sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Conclusion

The Board approved an updated 2-year budget plan and a 4-year financial outlook in March 2024.

The updated 2-year budget plan projects a funding gap of £12.5 million for the 2 years to 2025/26. Saving measures have been agreed for £11.4 million to 2025/26, leaving a funding gap of £1.1 million for the 2-year budget.

The 4-year financial outlook shows an estimated budget gap of £31.0 million, with savings identified for the 2-year budget of £11.4 million, leaving savings to be identified of £19.6 million by 2027/28.

The Budget for 2024/25 has been set but will require close monitoring due to financial pressures and break even against budget will be challenging

39. The budget for 2024/25 was agreed at the Board meeting in March 2024. The IJB agreed a balanced budget position for 2024/25 which includes savings targets of £7.5 million. The budget contribution from West Lothian Council for 2024/25 includes funding for increased pay costs as well as additional Scottish Government funding for payment of the living wage and free personal and nursing care uplift.

40. NHS Lothian's budget contribution does not include any additional funding for increased pay costs or General Medical Services (GMS) uplift in 2024/25. Health Boards and IJBs have been instructed to plan on the basis that pay awards for health services will be fully funded by the Scottish Government.

41. West Lothian IJB will need to continue monitoring the financial risks through 2024/25 and into future years.

A 2-year budget plan and a 4-year financial outlook were agreed by the Board in March 2024

42. In March 2024, the Board approved an updated 2-year budget plan for 2024/25 and 2025/26. This reflects the need to develop more detailed plans for the medium term and allow sufficient time to implement savings plans.

43. West Lothian IJB sought the views of the people of West Lothian on high level efficiency measures and responses were taken into account when preparing the savings measures that were agreed as part of the 2024/25 to 2025/26 budget plan.

44. West Lothian IJB agreed savings totalling £11.4m for the two-year plan compared to a budget gap of £12.5m. The remaining budget gap of £1.1 million in 2025/26 relates to health services and work is ongoing to identify additional measures to balance the budget in the final year of the plan.

45. The Accounts Commission believe all local government bodies should have a long-term financial strategy in place, and that these long-term strategies should be supported by more detailed financial plans. The updated 4-year financial outlook was presented to the Board in March 2024. This shows that current budget contributions assumed from partners each year is not sufficient to meet the additional costs of continuing to deliver all services as they are currently delivered, while meeting increasing demands. The 4-year financial outlook shows an estimated budget gap of £31.0 million, with savings identified for the 2-year budget of £11.4 million, leaving savings to be identified of £19.6 million by 2027/28.

46. The updated 4-year financial outlook sets out and highlights the need for ongoing service redesign and transformation of health and social care services to meet the ever-increasing financial challenges faced by West Lothian IJB. We note the IJB has been positive in creating new reserves to provide scope to invest in Infrastructure (Infrastructure Fund) during a period of constrained capital funding and a Transformation Fund to support delivery of savings across the period of the IJB medium term financial plan.

The methodology used to collate the delegated budgets for the four IJBs have been updated for the 2024/25 budget

47. The “set aside” budget is West Lothian IJB’s share of the budget for delegated acute services provided by hospitals on behalf of the IJB. The work that was being undertaken to look at moving towards the four IJBs across Lothian being charged for actual usage of services for set aside has been indefinitely paused. This pause is reported as being due to the break in activity data due to the pandemic and a lack of capacity within NHS Lothian to support the change.

48. West Lothian IJB has noted in the accounts that NHS Lothian has reviewed the methodology used to collate the delegated budgets for the four IJBs. The changes agreed, that will be implemented for 2024/25, were the removal of budget areas that did not form part of West Lothian IJB’s integration scheme. The areas removed from set aside are:

- Post graduate medical education (doctors in training)
- Regional Infectious Diseases and Regional Cardiology
- Gastroenterology

49. The result of the changes is that the set aside budget better reflects the integration scheme and links to the strategic plan.

50. Overall, the set aside budgets have been reduced for West Lothian IJB although set aside costs have reduced by a larger amount creating a reduction in the set aside financial pressure for West Lothian IJB. This will help towards managing the financial pressures in the 2024/25 budget.

4. Vision, leadership, and governance

Public sector bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Conclusion

Governance arrangements remain appropriate and support effective scrutiny, challenge and informed decision making.

Governance arrangements remain appropriate and operate effectively

51. The Board met seven times during 2023/24 and the Audit, Risk and Governance Committee met four times in the same period. The meetings were held both in person and virtually. Our observations at committee meetings have found that these are conducted in a professional manner and there is a reasonable level of scrutiny and challenge by members.

52. An update on governance issues of concern was presented by the Standards Officer to the IJB Audit, Risk and Governance Committee in June 2024. The report includes information on actions being taken to address these issues. The Annual Governance Statement includes information on the issues to be addressed going forward.

53. As part of the audit process the audit team review the Annual Governance Statement in the unaudited annual accounts. We noted the statement was fully compliant with the relevant accounting framework. The Governance Statement could be further strengthened by incorporating a review around the clarity and conciseness of the statement as part of the IJB's review of the statement for 2024/25.

54. We consider that governance arrangements remain appropriate and support effective scrutiny, challenge and decision making.

An update on progress of the IJB Strategic Plan 2023-2028 was presented to the January 2024 Board meeting

55. In March 2023 West Lothian IJB approved a new Strategic Plan covering the period 2023-2028. The focus of the plan is on achieving a sustainable health and social care system. The new plan recognises that to achieve this, the way in which adult health and social care is provided must be transformed, shifting resource away from traditional models of care to new models. The plan outlines how West Lothian IJB plans to deliver the nine national health and wellbeing outcomes against the background of demographic, and financial challenges identified.

56. An update on the Strategic Plan was presented to the January 2024 Board meeting. Delivery plans have been developed to take forward each Strategic Plan priority (Improving Health and Inequalities; Home First Approach; Enabling High Quality Care, Support and Treatment) and inform West Lothian IJB's strategic commissioning. Delivery boards have also been created to ensure that the delivery plans are implemented and monitored.

57. A formal update report on progress for all delivery boards will be submitted to the IJB Board every six months. The delivery boards will also be responsible for the annual review of delivery plans throughout the lifespan of the Strategic Plan (2023-2028), considering progress against each of the programmes and projects as part of the Annual Performance Report. The plans will also be reviewed from a strategic context in line with the requirements of the Medium-Term financial Planning Framework which underpin the delivery plans.

58. The creation of the delivery boards and associated performance management frameworks will ensure each plan is monitored and progressed to take forward the IJB Strategic Plan's priorities. We will continue to monitor the progress being made by West Lothian IJB in relation to the Strategic Plan through the delivery board actions.

5. Use of resources to improve outcomes

Public sector bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.

Conclusion

West Lothian Integration Joint Board has effective arrangements for managing and reporting performance.

Appropriate arrangements remain in place to secure Best Value.

West Lothian IJB has effective arrangements for managing and reporting performance

59. The Public Bodies (Joint Working) (Scotland) Act 2014 requires West Lothian IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance, best value, reporting on localities, and the inspection of services. The Ministerial Strategic Group for Health and Community Care has agreed a core suite of integration indicators against which all IJBs should report in their annual performance reports.

60. West Lothian IJB has continued to monitor key performance throughout the year. The 2023/24 draft annual performance report was presented to the Board in June 2024. A final version was published by the required deadline of 31 July 2024 and was published on the IJB website.

61. Underneath the nine National Health and Wellbeing Outcomes sit integration indicators which all Health and Social Care Partnerships use to report their performance. Of the 18 currently reported national indicators, West Lothian IJB was below the Scottish average for 10.

62. Indicators 1 to 10 (no data for indicator 10), are reported in the Health and Care Experience Survey commissioned by the Scottish Government. This survey is sent randomly to approximately 5% of the people registered with a General Practice across Scotland, every two years.

63. West Lothian IJB's performance was significantly below the Scottish national average in the following measures:

- **National Indicator 3 (53.5% compared to national average of 59.6%)** – Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided (2021/22 survey: 80.6% against national average of 70.6%).
- **National Indicator 5 (62.1% compared to national average of 70%)** – Total percentage of adults receiving any care or support who rated it as excellent or good (2021/22 survey: 80.5% against 75.3% national average).
- **National Indicator 8 (25.8% compared to national average of 31.2%)** – Total combined % carers who feel supported to continue in their caring role (2021/22 survey: 25.2% compared to national average of 29.7%).

64. For indicators 11-20 (no data for indicator 20), the primary source is the Scottish Morbidity Records which are collected nationally. West Lothian IJB's performance was close to or better than the Scottish national average in all indicators. West Lothian IJB was significantly better in the following measures:

- **National Indicator 11** – Premature mortality rate per 100,000 (Calendar year).
- **National Indicator 14** – Emergency admissions for adults (per 100,000 population).
- **National Indicator 16** – Falls per 1,000 population aged 65+

65. Although indicators 1 to 9 can be compared to Scottish national averages, they cannot be compared to prior year data due to the Scottish Government's approach to the commissioned survey. Annual comparative data would help the IJB understand its own performance over time but currently they have no control over the commissioning of the survey. Overall, the IJB performance shows a mixed picture with the IJB performance around a 50% split between those above and below the National indicators.

66. The creation of the delivery boards and associated performance management frameworks will help with monitoring progression of performance which will feed into the National Indicators. We will continue to monitor the progression of the delivery plans through the delivery boards and their impact on national indicators.

West Lothian IJB has appropriate arrangements in place for securing Best Value

67. The Local Government (Scotland) Act 2003 places a duty on Local Government bodies to secure Best Value. As a Section 106 body under the 2003 Act, Integration Joint Boards have the same statutory duty to secure best value. To achieve this, IJBs should have effective processes for scrutinising

performance, monitoring progress towards their strategic objectives, and holding partners to account.

68. West Lothian IJB has a Best Value Framework which was last approved by the Board in March 2021. The Best Value Framework provides the IJB with a mechanism to comply with its statutory duty to demonstrate Best Value and contributes towards effective delivery of the Strategic Plan. In March 2024, the Chief Finance Officer presented a review of the Best Value Framework to the Audit, Risk and Governance Committee, for their consideration. It was confirmed that no changes were required to the Framework. It is good practice to review the Best Value Framework even where no changes are required.

69. In June 2024, the Chief Finance Officer presented the IJB Annual Compliance Statement to the Audit, Risk and Governance Committee. The assessment considered the IJB's compliance with regards to the seven elements of best value. The statement was reviewed and agreed at the meeting. No additional action was required by the IJB at this time over and above the actions already taking place as detailed in the statement. This process represents good practice.

The Accounts Commission's national report on IJBs' finance and performance was published in July 2024

70. The Accounts Commission's Performance Audit Committee agreed the scope for the first IJB Finance and Performance report at its November 2023 meeting. The scope reflected the Commission's decision that the report will be its primary vehicle to comment annually on IJBs' financial and wider performance. The scope also included a 'spotlight' on social care commissioning and procurement.

71. The Accounts Commission's report [Integration Joint Boards' Finance and Performance 2024](#) was published in July 2024 and recommended that IJBs should:

- ensure that their Medium-Term Financial Plans are up to date and reflect all current known and foreseeable costs to reflect short- and longer-term financial sustainability challenges.
- ensure that the annual budgets and proposed savings are achievable and sustainable. The budget process should involve collaboration and clear conversations with IJB partners, workforce, people who use services and other stakeholders around the difficult choices required to achieve financial sustainability while addressing the needs of individuals.
- work collaboratively with other IJBs and partners to systematically share learning to identify and develop service redesign focused on early intervention and prevention.
- work collaboratively with other IJBs and partners to understand what data is available and how it can be developed and used to fully understand and improve outcomes for those using IJB commissioned services. This should include a consideration of gaps in data.

- evaluate whether the local commissioning of care and support services, and the contracting of these services, adheres to the ethical commissioning and procurement principles, improving outcomes for people.

72. The Audit Scotland report on Integration Joint Boards' Finance and Performance 2024 was presented to the Audit, Risk and Governance Committee in September 2024.

West Lothian Integration Joint Board

2023/24 Annual Audit Report

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