

Falkirk Integration Joint Board

2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Falkirk Integration Joint Board and the Controller of Audit
September 2023

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Key messages

2022/23 annual accounts

- 1 Audit opinions on the annual accounts of the Board are unmodified.
- 2 The unaudited annual accounts were provided within the agreed timescale and were of a good standard.
- 3 Limited progress has been made on prior year recommendations.

Financial management and sustainability

- 4 The Board has appropriate and effective financial management arrangements in place.
- 5 The Board had a £8.2 million deficit in 2022/23, largely due to the return of Covid-19 reserves to Scottish Government (£10.9 million).
- 6 A Medium-Term Financial Plan has been developed but service delivery models must be reviewed to support the identification and achievement of recurring savings.

Vision, leadership and governance

- 7 The governance arrangements are appropriate and support effective scrutiny, challenge and informed decision making.
- 8 Climate change arrangements remain the responsibility of the Board's partner bodies.

Use of resources to improve outcomes

- 9 Appropriate arrangements are in place to secure Best Value.
- 10 The Board's performance is below the Scottish average in six out of nine areas.

Introduction

1. This report summarises the findings from the 2022/23 annual audit of Falkirk Integration Joint Board (the Board). The scope of the audit was set out in an Annual Audit Plan presented to the June 2023 meeting of the Audit Committee. This report comprises:

- significant matters arising from an audit of the Board's annual accounts
- conclusions on the following wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#):
 - Financial management
 - Financial sustainability
 - Vision, leadership, and governance
 - Use of resources to improve outcomes.
- conclusions on the Board's arrangements for meeting its Best Value duties.

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

Audit appointment from 2022/23

3. I, Pauline Gillen, have been appointed by the Accounts Commission as auditor of the Board for the period from 2022/23 until 2026/27. The 2022/23 financial year was the first of my five-year appointment. My appointment coincides with the new [Code of Audit Practice](#) which was introduced for financial years commencing on or after 1 April 2022.

4. My team and I would like to thank the Board and Audit Committee members, the Chief Officer, Chief Finance Officer and other staff for their cooperation and assistance in this year and we look forward to working together constructively over the course of the five-year appointment.

Responsibilities and reporting

5. The Board 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. The Board 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 and the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.

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

8. This report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, the responsible officers, and dates for implementation.

Auditor Independence

9. We can confirm that we 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 audit fee of £31,470 as set out in our 2022/23 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

10. We add value to the Board 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 2022/23 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

The audit opinions on the annual accounts are unmodified.

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

We have no significant findings to report on the audit of the annual accounts.

Limited progress has been made on prior year recommendations.

The audit opinion on the annual accounts are unmodified

11. The Board approved the annual accounts for the year ended 31 March 2023 at its meeting on 15 September 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the annual accounts 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 financial reporting framework
- the management commentary and annual governance statement were consistent with the annual accounts and properly prepared in accordance with the applicable requirements.

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

12. The unaudited annual accounts were received in line with our agreed audit timetable on 27 June 2023. The working papers provided to support the audit process were of a good standard and finance staff provided good support to the

audit team during the audit. This helped ensure that the audit of the annual accounts ran smoothly.

There were no objections to the annual accounts

13. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its 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.

14. The Board's public notice was published on the Board's website for the duration of the inspection period. There were no objections to the 2022/23 annual accounts.

Overall materiality was assessed as £5.6 million

15. Broadly, 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.

16. Our initial assessment of materiality was carried out during the risk assessment and planning 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	£5.6 million
Performance materiality	£3.6 million
Reporting threshold	£170,000

17. The overall materiality threshold for the audit of the annual accounts was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the annual accounts.

18. Performance materiality is used by auditors when undertaking work on individual areas of the annual accounts. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 65% of overall materiality. The

extent of estimation and judgements are in relation to specific areas already specifically tested as part of our audit approach.

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

We have no significant findings to report on the annual accounts

20. Under International Standard on Auditing (UK) 260 we communicate significant findings from the audit to the Board, including our view about the qualitative aspects of the body's accounting practices.

21. The Code of Audit Practice also requires all audits to communicate key audit matters within the annual audit report under International Standard on Auditing (UK) 701. These are matters that we judged to be of most significance in our audit of the financial statements.

22. We have no significant issues to report from the audit and there were no identified misstatements in the annual accounts.

We obtained audit assurances over the financial statements audit risks identified in our Annual Audit Plan

23. We have obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3

Significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in International Standard on Auditing (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 Falkirk Council and NHS Forth Valley financial reports/ ledger/ correspondence. • Assurances will be obtained from the auditors of Falkirk Council and NHS Forth Valley over the completeness, accuracy and allocation of income and expenditure. • Review of significant adjustments at the year- 	<p>Results & Significant Judgements:</p> <p>Balances and transactions in the parent body ledgers were consistent with the Board's accounts.</p> <p>Assurances were obtained from the auditors of Falkirk Council and NHS Forth Valley and agreed to the year-end position reported in the audited accounts.</p>

Audit risk	Assurance procedure	Results and conclusions
	<p>end where we consider there to be greatest risk of material misstatement through management override of controls.</p> <ul style="list-style-type: none"> • Review of financial monitoring reports during the year. 	<p>Year-end adjustments and journals were reviewed in each partner audit and no errors identified.</p> <p>We reviewed financial reports prepared during 2022/23.</p> <p>Conclusion: Audit work found no errors or other accounting treatment that would indicate management override of controls.</p>

24. In addition, we identified an “area of audit focus” in our 2022/23 Annual Audit Plan where we considered there to be a risk of material misstatement to the annual accounts.

25. The area of specific audit focus related to IJB funding. The Scottish Government wrote to all IJBs in September 2022 indicating that it intended to reclaim and re-distribute some IJB reserves which relate to Covid funding. It was anticipated that this would be achieved through a reduction in NHS funding allocations, ultimately reducing NHS Forth Valley’s funding contribution to the IJB.

26. Based on the findings of the audit procedures performed, there are no matters which we need to bring to your attention.

Limited progress has been made on prior year recommendations

27. The Board has made limited progress in implementing the audit recommendations identified by Ernst & Young, the Board’s previous external auditor. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in Appendix 1.

2. Financial management and sustainability

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

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 has appropriate and effective financial management arrangements in place.

The Board had a £8.2 million deficit in 2022/23, largely due to the return of Covid-19 reserves to Scottish Government (£10.9 million).

A Medium-Term Financial Plan has been developed but service delivery models must be reviewed to support the identification and achievement of recurring savings.

The 2022/23 budget included planned contributions from reserves to address the funding gap

28. The Board approved its 2022/23 budget of £256 million in March 2022. This included £2.4 million of non-recurring funding to balance the budget. Of this, £1.8 million was provided by Falkirk Council to help the Board meet the ongoing pressures facing the health and social care sector.

29. The Board 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 for the Board is incurred by partner bodies and processed in their accounting records.

The Board had a £8.2 million deficit in 2022/23, largely due to the return of Covid-19 reserves to Scottish Government

30. The Scottish Government requested the return of any unused Covid-19 reserves during 2022/23. For the Board this has resulted in £11 million being returned through an adjustment to the NHS funding allocation. Criteria was

applied to the use of Scottish Government Covid funding and consequently £4.4 million of expenditure was spent against the budgeted figure of £15.4 million.

31. The Board reported outturn expenditure of £281 million against an original budget of £256 million. With increased funding of £17 million, this led to an overall overspend of £8 million against a budgeted breakeven position (Exhibit 5). Additional in year funding was received for various purposes including winter pressures and pay increases.

32. Overall, cost pressures were managed well by the Board with services reporting an almost break-even position overall, with the exclusion of the Covid fund returned, as explained above. Pressures such as increased demand on prescribing, complex care, equipment, adaptations and social care were offset by underspends caused by a number of factors including slippage in new developments and initiatives, staff turnover and vacancies recruitment issues (e.g. unmet social care).

Exhibit 5 Performance against budget

Board budget summary	Original Budget £m	Funding adjustment £m	Actual Outturn £m
Cost of Services	255.922		281.133
NHS Forth Valley	170.853	13.465	184.318
Falkirk Council	85.069	3.984	89.053
Net Funding	0		273.371
Deficit on provision of services			(8.224)
Reserves brought forward			37.053
Total reserves as at 31 March 2023			28.829
Contingency Reserves			2.050
Earmarked Reserves			23.060
General Reserve			3.719

Source: Falkirk IJB 2022/23 Annual Accounts

Budget monitoring arrangements are appropriate

33. Senior management and Board members regularly receive and monitor information on the financial position. Detailed finance reports were submitted to the Board throughout the year. These clearly stated the outturn to date, latest budget information and the projected year-end outturn position.

34. We observed that senior management and members receive regular and accurate information on the financial position and have concluded the Board has appropriate budget monitoring arrangements.

Financial systems of internal control operated effectively

35. The Board does not have its own financial systems and instead relies on the financial systems of its partner bodies, NHS Forth Valley and Falkirk Council. As part of our audit approach, we obtained assurances from the external auditors of NHS Forth Valley and Falkirk Council (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal control for either the health board or the council that would impact on the Board.

Internal audit concluded that reliance can be placed on the Board's governance arrangements and systems of internal controls for 2022/23

36. The Board's internal audit function is carried out by an internal audit consortium covering NHS Fife, NHS Tayside and NHS Forth Valley. Internal audit has completed their 2022/23 audit work and presented their Annual Audit Report to the June 2023 Audit Committee. The report concluded that reliance can be placed on the Board's governance arrangements and systems of internal controls for 2022/23.

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

37. 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.

38. The Board 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. We obtained assurance from the partners' auditors that the arrangements in place at Falkirk Council and NHS Forth Valley are adequate.

39. The Board has a Code of Conduct for members and the Registers of Interest are publicly available on the website.

40. Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

The Board has developed a medium-term financial plan and savings plan for 2023/24 but service delivery changes are required to ensure longer term financial sustainability

- 41.** Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.
- 42.** The Board approved the Medium-Term Financial Plan 2023/24 to 2026/27 in March 2023. The plan forecasts a shortfall in each of these years, prior to the achievement of any savings, increasing to £19 million in 2026/27.
- 43.** The Medium-Term Financial Plan outlines a significant savings requirement of £13.5 million for 2023/24, with additional recurring savings of approximately £2 million required in each subsequent year. The Board estimates that £19 million of savings will be required over the 4-year period.
- 44.** A detailed savings programme has been prepared for 2023/24 to achieve the required £13.5 million of savings. This includes £2.8 million of non-recurring savings from the general fund and other earmarked reserves. The Board recognises that non-recurring savings are a short-term solution to funding gaps and service delivery changes are required to deliver a sustainable financial position over the period of the plan.

Recommendation 1

The Board must review service delivery models to support the identification and achievement of recurring savings to ensure financial sustainability.

3. 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

The governance arrangements are appropriate and support effective scrutiny, challenge and informed decision making.

Climate change arrangements remain the responsibility of the Board's partner bodies.

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

45. In making our assessment of the Board's governance arrangements we considered the:

- structure and conduct of board and committee meetings
- overall arrangements to ensure appropriate standards of conduct including compliance with the Standing Financial Instructions and Standing Orders
- arrangements for the prevention and detection of fraud, error, bribery and corruption
- reporting of performance and whether this is fair, balanced and understandable.

46. The Board met on a hybrid basis four times during 2022/23, and the Audit Committee met four times. The papers presented to the Board and the Audit Committee are published timeously on the Board's section of Falkirk Council's website. Our observations at committee meetings throughout the year has found that these are conducted in a professional manner and there is a good degree of scrutiny and challenge by members.

47. The Board continue to update and refresh its governance arrangements with a review of the Financial Regulations and Scheme of Delegation scheduled for March 2026.

48. The Board is provided with assurances from partner bodies for the financial statements. This includes confirmation of year end balances held with each. This process does not currently include the Board getting formal assurance from the partner bodies over the systems of internal control and governance arrangements at each body. We note that the Board currently gets assurance over governance arrangements in other ways, including, the annual Internal Audit Report, annual Assurance statements from sub-committees and the Risk Management Performance Report but assurance from partner bodies would strengthen the process.

Recommendation 2

The Board should ensure formal assurances received from partner bodies each year, to confirm year end balances, are expanded to include assurance over systems of internal control and governance arrangements at each partner body.

49. Overall, we consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

The vision, strategy and priorities of the Board are clear

50. The Board has a Strategic Plan and Medium-Term Financial Plan in place. These documents outline the current priorities and approach to implementing the plan to deliver them. The existing priorities are as follows:

- Community-based services
- Accessible care
- Early intervention & prevention
- Carer support.

51. As raised in the 2021/22 Annual Audit Report, work remains ongoing to update the Integration Scheme. Longer term risk sharing arrangements require to be agreed and clearly defined as part of the review of the Integration Scheme. The Board should work with Partners to ensure that corporate support arrangements remain adequate and fit for purpose.

Climate change arrangements remain the responsibility of the Board's partner bodies

52. The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75% reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in

ensuring these targets are met and in adapting to the impacts of climate change.

53. The Auditor General and Accounts Commission are developing a programme of work on climate change. This involves a blend of climate change-specific outputs that focus on key issues and challenges as well as moving towards integrating climate change considerations into all aspects of audit work.

54. The Board as a public body listed in the Climate Change (Duties of Public Bodies; Reporting Requirements) (Scotland) Order 2015, are required to report annually on compliance with climate change duties. The annual report by the Board highlights that functions of climate change have not been delegated to the Board and remain the responsibility of its partner statutory bodies, Falkirk Council and NHS Forth Valley. The partner bodies climate change arrangements are detailed in the 2022/23 Annual Audit Reports of the respective bodies.

4. 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

Appropriate arrangements are in place to secure Best Value.

The Board's performance is below the Scottish average in six out of nine indicators.

Performance reporting was of a good standard

55. The Management Commentary in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements.

56. Financial performance is covered within the Management Commentary in the annual accounts, with clear commentary on the financial outturn and the impact that Covid-19 costs and funding had on the 2022/23 outturn and reserves.

57. The Board receives regular performance monitoring reports. These reports ensure effective monitoring and reporting on the delivery of services. Areas that are below target or declining are scrutinised to understand the reasons for this and to ensure that appropriate improvement action is being taken.

58. Performance monitoring reports focus on key performance issues and actions aligned to the Strategic Plan. These reports include a performance dashboard which maps to local outcomes and includes the direction of travel in relation to previously reported positions. Performance exception reports are also included for all indicators with a deteriorating position since the last reporting period or indicators that require on-going monitoring.

The Board has appropriate arrangements in place for securing Best Value

59. Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, boards should have effective processes for

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

60. The Board has a Strategic Plan, Medium Term Financial Plan, integrated workforce plan and performance reporting in place to support the achievement of its Best Value duties. The annual performance report is the Board's way of demonstrating that it is seeking to secure best value from the resources available as part of its overall strategy as captured in both the Strategic Plan and Medium-Term Financial Plan. A Performance Monitoring Report is also produced to support the Board to fulfil its ongoing responsibility to ensure effective monitoring and reporting of service delivery.

61. We have concluded that the Board has adequate arrangements in place to demonstrate how it meets Best Value duties.

The Board's performance remains below the Scottish average in most areas

62. The Public Bodies (Joint Working) (Scotland) Act 2014 requires the Board to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services. This report must be published within four months of the financial year end.

63. In 2022/23, the Annual Performance Report was published in July 2023 and highlights the complex and challenging environment of health and social care.

64. The National Integration indicators 2022/23 show that overall, the Board's performance does not compare well to the national average with seven out of nine indicators seeing a decrease in performance. Of the indicators updated this year most indicators are lower than the Scottish rate including premature mortality rate per 100,000 persons; emergency admission rate; and the number of days people spend in hospital when they are ready to be discharged.

65. However, there are two areas with similar performance to Scotland performance which are the proportion of last 6 months spent at home or in a community setting; and percentage of adults with intensive care needs receiving care at home. There is also one indicator that compares well to Scotland which is the proportion of care services graded good or better in Care Inspectorate Inspections.

66. Some of the best performing indicators include data only available for the calendar year 2022 rather than the full year 2022/23. This makes it more difficult to make direct comparisons with previous performance.

67. The Board has a new Strategic Plan and priorities in place to improve the services available to people. Some key areas of work for 2023/24 include progressing the Transformation Programme, workforce recruitment and retention and working with partners to drive forward the Community Led Support Strategy.

68. Overall, the Board has effective arrangements for managing performance and whether targets are being met.

Appendix 1. Action plan 2022/23

2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Financial sustainability</p> <p>The Medium-Term Financial Plan outlines a significant savings requirement of £13.5 million for 2023/24, with additional recurring savings of approximately £2 million required in each subsequent year.</p> <p>Savings identified for 2023/24 include £2.8 million of non-recurring savings from the general fund and other earmarked reserves. Service delivery changes are required to deliver a sustainable financial position over the period of the plan.</p> <p><i>Risk – The Board’s operating model is not financially sustainable.</i></p>	<p>The Board must review service delivery models to support the identification and achievement of recurring savings to ensure financial sustainability.</p> <p>Paragraph 44</p>	<p>A Board Development Session was held on 25 August 2023 where the Strategic Plan, Medium Term Financial Plan and Workforce Plan were discussed with a focus on the need for a review of service delivery models to ensure financial sustainability. Work on this area will continue to be developed and reported through the Board and in particular the annual Business Case where a draft will be provided at the December Board meeting and a final draft in the following Committee cycle.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: 31 March 2024</p>
<p>2. Assurances from partner bodies</p> <p>The Board is provided with assurances from partner bodies for the financial statements. This includes confirmation of year end balances held with each. This</p>	<p>The Board should ensure formal assurances received from partner bodies to confirm year end balances each year are expanded to include assurance over systems of internal control and governance</p>	<p>Assurance on governance and internal control is received from the partner bodies throughout the year via Annual Internal Audit Reports, Annual Assurance Statements and a review of internal controls within partners reported in the Risk</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>process does not currently include the Board getting formal assurance from the partner bodies over the systems of internal control and governance arrangements at each body. The Board gets assurances through other means but the process could be strengthened further.</p> <p><i>Risk – The Board is not aware of weaknesses in governance arrangements at partner bodies which impact the IJB.</i></p>	<p>arrangements at each partner body.</p> <p>Paragraph 48</p>	<p>Management Performance Report. In addition, incorporating this assurance into the Annual Assurance Letter will be considered for the 2023/24 audit onwards.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: 31 July 2024</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>b/f 1. IJB self-assessment</p> <p>Like all local government bodies in the UK, the IJB is required to conduct a self-assessment of its performance against the CIPFA Financial Management Code. The Code became mandatory in 2021/22.</p>	<p>The IJB should conduct a self-assessment against the CIPFA Financial Management Code.</p>	<p>In Progress</p> <p>Revised action: The IJB should conduct a self-assessment against the CIPFA Financial Management Code.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Revised date: 31 March 2024</p>
<p>b/f 2. Corporate support arrangements</p> <p>There are increasing demands on Chief Finance Officers across Scotland as a result of ongoing work on the cost impact of Covid-19, the need to respond to expectations about medium term financial planning, and preparation for the National</p>	<p>As part of the finalisation of the updated Integration Scheme, the IJB should work with Partners to ensure that corporate support arrangements remain adequate and fit for purpose.</p>	<p>In progress</p> <p>Revised action: The IJB should ensure the updated Integration Scheme is finalised and corporate support arrangements are adequate.</p> <p>Responsible officer: Chief Officer</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>Care Service. Similarly, there are increasing demands on procurement functions as a result of the need to support care home providers, including the distribution of sustainability payments. We understand that work is underway with Partners to develop a structure that provides sufficient financial capacity for the medium term.</p>		<p>Revised date: 31 March 2024</p>
<p>b/f 3. Financial Planning</p> <p>While the IJB now holds significant reserves, we note that most represent earmarked funding that has been allocated for specific purposes. The increase in general reserves provides an opportunity to invest to help support the delivery of the Strategic Plan, but all decisions must be underpinned by a robust financial plan for the period to 2025/26.</p>	<p>The IJB should ensure that longer term financial planning is in place to support the delivery of the Strategic Plan.</p>	<p>Complete</p>
<p>b/f 4. Audit Committee self-assessment</p> <p>During the year, the Audit Committee held vacant positions for both voting and non-voting members. As a result, attendance was lower than we would expect on a number of occasions. While recent appointments to the Audit Committee have been made, we note that the Committee has not yet assessed its arrangements against CIPFA's 'Good Practice Audit Committees Principles Checklist' or</p>	<p>The IJB should ensure that the Audit Committee is supported to conduct a self-assessment against good practice principles.</p>	<p>In progress</p> <p>Revised action: The IJB should ensure that the Audit Committee is supported to conduct a self-assessment against good practice principles. As part of the 2023/24 Internal Audit Plan, Internal Audit will work with the CFO to complete a self-assessment against the key principles and recommendations from the guidance and will validate and evidence the conclusions before presentation to Audit Committee for approval.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>'Evaluation of Effectiveness Toolkit'.</p>		<p>Responsible officer: Chief Finance Officer</p> <p>Revised date: 31 March 2024</p>
<p>b/f 5. Self-assessment against Ministerial Strategic Group recommendations</p> <p>We understand that Audit Scotland has plans in place to conduct a national performance audit of integration arrangements, in preparation for the development of the National Care Service. Any performance audit is likely to be based on previous reviews of progress, including the Leadership Group, led by the Ministerial Strategic Group (MSG) for Health and Community Care, and the convention of Scottish Local Authorities (CoSLA) February 2019 recommendations.</p>	<p>The IJB should consider revising the self-assessment against the Ministerial Strategic Group recommendations, prepared in May 2019.</p>	<p>In progress</p> <p>Revised action: The IJB should consider revising the self-assessment against the Ministerial Strategic Group recommendations, prepared in May 2019.</p> <p>Responsible officer: Chief Officer</p> <p>Revised date: 31 March 2024</p>

Falkirk Integration Joint Board

2022/23 Annual Audit Report

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