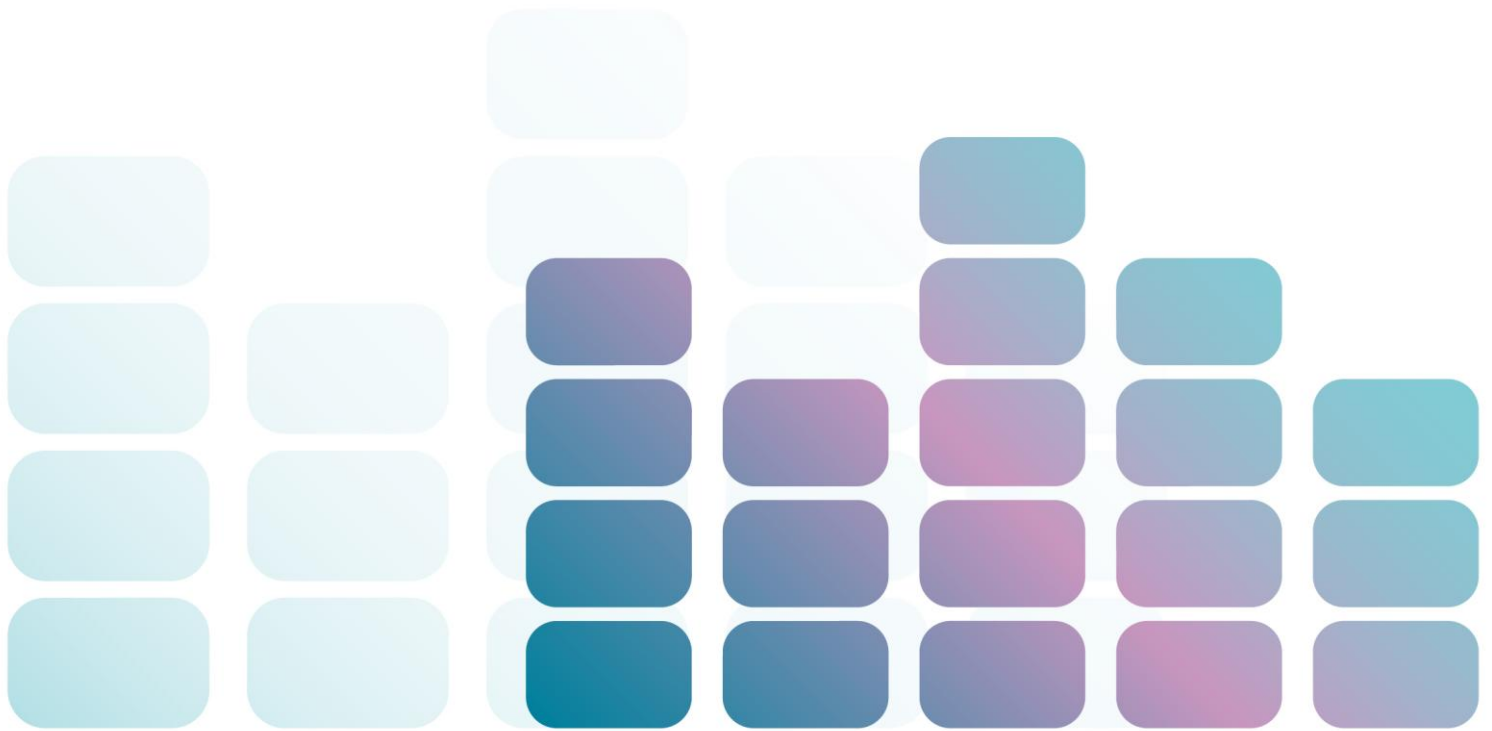


# Dumfries and Galloway Integration Joint Board

2024/25 Annual Audit Report



Prepared for Dumfries and Galloway Integration Joint Board and the Controller of Audit  
September 2025

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# Key messages

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## Audit of the annual accounts

- 1 All audit opinions state that the annual accounts were free from material misstatement. The accounts show a true and fair view of the Dumfries and Galloway Integration Joint Board's (the IJB) financial position.
- 2 There are no significant findings or key audit matters to report.

## Financial Management and sustainability

- 3 The IJB delivered a balanced financial position in 2024/25 but only after receiving additional non-recurring funding of £22.6 million from NHS Dumfries and Galloway and an additional one off non-recurring payment of £1.819 million from Dumfries and Galloway Council to address overspends in delegated health and local authority budgets.
- 4 The IJB's reserves decreased by £4.7 million this year, leaving a balance of only £4.1 million at 31 March 2025. The IJB has no uncommitted reserves which significantly limits the IJB's ability to respond to unexpected budget pressures.
- 5 The 2025/26 financial plan indicates a deficit of £25.4 million as well as the challenge of £30.7 million of savings to be delivered.
- 6 The IJB needs to demonstrate how it will secure the financial sustainability of its services. A medium-term financial plan should be developed to set out how the 3 year strategic commissioning plan will be delivered.

## Other wider scope and Best Value audit areas

- 7 The refreshed Strategic Commissioning Plan for 2025-28 sets out the IJB's priorities going forward.
- 8 The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board and operated effectively.
- 9 An Interim Chief Finance Officer and Interim Chief Officer were appointed during 2025.

- 10** Performance management arrangements are effective with indicators and targets kept under review and the annual performance report for 2024/25 was published within the required timescales.
  - 11** The number of national core performance indicators meeting or exceeding target has slightly increased compared to the previous year, and those outwith acceptable standards have decreased.
  - 12** Arrangements are in place to secure Best Value and an annual assessment of Best Value is reported to the Audit, Risk and Governance Committee.
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# Introduction

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## Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of Dumfries and Galloway Integration Joint Board (the IJB) annual accounts and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to the IJB and the Controller of Audit, and will be published on [Audit Scotland's website](#) in due course.

## Appointed auditor and independence

3. Fiona Mitchell Knight, of Audit Scotland, has been appointed as external auditor of the IJB for the period from 2022/23 until 2026/27. As reported in the Annual Audit Plan, Fiona Mitchell Knight and the audit team are independent of the body in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the IJB, including no provision of non-audit services.

## Acknowledgements

4. We would like to thank the body and its staff, particularly those involved in preparation of the annual accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

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# Audit scope and responsibilities

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## Scope of the audit

**5.** The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement.
- An opinion on statutory other information published with the financial statements in the annual accounts, namely the Management Commentary and Annual Governance Statement.
- An opinion on the audited part of the Remuneration and Staff Report.
- Conclusions on the IJB's arrangements in relation to the wider scope areas: Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.
- Reporting on the IJB's arrangements for securing Best Value.
- Provision of this Annual Audit Report.

## Responsibilities and reporting

**6.** The Code of Audit Practice sets out the respective responsibilities of the body and the auditor. A summary of the key responsibilities is outlined below.

### Auditor's responsibilities

**7.** The responsibilities of auditors in the public sector are established in the Local Government (Scotland) Act 1973. These include providing an independent opinion on the financial statements and other information reported within the annual accounts, and concluding on the IJB's arrangements in place for the wider scope areas and Best Value.

**8.** The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve the IJB from its responsibilities outlined below.

**9.** The Annual Audit Report includes an agreed action plan at [Appendix 1](#) setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

### **The IJB's responsibilities**

**10.** The IJB has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of annual accounts, comprising financial statements for the IJB that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

### **Communication of fraud or suspected fraud**

**11.** In line with ISA (UK) 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements), in presenting this report to the Audit, Risk and Governance Committee we seek confirmation from those charged with governance of any instances of actual, suspected or alleged fraud that should be brought to our attention. Should members have any such knowledge or concerns relating to the risk of fraud within the IJB, we invite them to communicate this to the appointed auditor for consideration prior to the Annual Accounts being certified.

### **National and performance audit reporting**

**12.** The Auditor General for Scotland and the Accounts Commission regularly publish national and performance audit reports. These cover a range of matters, many of which may be of interest to the IJB and Audit, Risk and Governance Committee. Details of national and performance audit reports published over the last year can be seen in [Appendix 2](#).

# Audit of the annual accounts

## Main judgements

All audit opinions state that the annual accounts were free from material misstatement. The accounts show a true and fair view of the IJB's financial position.

There were no significant findings or key audit matters to report.

## Audit opinions on the annual accounts

**13.** The IJB's annual accounts were approved by the IJB Board on 23 September 2025 and signed by the appointed auditor on 23 September 2025. The Independent Auditor's Report is included in the IJB's annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



## Audit timetable

**14.** The unaudited annual accounts and all working papers were received in accordance with the agreed audit timetable.

## Audit Fee

**15.** The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £34,000. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

## Materiality

**16.** The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual accounts.

**17.** Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.



**18.** Materiality levels for the audit of the body were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. These were reassessed on receipt of the unaudited annual accounts in [Exhibit 1](#).

**Exhibit 1**  
**2024/25 Materiality levels for the IJB**

Materiality	IJB
<b>Materiality</b> – set at 2 per cent of gross expenditure	£10.957 million
<b>Performance materiality</b> – set at 75 per cent of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£8.218 million
<b>Reporting threshold</b> – set at 5 per cent of materiality.	£500 thousand

Source: Audit Scotland

**Significant findings and key audit matters**

**19.** ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged as governance, which for the IJB is Audit, Risk and Governance Committee.

**20.** The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor’s professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

**21.** In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

**22.** There are no significant findings or key audit matters to report.

## **There were no misstatements identified above the reporting threshold that were not adjusted**

**23.** Management of the IJB processed audit adjustments for all misstatements identified greater than the reporting threshold. As a result, there are no uncorrected misstatements to report. .

## **Qualitative aspects of accounting practices**

**24.** ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the body's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

### **Accounting policies**

**25.** The appropriateness of accounting policies adopted by the IJB was assessed as part of the audit. These were considered to be appropriate to the circumstances of the IJB, and there were no significant departures from the accounting policies as required by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

### **Disclosures in the financial statements**

**26.** The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate.

## **Other matters to report**

**27.** Auditing standards require auditors to report a number of other matters if they are identified or encountered during an audit. .We have no matters to report/or detail any specific issue identified with suspected or identified fraud; non-compliance with laws and regulations; other ISA 260 matters; significant deficiencies in internal controls; related parties or going concern.

## **Significant risks of material misstatement identified in the Annual Audit Plan**

**28.** Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in [Exhibit 2, \(page 11\)](#).

## Exhibit 2

### Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
<p><b>Fraud caused by management override of controls</b></p> <p>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>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>Obtain assurances from the auditors of NHS Dumfries and Galloway and Dumfries and Galloway Council over the completeness, accuracy and allocation of income and expenditure.</li> <li>Evaluate any significant unusual transactions outside the normal course of business.</li> </ul>	<ul style="list-style-type: none"> <li>We obtained assurances from the auditors of NHS Dumfries and Galloway and Dumfries and Galloway Council over the completeness, accuracy and allocation of income and expenditure.</li> <li>We evaluated any significant unusual transactions outside the normal course of business.</li> </ul> <p><b>Conclusion:</b> We did not identify any incidents of management override of controls through our audit testing.</p>

Source: Audit Scotland

## Prior year recommendations

**29.** The body has made good progress in implementing the agreed prior year audit recommendation. For actions not yet implemented, revised responses and timescales have been agreed with the body and are outlined in [Appendix 1](#).

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# Wider scope and Best Value audit

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## Conclusion

The IJB's financial management and reporting arrangements are well established.

The IJB delivered a balanced financial position in 2024/25 but only after receiving additional non-recurring funding of £22.6 million from NHS Dumfries and Galloway and an additional one off non-recurring payment of £1.819 million from Dumfries and Galloway Council.

The IJB's reserves decreased by £4.7 million this year, leaving a balance of only £4.1 million at 31 March 2025. The IJB has no uncommitted reserves which significantly limits the IJB's ability to respond to unexpected budget pressures.

The 2025/26 financial plan indicates a deficit of £25.4 million as well as the challenge of £30.7 million of savings to be delivered.

The IJB needs to demonstrate how it will secure the financial sustainability of its services. A medium-term financial plan should be developed to set out how the 3 year strategic commissioning plan will be delivered.

The refreshed Strategic Commissioning Plan for 2025-28 sets out the IJB's priorities going forward.

The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board and operated effectively.

An Interim Chief Finance Officer and Interim Chief Officer were appointed during 2025.

Performance management arrangements are effective with indicators and targets kept under review and the annual performance report for 2024/25 was published within the required timescales.

The number of national core performance indicators meeting or exceeding target has slightly increased compared to the previous year, and those outwith acceptable standards have decreased.

Arrangements are in place to secure Best Value and an annual assessment of Best Value is reported to the Audit, Risk and Governance Committee.

## Audit approach to wider scope and Best Value

### Wider scope

**30.** As reported in the Annual Audit Plan, the wider scope audit areas are:

- Financial Management.
- Financial Sustainability.
- Vision, Leadership and Governance.
- Use of Resources to Improve Outcomes.

**31.** Audit work is performed on these four areas and a conclusion on the effectiveness and appropriateness of arrangements the body has in place for each of these is reported in this chapter.

### Duty of Best Value

**32.** Integration authorities have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards the strategic objectives and holding partners to account. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

**33.** Consideration of the arrangements the body has in place to secure Best Value has been carried out alongside the wider scope audit.

### Significant wider scope and Best Value risks

**34.** Audit work has been performed in response to the significant wider scope and Best Value risks identified in the Annual Audit Plan. The outcome of audit work performed is summarised in [Exhibit 3](#).

## Exhibit 3

### Significant wider scope and Best Value risks

Significant risk	Planned audit response	Outcome of audit work
<p><b>Financial sustainability</b></p> <p>In recent years the IJB has achieved short-term financial balance. However, it continues to be faced with significant financial challenges over the medium and longer-term financial sustainability due to the uncertainty over future Scottish Government funding allocations, workforce pressures and the rising cost of inflation.</p> <p>The 2024/25 financial plan was presented to the IJB Board in April 2024. The plan identified a forecast deficit of £20.079 million, after the deduction of a savings target of £20.857 million and planned use of IJB reserves of £1.008 million.</p> <p>The 2024/25 Quarter 2 financial performance update report presented to the IJB Board meeting in December 2024 highlights that, as at the end of September 2024, the forecast deficit of £20.079 million has worsened and is projected to be £21.008 million. The report confirms that it has been assessed that all of the IJB's £8.8 million reserves carried forward from 2023/24 will require to be used to support the year end deficit.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• Review financial monitoring reports to assess the financial position, including progress in realising efficiency savings by each partner.</li> <li>• Review updates to financial plans to assess the short and medium-term financial sustainability of the IJB.</li> </ul>	<p>As highlighted in Paragraph 37 below, the IJB achieved a balanced financial position in 2024/25. The financial outturn was only achieved due to additional non-recurring funding of £22.6 million provided by NHS Dumfries and Galloway and an additional one off non-recurring payment of £1.819 million from Dumfries and Galloway Council to support the overspend in the health and local authority delegated budgets.</p> <p>Paragraph 41 below shows that £16.4 million of the savings target in 2024/25 related to delegated NHS budget and that savings of £18.2 million were achieved against this target (an over achievement of £1.8 million), although only £6.6 million were delivered on a recurring basis which leaves a shortfall of £4.3 million carried forward into 2025/26.</p> <p>Paragraph 53 below highlights that work will continue to develop a financial strategy over the short and medium-term which will respond to future challenges.</p>

## Conclusions on wider scope audit

### Financial Management and Financial Sustainability

**Financial management and reporting arrangements are well established and allow members and officers to scrutinise the budget effectively**

**35.** Comprehensive budget monitoring reports are presented to the IJB Board. These contain detail on the year to date financial position, forecast outturn for the year and, progress in delivering savings and update on financial risks of the in-year financial plan.

**36.** Detailed finance performance updates are presented quarterly. The updates provide detail on progress of recurring savings targets and in year directorate overspends.

**37.** The IJB delivered a balanced financial position in 2024/25 but only after receiving additional non-recurring funding of £22.6 million from NHS Dumfries and Galloway to address the overspend in the delegated health budget and an additional one off non-recurring payment of £1.819 million from Dumfries and Galloway Council to address the overspend in the delegated adult social care budget.

**38.** In our 2024/25 annual audit plan we identified the IJB's financial sustainability as a wider scope audit risk for focus and the details are shown in [Exhibit 3](#).

**39.** The 2024/25 financial plan was presented to the IJB Board on 16 April 2024. The plan identified a forecast deficit of £20.079 million, after the deduction of a savings target of £20.857 million and planned use of IJB reserves of £1.008 million.

**40.** The financial plan for 2024/25 approved by the IJB Board delegated budget of £397 million to NHS Dumfries and Galloway and £112.823 million to Dumfries and Galloway Council, to be spent in line with the IJB's Strategic Plan and savings and cost reductions identified.

**41.** The 2024/25 Year End Finance Update report presented to the IJB Board on 3 June 2025 highlights that £16.4 million of the savings target in 2024/25 related to delegated NHS budget and that savings of £18.2 million were achieved against this target (an over achievement of £1.8 million), although only £6.6 million were delivered on a recurring basis which leaves a shortfall of £4.3 million carried forward into 2025/26.

**42.** The annual accounts show a balanced financial position in 2024/25. The financial outturn was only achieved due to additional non-recurring funding of £22.6 million provided by NHS Dumfries and Galloway, part of which was additional financial support provided by the Scottish Government for 2024/25 as repayable brokerage. In addition, the IJB requested an additional one off non-recurring, non-recoverable payment of

£1.819m from Dumfries and Galloway Council to support the year end overspend in the delegated Adult Social Care budget which is in line with the Integration Scheme.

**The IJB's reserves decreased by £4.7 million this year, leaving a balance of only £4.1 million at 31 March 2025. The IJB has no uncommitted reserves which significantly limits the IJB's ability to respond to unexpected budget pressures**

**43.** One of the key measures of the financial health of a body is the level of reserves held. The IJB has a general fund reserve which contains earmarked balances for future commitments. The IJB has no uncommitted balances within its general fund reserve to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

**44.** Reserves of £8.8 million were brought forward from 2023/24 which were ringfenced and included reserves relating mainly to the Social Care Fund, Winter Planning Resource, Primary Care Improvement Funding and the Alcohol and Drug Partnership. As at 31 March 2025 these reserves had reduced to £4.1 million. The IJB now has minimal level of reserves all of which are ringfenced and assigned to specific committed projects for 2025/26 to support the Strategic Commissioning Plan aims, along with the specific initiatives that they were designated for. The low level of reserves seriously limits the IJB's ability to manage and mitigate future financial pressures and the IJB needs to ensure the maintenance of reserves is factored into its medium-term financial plans when these are developed as highlighted in paragraph 49.

### Recommendation 1

The IJB should review its reserves position and ensure it factors maintenance of a sufficient balance into its medium-term financial plans when these are developed.

**The IJB's 2025/26 financial plan indicates a deficit of £25.4 million as well as the challenge of £30.7 million of savings required**

**45.** The initial 2025/26 financial plan was presented to the IJB Board on 15 April 2025. The plan identified a forecast deficit of £32.730 million. However, an updated 2025/26 financial plan was presented to the IJB Board on 3 June 2025 which highlighted that the forecast deficit had decreased to £25.4 million after the deduction of a savings target of £30.7 million (£18.2 million of the savings target relates to delegated NHS budget and £12.5 million relates to delegated council budget).

**46.** The updated financial plan for 2025/26 approved by the IJB Board delegates budget of £428 million to NHS Dumfries and Galloway and



£117.934 million to Dumfries and Galloway Council, to be spent in line with the IJB's Strategic Plan and savings and cost reductions identified.

**47.** A report was presented to the Finance, Performance and Quality Committee on 8 July 2025 which outlines the social care savings plan that has been put in place for 2025/2026 to address the projected overspend of the local authority budgets delegated to the IJB. The report highlights that:

- There is a projected overspend on the delegated services which are funded by the local authority of £12.4 million for 2025/26
- The provision of direct care accounts for approximately £9.4 million of the overspend
- There is a robust savings plan in place to deliver on the savings required to reduce this overspend and endeavour to deliver a balanced budget position at the end of the financial year.

### **To support the 3 year strategic commissioning plan and demonstrate the financial sustainability of services, medium-term financial planning should be developed**

**48.** In our 2022/23 Annual Audit Report we recommended that a medium-term financial plan should be prepared for the IJB to support the 3 year strategic commissioning plan. This recommendation has yet to be actioned.

**49.** However, we noted that the 2025/26 updated financial plan presented to the IJB Board on 3 June 2025 by the Chief Finance Officer states that, *“Work will continue to develop a financial strategy over the short and medium-term which will respond to future challenges. This budget doesn’t make any additional financial provision for future year changes in service delivery models and activity pressures which are anticipated given the demographic impacts to service delivery we are already seeing. We will need to work closely with our NHS and Council partners to provide funding solutions or agreed disinvestment strategies to allow for any future investments.”*

### **Financial systems of internal control operated effectively**

**50.** The IJB is reliant on the systems of its partner bodies, NHS Dumfries and Galloway, and Dumfries and Galloway Council, for its key financial systems, including ledger and payroll. All IJB transactions are processed through the respective partners' systems and all controls over those systems are within the partner bodies rather than the IJB.

**51.** As part of our audit approach, we sought assurances from the external auditors of NHS Dumfries and Galloway and Dumfries and Galloway 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.

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

**52.** The 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. We reviewed the arrangements in place at NHS Dumfries and Galloway and Dumfries and Galloway Council through consideration of the work by partner body auditors and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the websites of the partner bodies.

**53.** 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.

## **Vision, Leadership and Governance**

### **The refreshed Strategic Commissioning Plan for 2025-28 sets out the IJB's priorities going forward**

**54.** • The IJB approved and published its refreshed Strategic Commissioning Plan for 2025-28 in April 2025. This refreshed Plan reaffirms the IJB's commitment to its long-term vision and model of care, while refining its Strategic Commissioning Intentions to better reflect how it will meet the needs of people living in Dumfries and Galloway and ensure full alignment with the National Health and Wellbeing Outcomes. The SCP outlines the IJB's aims for delivering transformational change and sets out its:

- Vision and purpose
- Model of Health and Social Care and Support (Model of Care)
- Strategic Commissioning Intentions (SCIs)
- Partnership's approach to move from strategy to delivery, including risks and challenges to delivery.

**55.** During 2024/25, the IJB focussed on delivering the SCP by mapping the actions from its Annual Delivery Plan (ADP) to the SCIs, Directions and the local Tactical Priorities. This approach aims to ensure the activities of the operational directorates within the IJB are aligned to the strategic direction agreed by the IJB Board. In addition, through a facilitated workshop and subsequent targeted development and support, the IJB worked with colleagues from the third sector and independent provider partners to identify, develop and begin to deliver their innovative ideas to help the IJB realise a new agreed model of care. The IJB will draw learning from both of these approaches as it plans and implements the methods for delivery of the SCP in 2025/26 and beyond.

## **The Integration Scheme has been revised and was approved by the Scottish Government at the start of September 2024**

**56.** The Public Bodies (Joint Working) (Scotland) Act 2014, places a legal duty on councils and health boards to review the Integration Schemes at least every 5 years to consider whether any changes are necessary or desirable. The Integration Scheme for the IJB was last updated in 2018.

**57.** In March 2020, the Scottish Government instructed that health boards and councils should ensure that, if their scheme was due for review, they should jointly carry out the minimum requirement of a review, and that this is acknowledged jointly and formally. This review can note anything that requires further work between partners and set out plans for the completion of that work at a later date, including the production of a successor scheme.

**58.** The light touch review undertaken for the IJB in 2020 detailed what it wanted to change but was not a fully consulted-on replacement scheme. That being the case, the review was sufficient to meet the requirements set out above. However, the task at that point was to develop those changes, consult on them, and submit the new scheme to Scottish Government for approval. In September 2020, a revised Integration Scheme following the light touch review was submitted. However, as this review did not include the necessary consultation laid out in legislation, formal approval was not granted.

**59.** In 2022/23, a review of the Integration Scheme took place between the IJB, health board and council and a revised and refreshed Integration Scheme was approved by the NHS Board and Dumfries and Galloway Council in December 2023. Thereafter, the Scheme was forwarded to Scottish Government for approval, with feedback received that some minor changes were required. This was resubmitted to the Scottish Government and was formally approved by the Scottish Government at the start of September 2024.

## **Governance arrangements continue to operate effectively**

**60.** The IJB has established governance arrangements in place. The IJB has the following committees established:

- Finance, Performance and Quality Committee
- Strategic Planning Delivery and Commissioning Committee
- Transformation and Innovation Futures Committee
- Audit, Risk and Governance Committee.

**61.** All IJB Board meetings and committees took place via remote conferencing in 2024/25. Members of the public were able to attend open

meetings where requested, and recordings of meetings are available on the website along with relevant papers and minutes.

**62.** We consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making. Meetings continue to be held in a virtual environment in line with Scottish Government guidance.

### **An Interim Chief Finance Officer and Interim Chief Officer were appointed during 2025**

**63.** The IJB's Chief Finance Officer (who was also the Director of Finance at NHS Dumfries and Galloway) retired at the end of June 2025 and an Interim Chief Finance Officer was appointed following this. An Interim Chief Officer was also appointed in August 2025 to replace the previous Interim Chief Officer who stepped down from the position.

## **Use of Resources to Improve Outcomes**

### **Performance management arrangements are effective with indicators and targets kept under review**

**64.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB 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.

**65.** The Annual Performance Report for 2024/25 was approved by the IJB Strategic Planning Delivery and Commissioning Committee meeting of 22 July 2025. The report has been published on the IJB's website and focusses on the 3 mechanisms by which the IJB influences health and social care:

- development and promotion of strategy (planning and engagement activity)
- the integrated budget (finance and commissioning decisions)
- agreeing with the NHS board and council what to commission and how to use the integrated budget to deliver the Strategic Commissioning Plan (issuing Directions).

**66.** The IJB has effective arrangements in place for managing and reviewing performance. The IJB and its committees maintain oversight of the following at their regular meetings:

- Finance/Delegated Budget, Financial Plan
- Performance and Business Intelligence
- Quality Assurance Reports

- Annual Performance Report.

**67.** The IJB has appropriate arrangements in place for considering and reviewing national reports including any locally agreed actions.

**The IJB's annual performance report for 2024/25 was published within the required timescales**

**68.** Integration authorities are required to publish an Annual Performance Report by the end of July each year. As noted above, the IJB's Annual Performance Report for 2024/25 was presented to the IJB Strategic Planning, Delivery and Commissioning Committee meeting on 22 July 2025 and is the third report relating to the old SCP which recovered 2022-25. The Performance Management Framework developed to support the SCP takes a broader, population health and longer term population outcomes approach.

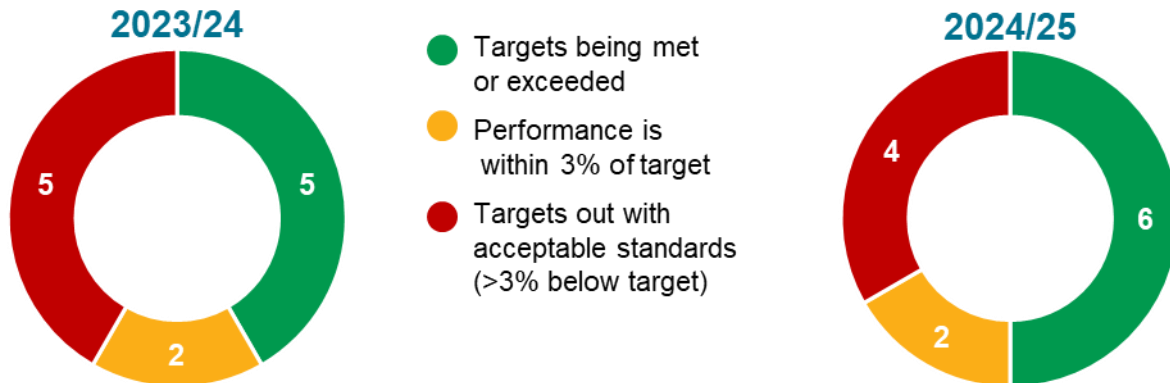
**69.** We conclude that the IJB has established appropriate arrangements for reporting performance against national outcomes through the Annual Performance report.

**The number of national core performance indicators meeting or exceeding target has slightly increased compared to the previous year, and those outwith acceptable standards have decreased**

**70.** The Annual Performance Report for 2024/25 provides year on year trend analysis data for national core performance indicators. The report shows for the 20 national core indicators where data is published annually, 2024/25 data for 8 indicators has not yet been published nationally. For the 12 indicators where 2024/25 data has been published, 6 indicators are shown as meeting or exceeding the target, 2 indicators are shown as being within 3 per cent of meeting the target and 4 indicators are shown as being more than 3 per cent away from meeting the target. The performance of the 12 indicators where 2024/25 data has been published is included at [Exhibit 4](#) overleaf, alongside the performance of the same 12 indicators in 2023/24.

## Exhibit 4

### National core performance indicators



Source: Dumfries and Galloway IJB 2024/25 Annual Performance Report

## Conclusions on Best Value

**71.** Integration authorities have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards the strategic objectives and holding partners to account.

**72.** The IJB undertakes a Best Value assessment exercise on an annual basis to confirm that the IJB arrangements for Best Value remain fit for purpose and makes reference to this in the Annual Governance Statement within the IJB's 2024/25 Annual Accounts. The Best Value assessment statement for 2024/25 was presented to the Audit, Risk and Governance Committee on 16 September 2025.

# Appendix 1

## Action plan 2024/25

### 2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
<p><b>1. Level of Reserves</b></p> <p>The IJB's reserves decreased by £4.7 million this year, leaving a balance of only £4.1 million at 31 March 2025. The low level of reserves significantly limits the IJB's ability to respond to unexpected future financial pressures.</p> <p>There is a risk that that any overspends in 2025/26 would require members to make difficult decisions to disrupt strategic priorities, request additional funding from partners or reduce service provision.</p>	<p>The IJB should review its reserves position and ensure it factors maintenance of a sufficient balance into its medium-term financial plans when these are developed.</p>	<p>Accepted</p> <p>Consideration will be given, to ensure that appropriate levels of reserves are held, it is intended that a 3–5-year high level plan is formed to forecast the position.</p> <p>The first steps to create a forecast for the next 3-5years for council delegated spend have already commenced this will feed into the combined forecast for the IJB.</p> <p>It is anticipated that a draft/working version will be available later in the year towards the end of quarter 3 of 2025/26. This will then need to be refined and further presented at the relevant meetings before being formally adopted as the IJB forecast.</p> <p>Interim Chief Finance Officer 31 December 2025</p>

## Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
<p><b>1. National report on IJBs' finance and performance 2024</b></p> <p>The Accounts Commission's report Integration Joint Boards' Finance and Performance 2024 was published in August 2024 and contains a number of recommendations for IJBs to address.</p> <p>The IJB is not delivering improved outcomes which is a risk for the sustainability of services.</p>	<p>The IJB should ensure that the findings of the Accounts Commission's 2024 national report on the finance and performance of IJBs should be considered by the IJB Board and action taken to address the recommendations within the report.</p> <p>The IJB has scheduled a workshop on 9 October 2024 for IJB Board members to discuss the contents of this national report and agree the next steps and actions to be taken.</p> <p>Interim Chief Officer</p> <p>March 2025</p>	<p>Completed</p> <p>Following the workshop for the IJB Board members on 9 October 2024, a paper was presented to the IJB's Transformation and Innovation / Futures Committee meeting on 12 November 2024. This paper provided an assessment of the effectiveness of integration and proposed actions agreed by IJB Board members at the workshop held on 9 October 2024.</p>



# Appendix 2

## Supporting national and performance audit reports

Report name	Date published
<a href="#">Local government budgets 2024/25</a>	15 May 2024
<a href="#">Scotland's colleges 2024</a>	19 September 2024
<a href="#">Integration Joint Boards: Finance and performance 2024</a>	25 July 2024
<a href="#">The National Fraud Initiative in Scotland 2024</a>	15 August 2024
<a href="#">Transformation in councils</a>	1 October 2024
<a href="#">Alcohol and drug services</a>	31 October 2024
<a href="#">Fiscal sustainability and reform in Scotland</a>	21 November 2024
<a href="#">Public service reform in Scotland: how do we turn rhetoric into reality?</a>	26 November 2024
<a href="#">NHS in Scotland 2024: Finance and performance</a>	3 December 2024
<a href="#">Auditing climate change</a>	7 January 2025
<a href="#">Local government in Scotland: Financial bulletin 2023/24</a>	28 January 2025
<a href="#">Transparency, transformation and the sustainability of council services</a>	28 January 2025
<a href="#">Sustainable transport</a>	30 January 2025
<a href="#">A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study</a>	20 February 2025
<a href="#">Additional support for learning</a>	27 February 2025
<a href="#">Integration Joint Boards: Finance bulletin 2023/24</a>	6 March 2025
<a href="#">Integration Joint Boards finances continue to be precarious</a>	6 March 2025
<a href="#">General practise: Progress since the 2018 General Medical Services contract</a>	27 March 2025
<a href="#">Council Tax rises in Scotland</a>	28 March 2025

# Dumfries and Galloway IJB

## 2024/25 Annual Audit Report



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 **Email: [info@audit.scot](mailto:info@audit.scot)**  
**[www.audit.scot](http://www.audit.scot)**