

Scottish Borders Integration Joint Board

2024/25 Annual Audit Report



Prepared for Scottish Borders Integration Joint Board and the Controller of Audit
September 2025

Contents

Key messages	3
Introduction	4
Audit scope and responsibilities	5
Audit of the annual accounts	7
Wider scope and Best Value audit	11
Appendix 1	20
Appendix 2	23

Accessibility

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Key messages

Audit of the annual accounts

- 1** The audit opinion for Scottish Borders Integration Joint Board (the IJB) is unmodified. The annual accounts are free from material misstatement.
- 2** There were no significant findings or key audit matters to report. There were no significant findings or key audit matters to report, and there were no material audit adjustments to correct the financial statements.

Wider scope and Best Value audit

- 3** The IJB has effective and appropriate financial management arrangements in place.
 - 4** The IJB should work with its strategic partners and look to develop a strategic financial and operational plan to deliver health and social care services in a financially sustainable way. This should incorporate scenario plans around service levels, financial assumptions and funding levels.
 - 5** The IJB Strategic Commissioning Framework outlines how the health and social care services will be shaped over the three year period and how improvements will be made to health and wellbeing outcomes for the area.
 - 6** The IJB's Chief Officer resigned in April 2025 and a successor has still to be appointed. Given the increasing financial and operational challenges facing the IJB this statutory leadership role requires to be filled as soon as a matter of urgency. The IJB is required to carry out an annual assessment of how Best Value is delivered and introduce an overarching strategy for achieving Best Value.
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Introduction

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 Scottish Borders 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 Scottish Borders Integration Joint Board, hereafter referred to as 'the body' and the Controller of Audit, and will be published on Audit Scotland's website in due course.

Appointed auditor and independence

3. John Boyd, of Audit Scotland, has been appointed as external auditor of the body for the period from 2022/23 until 2026/27. As reported in the Annual Audit Plan, John Boyd as engagement lead 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 body, 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.

Audit scope and responsibilities

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 Report.
- Conclusions on the body'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 body'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 body'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 body 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 body's responsibilities

10. The body 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 body 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.

National performance audit reporting

11. The Auditor General for Scotland and the Accounts Commission regularly publish performance audit reports. These cover a range of matters, many of which may be of interest to the body and its Performance, Finance & Audit 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 stated that the annual accounts were free from material misstatement.

There were no significant findings or key audit matters to report, and there were no material audit adjustments to correct the financial statements.

Audit opinions on the annual accounts

12. The body's annual accounts were approved by the board on 24 September 2025 and certified by the appointed auditor on 24 September 2025. The Independent Auditor's Report is included in the body's annual accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

13. The unaudited annual accounts were received on 30 June 2025 in accordance with the agreed audit timetable. The unaudited accounts and supporting working papers were of a good standard.

Audit Fee

14. 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

15. 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.

16. 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.

17. 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. Materiality levels were updated and these can be seen in [Exhibit 1](#)].

Exhibit 1
2024/25 Materiality levels for the body

Materiality	The body
Materiality – set at 2% of gross expenditure	£5.220 million
Performance materiality – set at 75% 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.	£3.915 million
Reporting threshold – set at 5% of materiality.	£0.261 million

Source: Audit Scotland

Significant findings and key audit matters

18. ISA (UK) 260 requires auditors to communicate significant findings from the audit to those charged with governance, which for the body is the Performance, Finance & Audit Committee.

19. 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.

20. 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.

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

Qualitative aspects of accounting practices

22. 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

23. The appropriateness of accounting policies adopted by the body was assessed as part of the audit. These were considered to be appropriate to the circumstances of the body, and there were no significant departures from the accounting policies set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Accounting estimates

24. No significant accounting estimates were identified as having been employed by management in preparing the financial statements.

Disclosures in the financial statements

25. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate, with additional levels of detail provided for disclosures around areas of greater sensitivity, such as related party transactions.

Significant matters discussed with management

26. All significant matters identified during the audit and discussed with the body's management have been reported in the Annual Audit Report.

Audit adjustments and amendments

27. No audit adjustments were required to the primary financial statements greater than the reporting threshold of £0.261 million. The IJB should review the presentation of balances with the Scottish Borders Council to reflect the net position in the balance sheet.

28. There have been some minor amendments made to the management commentary in order to clarify some of the narrative and these have been addressed by officers. Amendments were also made to the remuneration report as part of the audit process.

Significant risks of material misstatement identified in the Annual Audit Plan

29. 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, \(page 10\)](#).

Exhibit 2

Significant risk of material misstatement in the financial statements

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	The audit team will: • Agree balances and transactions to Scottish Borders Council and NHS Borders financial reports/ledger/correspondence. • Assurances will be obtained from the auditors of Scottish Borders Council and NHS Borders over the completeness, accuracy and allocation of income and expenditure. • Review of significant adjustments at year end where we consider there to be greatest risk of material misstatement through management override of controls. • Review of financial monitoring reports during the year. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements.	From carrying out the planned audit procedures, we have not identified any indication of material misstatement in the financial statements through fraud or error caused by management override of controls.

Source: Audit Scotland

Prior year recommendations

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

Wider scope and Best Value audit

Conclusion

The body has effective and appropriate financial management arrangements in place.

The IJB should work with its strategic partners and look to develop a strategic financial and operational plan to deliver health and social care services in a financially sustainable way. This should incorporate scenario plans around service levels, financial assumptions and funding levels. The IJB Strategic Commissioning Framework outlines how the health and social care services will be shaped over the three year period and how improvements will be made to health and wellbeing outcomes for the area.

The IJB's Chief Officer resigned in April 2025 and a successor has still to be appointed. Given the increasing financial and operational challenges facing the IJB this statutory leadership role requires to be filled as soon as possible.

The IJB is required to carry out an annual assessment of how Best Value is delivered and introduce an overarching strategy for achieving Best Value.

Audit approach to wider scope and Best Value

Wider scope

31. 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.

32. 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.

Best Value

33. The duty on auditors to consider the arrangements in place to secure Best Value applies to the body as it falls within section 106 of the Local Government (Scotland) Act 1973.

34. 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

35. 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
Financial sustainability Scottish Borders IJB has only achieved financial balance in recent years by receiving additional funding from NHS Borders to support overspends in delegated health services, and through the use of reserves. It continues to be faced with significant financial challenges, and with having to make difficult decisions for the foreseeable future. More work is required to ensure a sustainable financial position, including the provision of a medium to long term financial plan.	The audit team will: • Review financial plans developed and assess the appropriateness of the financial plans and any assumptions made. • Assess if financial plans developed are aligned to Scottish Borders' strategic priorities. • Review financial monitoring reports to assess the financial position, including progress of partner bodies in achieving planned savings. • Review controls in place and updates to financial plans to assess financial sustainability.	Audit work performed found: • The body approved a medium-term financial plan appropriate to its circumstances in March 2025. • The cost assumptions made in the financial plan are reasonable. • The financial plan developed is aligned to the body's Strategic Commissioning Plan and priorities. • As in previous years, an additional payment of £6.602 million was received from NHS Borders to fund a net overspend on delegated health services. Conclusion: The body has made appropriate arrangements to develop and implement a medium-term financial plan, which is linked to its Strategic Commissioning Plan and priorities. However, a more strategic approach to financial and operational planning is required to deliver health and social care services in a financially sustainable way.

Source: Audit Scotland

Conclusions on wider scope audit

Financial Management

36. The audit work performed on the arrangements the body has in place for securing sound financial management found that these were effective and appropriate. This judgement is evidenced by the body:

- having clear and up-to-date policies and procedures, for example, financial regulations and scheme of delegation, in place that ensure effective financial management.
- having suitably qualified and experienced staff leading the finance function, which has sufficient skills, capacity, and capability to effectively fulfil its role.
- having effective arrangements in place for the scrutiny of arrangements that support sound financial management, and effective scrutiny and challenge provided by the Audit Committee.

37. Scottish Borders 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 for Scottish Borders IJB is incurred by partner bodies and processed in their accounting records with information then shared and compiled to produce the annual financial statements.

38. The initial budget for 2024/25 was approved by the IJB 17 April 2024. The initial budget outlined £125.883m of Health Funding, £81.551m Social Care Funding and £28.403m of Set Aside funding. Savings targets of £11.596m were identified, and £10m of reserves being used by Scottish Borders Council, in order to deliver a balanced budget.

39. During 2024/25 the financial plan was updated to reflect changes to planned expenditure and updated funding levels.

40. Scottish Borders IJB returned a surplus on the provision of services of £2.205 million in the Comprehensive Income and Expenditure Statement, which is reflected in the General Fund reserves movement. Reserves increased from £6.846 million to £9.051 million in year. Reserves are all held for specific purposes and no contingency reserves are held.

41. There was a net overspend on delegated health services of £6.602 million which has been funded by NHS Borders through an additional payment. The largest areas of overspend were prescribing (£1.4 million) and learning disability services (£1.1 million). There was an underspend of £1.4 million on delegated social work services, which was returned to Scottish Borders Council

42. There was an overspend on set aside services of £7.1 million relating to demand and capacity for services. The overspend has been absorbed within NHS Borders financial outturn.

43. The final revision to the budget included a savings target of £5.521 million. The final outturn position was that savings amounting to £5.304 million were delivered, although the savings in relation to NHS delegated services were under delivered by £0.973 million. Management are confident, however, that those savings not delivered in year will be delivered in future years.

Internal audit assurance

44. Scottish Borders IJB's internal audit function is carried out by the Scottish Borders Council internal audit team. The 2024/25 planned work was completed in full and the Internal Audit Annual Assurance Report was presented to the June 2025 Audit Committee.

45. Internal Audit's opinion was that there are generally sound governance arrangements, risk management and systems of internal control in place to support the achievement of the IJB's objectives. There were no significant control deficiencies relating to the IJB that require disclosure in the Annual Governance Statement.

46. In the public sector there are specific fraud risks, including those relating to payments 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.

47. The IJB relies on the arrangements in place at the partner bodies to prevent and detect fraud or other irregularities. As part of our audit approach, we sought assurances from the external auditor of NHS Borders and Scottish Borders Council. Neither the health board nor council auditors reported any significant weaknesses in these arrangements. We are not aware of any specific issues we require to bring to your attention.

Financial Sustainability

48. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services in the way in which they should be delivered.

49. Following on from their report published in July 2024, [Integration Joint Boards: Finance and performance 2024](#), which identified the financial sustainability challenges faced by Boards across Scotland, the Accounts Commission published [Integration Joint Boards: Finance bulletin 2023/24](#) in March 2025. Key messages from that publication included:

- IJBs' finances continued to be precarious, with continued overspending, depletion of reserves and required savings being met through one off rather than recurring savings.
- The majority of IJBs reported a deficit on the cost of providing services requiring unplanned use of reserves and additional contributions from partner bodies.
- The financial position was set to worsen with a projected funding gap of £457 million in 2024/25.

50. . The audit work performed on the arrangements the body has in place for securing financial sustainability found that these were effective and appropriate. This judgement is evidenced by the body:

- making appropriate arrangement to develop a medium-term financial plan linked to its Strategic Commissioning Plan and priorities.
- having effective arrangements in place for identifying risks to financial sustainability over the medium term, and understanding medium term demand pressures that could impact on available resources.
- having savings plans in place to manage forecast budget deficits, and a reserves strategy in place to manage the use of reserves if the required level of savings cannot be met.

51. The IJB approved a medium-term financial plan in March 2025, based on a set of principles approved by the board in July 2024, covering the planning period 2025/26 – 2029/30. Principles included that it be built in partnership with NHS Borders and Scottish Borders Council, using funding and cost assumptions consistent with their financial plans. Suitable assumptions are included around pay increases, increases in prescribing, savings, etc and risks and opportunities for the plan are also identified. This first medium-term financial plan identified a budget gap over the five year planning period of £34.2 million, being £10.1 million forecast for 2025/26 followed by £6 million per year for the ensuing four years.

52. The IJB financial position contains areas of uncertainty including activity levels in demand lead services as well as available funding. In addition, the health board delivered services have seen underspends in recent years as a result of resourcing underspends through higher than planned vacancy levels. This is not a long term sustainable delivery model. The financial planning arrangements should be further developed to include scenario planning. This should support and be informed through a strategic planning approach as to how IJB services will be delivered in a sustainable way in the future.

53. Based on the above, the following recommendation has been made, with further details outlined in [Appendix 1](#).

Recommendation 1

Financial sustainability

The IJB should work with its strategic partners and look to develop a strategic financial and operational plan to deliver health and social care services in a financially sustainable way. This should incorporate scenario plans around service levels, financial assumptions and funding levels.

Vision, Leadership and Governance

54. The audit work performed on the arrangements the body has in place around its Vision, Leadership and Governance found that these were effective and appropriate. This judgement is evidenced by the body:

- having a Strategic Commissioning Plan in place, that clearly set out its vision, strategy, and priorities and reflect the pace and depth of improvement required to realise these in a sustainable manner.
- involving service users, delivery partners, and other stakeholders in the development of its vision, strategy, and priorities to ensure these align to their needs.
- having clear financial and performance reporting in place, linked to its Operational Plans, and effective scrutiny and challenge of performance provided by the Integration Joint Board.
- having effective governance arrangements in place in general, as reflected in the Annual Governance Statement included in the accounts.

55. The IJB's Chief Officer resigned in April 2025 and a successor has still to be appointed. Given the increasing financial and operational challenges facing the IJB this statutory leadership role requires to be filled as soon as possible.

56. In line with ministerial guidance, a periodic self-evaluation of the effectiveness of Scottish Borders IJB was carried out during 2023/24. A self-assessment improvement action plan was produced which is periodically brought to the Audit Committee to show progress against the plan.

57. There are 3 key themes in the improvement plan against which a number of actions have been identified:

- Consider how the IJB can further align resources to facilitate the desired shift to early intervention and prevention.

- Clarify the roles and responsibilities of IJB members to ensure they are clear on what is expected of them
- Reflect upon the IJB's current mechanisms for engaging with service users and the wider public to more effectively seek their view.

58. An update on progress against the various actions was considered by the Audit Committee in July 2024. Progress was being made on improvements identified from 2023/24 and, in March 2025, it was agreed that the 2 yearly self-evaluation in accordance with the guidance would be carried out during 2025/26.

59. The Audit Committee carried out its annual self-evaluation in March 2025, using the toolkit from the CIPFA Audit Committees Guidance which details best practice, and reported in June 2025. The outcome of the self-assessment was a high degree of performance against the good practice principles and a medium/high degree of effectiveness, with evidence of improvement during the year.

60. From attendance at meetings, we have confirmed that meetings are conducted in an open and transparent manner. Meeting papers are available on the Scottish Borders Council website for both the Board and Audit Committee. We consider that there is effective scrutiny and challenge by members at these meetings.

Use of Resources to Improve Outcomes

61. The audit work performed on the arrangements the body has in place around its Use of Resources to Improve Outcomes found that these were effective and appropriate. This judgement is evidenced by the body:

- being able to demonstrate a clear link between the use of resources and delivery of its priorities.
- having arrangements in place to benchmark its performance to identify areas of improvement.
- being able to demonstrate improvements in performance against benchmarks and relative to other comparable organisations.

62. In conjunction with Quarterly Performance Reports, 2-monthly Performance and Delivery Reports are presented to each IJB meeting providing an overview of H&SCP delivery against the Strategic Framework and Annual Delivery Plan. These include numerous datasets and tables detailing IJB performance compared to the Scotland wide position. In addition, to aid understanding for members and the public, a summary infographic is included which presents movements in key performance measures and comparisons with the rest of Scotland.

63. Throughout 2024/25 good progress has been reported in relation to implementation of both the Annual Delivery Plan and the Directions issued by the IJB. The March 2025 report highlights two areas with significant delivery challenges, these being the integration of Home First with Adult Social Care and with Delayed Discharge.

64. The Public Bodies (Joint Working) (Scotland) Act 2014 requires Scottish Borders 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 2024/25 Annual Performance Report including progress with the 2024/25 Annual Delivery Plan is expected to be approved for publication at the September IJB meeting.

Conclusions on Best Value

66. Integration Joint Boards have a statutory duty to have arrangements in place to secure Best Value. To achieve this, all boards should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

67. Scottish Borders IJB's statutory reporting, including both financial and performance reporting arrangements, does demonstrate the key aspects set out in the statutory Best Value guidance. Scottish Borders IJB does not make an overall assessment of how it delivers Best Value, and relies on those principles existing within Scottish Borders Council and NHS Borders. The IJB does not have its own overarching strategy on how Best Value will be achieved.

68. In response to our 2023/24 recommendation, work on these areas was to be progressed during 2025/26 but has still to commence, so has been carried forward as a repeat recommendation at [Appendix 1](#).

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. Financial Sustainability Given the increasing financial challenges facing all IJBs, a longer-term financial strategy becomes even more crucial in identifying and planning for future funding and expenditure pressures. Risk – Without such a longer term approach to financial planning, the nature and extent of some future risks to financial sustainability may not be identified.	The IJB should progress the development of a long-term financial strategy, including scenario planning around service levels, financial assumptions and service levels to consolidate on the benefits of now having a medium term financial plan in place, and to assist in planning for increased future funding and expenditure pressures.	During 2025/26 the CFO will work to embed and improve upon the 5 Year Medium Term Plan agreed in March 2025. Consideration of a long term plan will take place once the new Chief officer is appointed. Responsible Officer Chief Finance Officer Timing Review 31st March 2026

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
b/f 2023/24 AAR 1. Medium-term financial plan and long-term financial strategy Given the financial challenges facing the IJB, a medium-term financial plan and longer-term financial strategy are required. Risk – without these the building blocks for the Strategic Commissioning Framework are not in place and risks to financial sustainability may not be identified.	Developing a long-term financial strategy underpinned by a medium-term financial plan, including scenario planning, is required to support delivery of the Strategic Commissioning Framework and help support make challenging decisions. Agreed Action A plan for delivering a medium-term financial plan was presented to the board during Summer 24 with a forward looking medium term plan being presented before the end of the financial year. Responsible Officer Interim Chief Finance Officer Timing 31st March 2025	Superseded – See Recommendation 1
b/f 2023/24 AAR 2. Appropriate arrangements for securing Best Value should be put in place Given the financial and service delivery challenges faced by Scottish Borders IJB, overarching arrangements for Best Value are required. Risk - Without arrangements to support the delivery of Best Value in place, it may not be achieved.	An annual assessment on how Scottish Borders IJB delivers Best Value should be carried out. This should be supported by introducing an overarching strategy on how Best Value will be achieved for Scottish Borders IJB. Agreed Action A review of Best Value arrangements will be undertaken during 2025/26 Responsible Officer Chief Officer Timing 31st March 2026	Ongoing Chief Officer resigned April 2025 so action has not been progressed during 2025/26. Successor has not yet been appointed therefore timing will require to be revised. The action has been kept open to follow up by external audit.

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
b/f 2020/21 AAR 3. Hospital Acute Services (Set Aside) As reported in the previous four years, arrangements for the sum set aside for hospital acute services under the control of the IJB are not yet operating as required by legislation and statutory guidance. A notional budget has been agreed and included in the annual accounts. This was a transitional arrangement for 2016/17 that was agreed by the Scottish Government to continue into 2020/21. In 2019/20 management agreed that the Set Aside group would be re-formed with representatives from the Senior Management of the IJB and NHSB however this has not happened. Risk – the sum set aside in the annual accounts is not being managed by the IJB as expected by the legislation.	The IJB and NHSB should prioritise establishing revised processes for planning and performance management of set aside hospital functions and associated resources in 2021/22. New Agreed Action This activity will be prioritised when resource allows. Responsible Officer Chief Finance Officer Timing Review 31st March 2026	Ongoing To be considered upon appointment of the new Chief Officer.

Appendix 2

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
Transformation in councils	1 October 2024
Alcohol and drug services	31 October 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
NHS in Scotland 2024: Finance and performance	3 December 2024
Auditing climate change	7 January 2025
Local government in Scotland: Financial bulletin 2023/24	28 January 2025
Transparency, transformation and the sustainability of council services	28 January 2025
Sustainable transport	30 January 2025
Integration Joint Boards: Finance bulletin 2023/24	6 March 2025
Integration Joint Boards finances continue to be precarious	6 March 2025
General practise: Progress since the 2018 General Medical Services contract	27 March 2025

Scottish Borders Integration Joint Board

2024/25 Annual Audit Report



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