South Ayrshire Integration Joint Board

2024/25 Annual Audit Report

Prepared for South Ayrshire Integration Joint Board and the Controller of Audit
September 2025

Contents

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Key messages

Audit of the annual accounts

1 All audit opinions stated that the annual accounts were free from material misstatement. The accounts show a true and fair view of the South Ayrshire Integration Joint Board's (the IJB') financial position.

2 There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by South Ayrshire Integration Joint Board.

Wider scope and Best Value audit

3 A balanced budget was set for 2024/25 but included savings proposals and the use of contingency balances from IJB reserves

4 The 2024/25 year end overspend of £2.340 million was met from reserves. Reporting of the budgeted and actual use of reserves needs to be clearer.

5 Uncommitted reserves are now extremely low, at £0.597 million significantly limiting South Ayrshire IJB's ability to respond to unexpected budget pressures

6 South Ayrshire IJB's medium-term financial plan identifies indicative funding gaps each year from 2026/27 to 2030/31 ranging from £6.006 million to £8.384 million, savings plans are being developed in response to this.

7 The Strategic Plan 2021-31 (refreshed in 2025) outlines the IJB's vision and aligns with South Ayrshire's Local Outcome Improvement Plan and the IJB's financial projections.

8 Performance management arrangements are effective. Performance has improved in many areas since last year. Ten of the twelve national performance indicators have improved. Delayed discharges whilst above the target level have also reduced compared to 2023/24.

9 The body has effective and appropriate arrangements in place for Financial Management; Financial Sustainability, Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

10 The body has effective and appropriate arrangements in place for securing Best Value.

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 South Ayrshire Integration Joint Board annual accounts and the wider scope areas specified in the Code of Audit Practice (2021).

2. The Annual Audit Report is addressed to South Ayrshire Integration Joint Board, hereafter referred to as '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 body for the period from 2022/23 until 2026/27. As reported in the Annual Audit Plan, Fiona Mitchell Knight as engagement lead and the audit team are independent of the IJB 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 Integration Joint Board members, senior management, and other staff, particularly those involved in the 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 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 body'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 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.

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 and Performance 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 performance audit reporting

12. 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 Integration Joint Board. 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. 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. All audit adjustments required to correct the financial statements were processed by the body.

Audit opinions on the annual accounts

13. The IJB's annual accounts were approved at the meeting of the Integration Joint Board on 11 June 2025 and certified by the appointed auditor on 10 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. The accounts show a true and fair view of the IJB's financial position.

Audit timetable

14. The unaudited annual accounts and all working papers were received by 30 June 2025 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 thousand. 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 IJB 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 and updated as can be seen in Exhibit 1.

Exhibit 1
2024/25 Materiality levels for the IJB

Materiality	IJB
Materiality – set at 2% of gross expenditure	£6.290 million
Performance materiality – set at 70% 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.	£4.405 million
Reporting threshold – set at 5% of materiality.	£0.315 million

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 with governance, which for the body is the Integration Joint Board

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.

Qualitative aspects of accounting practices

23. 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

24. 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

25. Accounting estimates are used in number of areas in the body's financial statements. Audit work considered the process management of the body has in place around making accounting estimates, including the assumptions and data used in making the estimates, and the use of any management experts. Audit work concluded:

- There were no issues with the selection or application of methods, assumptions, and data used to make the accounting estimates, and these were considered to be reasonable.

- There was no evidence of management bias in making the accounting estimates.

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, with additional levels of detail provided for disclosures around areas of greater sensitivity.

Significant matters discussed with management

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

Audit adjustments

28. No audit adjustments were required to the financial statements greater than the reporting threshold of £0.315 million.

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 11).

Exhibit 2
Significant risks of material misstatement to 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: • Assurances will be obtained from the auditors of NHS Ayrshire and Arran and South Ayrshire Council over the completeness, accuracy and allocation of income and expenditure. • Evaluate any significant unusual transactions outside the normal course of business. Evaluate significant transactions outside the normal course of business.	Audit work performed found: • We obtained assurances from the auditors of NHS Ayrshire and Arran and South Ayrshire Council over the completeness, accuracy and allocation of income and expenditure. • We evaluated any significant unusual transactions outside the normal course of business. **Conclusion:** no evidence of fraud caused by management override of controls.

Source: Audit Scotland

Wider scope and Best Value audit

Conclusion

A balanced budget was set for 2024/25 but included savings proposals and the use of contingency balances from IJB reserves

The 2024/25 year end overspend of £2.340 million was met from reserves. Reporting of the budgeted and actual use of reserves needs to be clearer.

Uncommitted reserves are now extremely low, at £0.597 million significantly limiting South Ayrshire IJB's ability to respond to unexpected budget pressures

South Ayrshire IJB's medium-term financial plan identifies indicative funding gaps each year from 2026/27 to 2030/31 ranging from £6.006 million to £8.384 million, savings plans are being developed in response to this.

The Strategic Plan 2021-31 (refreshed in 2025) outlines the IJB's vision and aligns with South Ayrshire's Local Outcome Improvement Plan and the IJB's financial projections.

Performance management arrangements are effective. Performance has improved in many areas since last year. Ten of the twelve national performance indicators have improved. Delayed discharges whilst above the target level have also reduced compared to 2023/24.

The body has effective and appropriate arrangements in place for Financial Management; Financial Sustainability, Vision, Leadership and Governance; and Use of Resources to Improve Outcomes.

The body has effective and appropriate arrangements in place for securing Best Value.

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.

Best Value

32. 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.

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 .

Exhibit 3
Significant wider scope and Best Value risks

Significant risk	Planned audit response	Outcome of audit work
Financial sustainability In recent years, the IJB has achieved short-term financial balance. However, at the time of writing, there are several uncertainties outside management's control that are impacting on the 2025/26 budget development. There is currently a significant budget gap for the 2025/26 financial year that needs to be addressed.	The audit team will: • Review the approved 2025/26 budget and updates to the IJB's medium-term financial plans and assess the appropriateness of the assumptions made. • Review financial monitoring reports to assess the financial position, including progress in realising efficiency savings.	Audit work performed found: • The IJB's current financial position has a very low level of uncommitted reserves • The Medium Term Financial Forecast figures updated from 2026/27 to 2030/31 show a budget gap of £33.2 million • There are transformation activities ongoing mainly via the Improvement and Innovation Fund investing in more preventative services, however savings plans are only developed for the next year in advance. **Conclusion:** The body is progressing arrangements to develop medium and longer-term financial plans. These should ensure links to strategic priorities and factor in financial flexibilities.

Source: Audit Scotland

Conclusions on wider scope audit

Financial Management

A balanced budget was set for 2024/25 but included savings proposals and the use of contingency balances from IJB reserves

35. The IJB approved its 2024/25 budget in March 2024. The budget was set at total net expenditure of £314.857 million consisting of £219.097 million of partnership services, £64.004 million recharges from other partnerships, £2.733 million recharges from other partnerships and £34.488 million set aside. There was a £4 million funding gap which was to be covered by £2.600 million in savings and a £1.500 million contribution from general reserves for Biggart Hospital beds.

The 2024/25 year end overspend of £2.340 million was met from reserves. Reporting of the budgeting and use of reserves should be improved

36. The IJB reported an overspend against budget of £2.340 million, which was funded from uncommitted reserves. The overall deficit of £6.406 million for 2024/25 was funded from:

- Earmarked reserves - £2.766 million
- Uncommitted reserves - £3.640 million

37. Reporting of the budgeting and use of reserves can be complex, however IJB finance reports could be more concise and consistent in how these are set out. This is especially important in the context of the financial pressures the IJB is currently under, much like other public sector bodies.

Recommendation 1

The IJB should review its finance reports to improve clarity on the reporting of its planned and actual use of reserves.

Uncommitted reserves are now extremely low at £0.597 million, significantly limiting South Ayrshire IJB's ability to respond to unexpected budget pressures

38. One of the key measures of the financial health of a body is the level of reserves held. The IJB general fund reserve is split between earmarked balances for future commitments or uncommitted balances. Uncommitted reserves are held to mitigate against unexpected budget pressures, ensuring services can continue without disruption.

39. The IJB's level of uncommitted reserves has reduced significantly over the last few years, currently £0.597 million as at 31 March 2025. (Exhibit 4). Reserves earmarked for specific purposes totalled £10.465 million as at 31 March 2025.

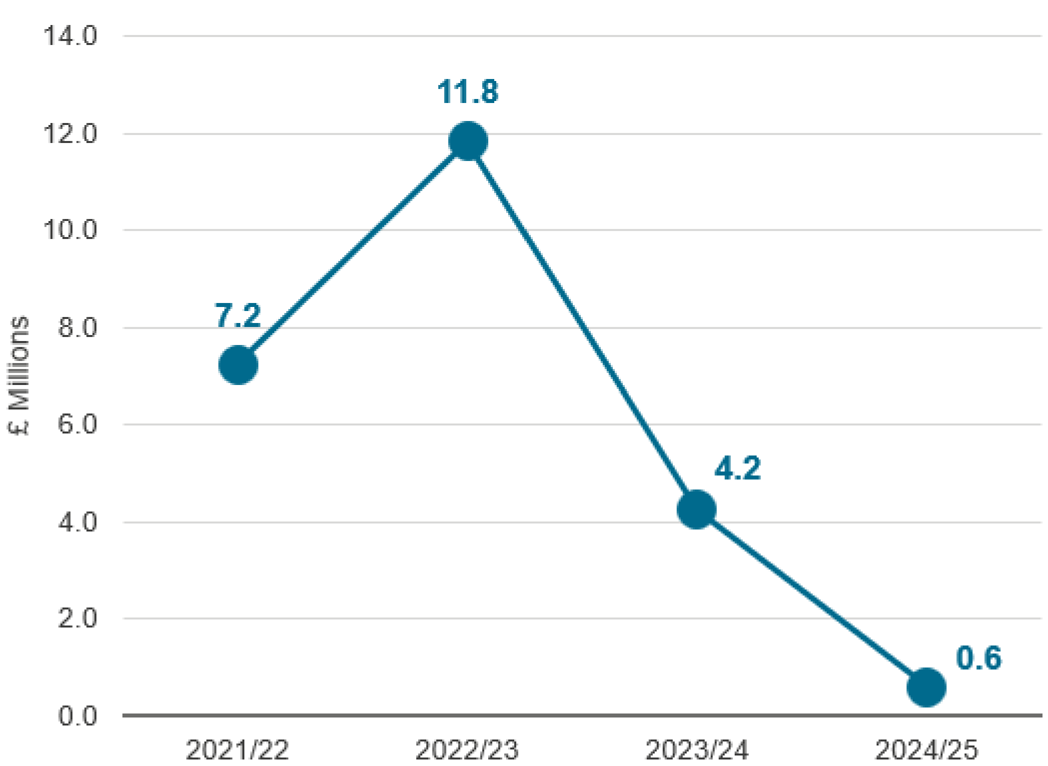
40. The low level of uncommitted general fund reserves seriously limits the IJB's ability to manage and mitigate future financial pressures. Given the financial pressures on the IJB, there is a significant risk that any overspends in 2025/26 would fully expend uncommitted reserves and require members to make difficult decisions to disrupt strategic priorities, request additional funding from partners or reduce service provision.

41. The IJB should review its uncommitted reserves position and ensure it factors maintenance of a sufficient balance into its medium-term plans.

Recommendation 2

The IJB should review its uncommitted reserves position and ensure it factors maintenance of a sufficient balance into its medium-term plans.

Exhibit 4
Changes in the value of South Ayrshire IJB's uncommitted reserves 2021/22 to 2024/25



Source: South Ayrshire IJB – Audited Annual Accounts

Financial systems of internal control operated effectively

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

43. As part of our audit approach, we sought assurances from the external auditors of NHS Ayrshire and Arran and South Ayrshire Council (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal control for either the health board or council.

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

44. 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 Ayrshire and Arran and South Ayrshire Council through consideration of the work by partner body auditors and found them to be adequate.

45. 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.

Financial Sustainability

46. As outlined at Exhibit 3, a significant wider scope risk was identified around financial sustainability.

47. Whilst we concluded that the arrangements for financial management were appropriate, we noted significant challenges going forward in the IJB's ability to achieve financial balance.

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 or the way in which they should be delivered.

49. The IJB approved its medium term financial plan in 2023. An update to the original projected funding gap was presented to the IJB in March 2025 as part of the annual budget setting process for 2024/25.

The medium-term financial plan identifies indicative funding gaps each year from 2026/27 to 2030/31 ranging from £6.006 million to £8.384 million, savings plans are being developed in response to this.

50. The 2025/26 budget has a funding gap of £6.413 million and proposed savings of £5.413 million. These savings are part of a three-year savings plan which was originally to have been tabled at the IJB meeting of 11 June 2025 with an updated Medium Term Financial Forecast (MTFF), however this was postponed due to delays in the Scottish Government's own MTFF, which was subsequently published on 25 June 2025.

Recommendation 3

The IJB should prepare an updated medium term financial forecast which shows how savings will be made to deliver its future services within the available financial resources. Clear linkages to the IJBs strategic priorities should be included.

Vision, Leadership and Governance

Governance arrangements are appropriate and operate effectively

51. The audit work performed on the arrangements the IJB has in place around its Vision, Leadership and Governance found that these were effective and appropriate.

52. The IJB has established arrangements around committee reports and pre-agenda meetings and timetables. Democratic Services receive reports for committee in line with established lodgement dates outlined in the committee meeting calendar. The agenda and papers are then issued approximately a week before the committee date.

53. Pre-agenda meetings involving the IJB Chair, Chief Officers and Governance and Communications Managers take place prior to the issue of the formal agenda. Issues arising from the meeting are followed-up with officers who have reports to be presented to the IJB prior to issue.

54. All IJB meetings take place in a hybrid format with members and officers attendance either in-person in the Council chambers or remotely via Microsoft Teams. Members of the public can attend IJB Board meetings for open items of business.

55. Meeting papers are available on the website in advance of meetings and minutes are available following approval. Following prior year audit recommendations consideration has been given as to how the IJB can promote openness. The IJB have introduced a facility for members of the public to request a link to view a live streaming of the Board meetings. The Performance and Audit committee remains a closed committee in line with its approved terms of reference, however the papers and minutes from the committee are available on the South Ayrshire Council website.

56. From attendance at meetings, we have observed the committee business. We have noted that members are prepared for meetings and scrutinise the information presented. We have observed the interactions between officers and members and have noted their shared aims and vision for the IJB.

57. We consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making and that members and officers work together to achieve the aims of the IJB. We conclude that the IJB has demonstrated a commitment to openness and transparency.

The Strategic Plan 2021-31 (refreshed in 2025) outlines the IJB’s vision and aligns with South Ayrshire’s Local Outcome Improvement Plan and the IJB’s financial projections.

58. The Public Bodies (Joint Working) (Scotland) Act 2014 places a duty on the IJB to develop a Strategic Plan for the integrated functions and budgets under its control. The current strategic plan was approved in 2021 and covers the period to 2031. The 2014 Act requires a review of the plan every three years and progress on the review was reported to the Performance and Audit Committee in June 2025.

59. The plan outlines the IJB's priorities, planned activities and long-term ambitions. The plan contains seven strategic objectives to improve outcomes over the next ten years:

- We focus on early intervention and talking inequality.
- We nurture and are part of communities that care for each other.
- We work together to give you the right care in the right place.
- We help to build communities where people are safe.
- We are an ambitious and effective partnership.
- We are transparent and listen to you.
- We make a positive impact beyond the services we deliver.

60. Within the Strategic Plan there are no financial projections. We consider that the strategic plan provides clarity on how the IJB intend to implement their visions and priorities. However, given the continued financial pressures the IJB faces in operating within its financial budget and the low level of reserves, it would be of benefit to tie the plan's content was linked to financial projections to reflect the financial resources available.

Recommendation 4

The updated IJB Strategic Plan should be linked to financial projections.

The review of the Integration Scheme continues and is due to conclude later in 2025

61. The Public Bodies (Joint Working) (Scotland) 2014, places a legal duty on Councils and Health Boards to review the Integration Schemes at least once every five years to consider whether any changes are necessary or desirable.

62. The Integration Scheme for the IJB was last reviewed in 2019. The current review of the Integration Scheme has been undertaken on a pan-Ayrshire basis by the three Councils and the Health Board to ensure a consistent and co-ordinated approach. A project Board was established to oversee the work and various work groups were established. The review of the Integration Scheme through the various workgroups concluded in March 2024. Further work has since been undertaken to consider specific issues and the overall legal competence of the Integration Scheme.

63. It is anticipated that the Integration Scheme review will conclude in 2025. Following this, it will require approval by South Ayrshire Council and NHS Ayrshire and Arran, prior to submission to the Scottish Ministers.

Use of Resources to Improve Outcomes

Performance management arrangements are effective. Performance has improved in many areas since last year. Ten of the twelve national performance indicators have improved. Delayed discharges whilst above the target level have also reduced compared to 2023/24.

64. The Performance and Audit Committee has a role in providing oversight of performance reporting against the strategic plan. Twelve month rolling performance reports are presented to most meetings of the committee. The reports include a Partnership Scorecard which includes high-level performance indicators for workforce, employee development, risk management and service performance. This provides assurance to the Performance and Audit Committee of overall performance.

65. At the Performance and Audit Committee meeting in March 2025, members revised progress on the Service Improvement Plan 2024-27. The update included details of progress against the Service Improvement Plans, including details of actions completed or actions still underway past their completion dates.

66. The covering report to Committee outlined that the Service Improvement Plans include details of planned efficiencies and incorporates improvement actions that will contribute towards financial efficiency and sustainability at a service level. It further notes that the Service Improvement Plans are being delivered during a period of significant budget pressures. It noted that the five main service portfolios within the Health and Social Care Partnership are being impacted by financial constraints and savings targets.

67. Integration authorities are required to publish an Annual Performance Report by the end of July each year. Since 2018 Health and Social Care Partnerships have been working to improve performance against the six local objectives and trajectories set out by the Ministerial Strategic Group for Health and Community Care (MSG). The full year position was reported to the Performance and Audit Committee on 2nd September 2025. The report includes year-on-year comparison on the six prescribed Health and Social Care Delivery Plan and Ministerial Steering Group indicators as shown in Exhibit 5.

Exhibit 5
National performance measures (age 18+)

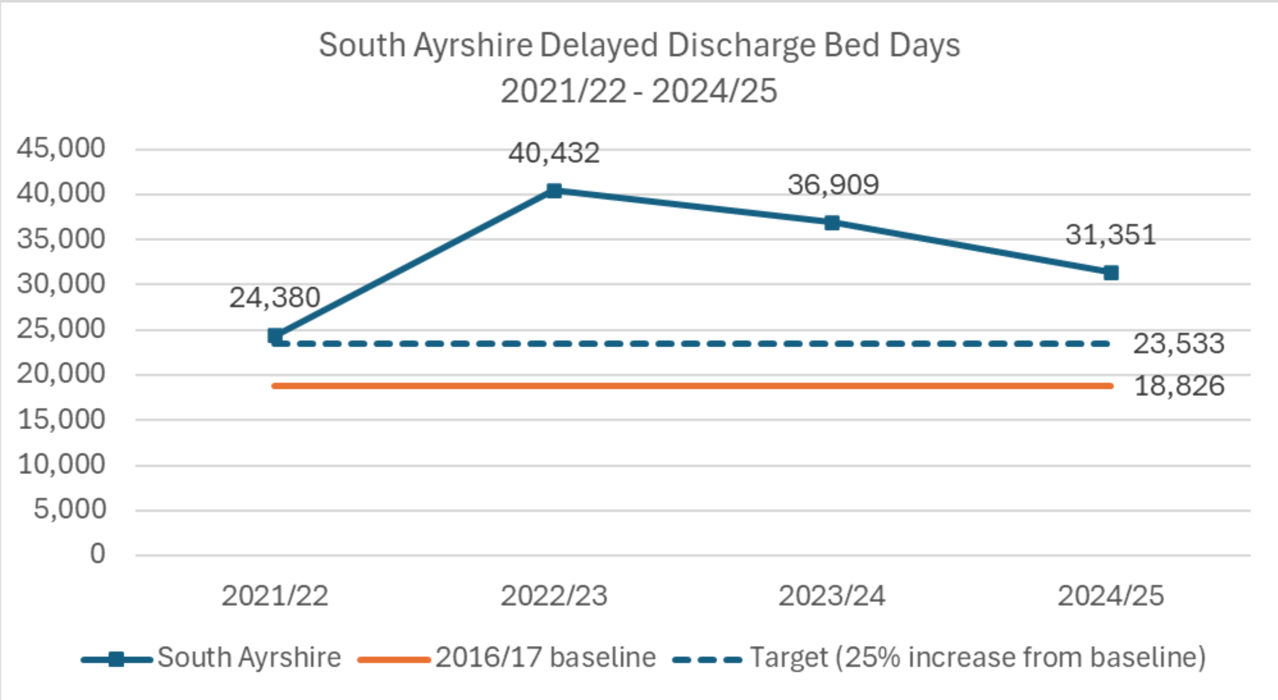
Measures	24/25 performance and (target)	Improving from 23/24
Unplanned admissions (U18)	1,765 (1,987)	Yes
Emergency department attendances (U18)	5,979 (7,778)	Yes
Unplanned bed days (acute) (U18)	1,390 (1,891)	Yes
Emergency bed days (mental health) (U18)	234 (302)	Yes
Unplanned admissions (18+)	13,174 (15,927)	Yes
Emergency department attendances (18+)	23,694 (28,328)	Yes
Unplanned bed days (acute) (18+)	123,675 (119,328)	No
Emergency bed days (mental health) (18+)	16,060 (28,122)	Yes
Emergency bed days geriatric long-stay) (18+)	8,311 (4,362)	Yes
Delayed transfers of care (all reasons) (18+)	31,351 (23,533)	Yes
End of life care (18+)	86.4% (87.5%)	No
Balance of spend (18+)	95.8% (95.1%)	Yes

Source: South Ayrshire IJB - Annual Performance Report 2024/25 and 2023/24

68. Delayed discharges bed days were reduced again in 2024/25, however they were still 66.5% more than the target level (Exhibit 6). Performance in this and several other areas has remained challenging but the IJB and its partners are committed to improving this position going forward.

69. Whilst there is a need for caution when drawing conclusion from national comparisons, the Accounts Commission's Integration Joint Boards: Finance and Performance 2024 report makes it clear that IJB's need to make best use of available data. This needs to include effective data sharing between partners and key stakeholders. To that end, it is important that members and management of South Ayrshire IJB satisfy themselves that the performance results of it are fully assessed on a continual basis and that these results are used to effectively inform how to improve outcomes for people who use its services.

Exhibit 6
Number of bed days occupied by delayed transfers of care (all reasons)



Source: South Ayrshire IJB 2024/25 Annual Performance Report

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

Conclusions on Best Value

71. We have not undertaken any specific Best Value work in 2024/25. However, based on our findings in this report, we consider that the IJB has arrangements in place to secure Best Value. This judgement is evidenced by:

- the body having well established and effective governance arrangements in place, with the Best Value being a key aspect of the governance arrangements.

- the arrangements the body has in place around the four wider scope audit areas, which are effective and appropriate, contribute to it being able to secure Best Value.

- progress the body is making to embed sustainability into corporate and operational plans and enhance reporting arrangements around sustainability.

72. Integration Joint Boards 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 their strategic objectives and holding partners to account. The Performance and Audit Committee receives regular reports on progress with service strategies.

73. In June 2023 the IJB approved a £4m Improvement and Innovation Fund with the aim to allocate funding to specific services on a non-recurring basis to improve services and ensure future financial sustainability. A further £2m was allocated in June 2024. At the end of financial year 2024/25 £4.730 million had been allocated to 55 projects, with the largest area being community health and care. A progress report to the IJB in June 2025 noted the outcomes of specific projects.

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. **Reserves Reporting** IJB finance reports could be more concise and consistent in how the budgeting and use of reserves is set out. There is a risk that the financial position is not as clearly presented within the finance reports.	The IJB should review its finance reports to improve clarity on the reporting of its planned and actual use of reserves.	Accepted [Update the budget monitoring report to ensure clearer use of reserves is presented within the commentary as well as the tables. Year end outturn reports to provide more information on year-end transfers to/and from reserves. Chief Financial Officer October 2025
2. **Uncommitted Reserves** The level of uncommitted reserves has dropped significantly in recent years and is now very low. There is a risk that that any overspends in 2025/26 would fully expend uncommitted reserves and require members to make difficult decisions to disrupt strategic priorities, request additional funding from partners or reduce service provision.	The IJB should review its uncommitted reserves position and ensure it factors maintenance of a sufficient balance into its medium-term plans.	Accepted Update of Medium-Term Financial Forecast will take account of maintaining a level of general uncommitted reserves where possible. The IJB is reliant on funding from partners to meet the specific strategic plan outcomes. Funding allocations are determined by the Scottish Government and for specific spending requirements there is limited opportunity to maintain sufficient uncommitted reserves, without impacting service delivery. Chief Financial Officer November 2025

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
3. **Savings Plans** There are currently no savings plans beyond 2025/26. There is a risk that the IJB does not have plans to cover the funding gaps projected beyond 2025/26.	Savings plans should be produced for at least the next 3 years.	Accepted An update of the Medium-Term Financial Forecast will include high level savings plans for three years to meet the projected funding gaps. The annual budget process will continue to set a balanced budget with annual funding allocations and annual savings plans approved to meet any budgeted gaps. Chief Financial Officer November 2025
4. **Strategic Plan 2021-31** The current strategy has no financial projections. There is a risk that the strategy and the IJB's financial projections are not aligned.	The updated Strategic Plan should be linked to financial projections.	Partially Accepted This is mainly due to timing and commitment to refresh the Strategic Plan every 3 years. The publication of the Scottish Government Medium-Term Financial Strategy and Spending Reviews to provide strategic financial outlook. The Medium-Term Financial Forecast will align and refer to the Strategic Plan 2021-2031. The Strategic Plan refresh refers to the Medium-Term Financial Forecast. Chief Financial Officer November 2025

Appendix 2

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Scotland's colleges 2024	19 September 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
The National Fraud Initiative in Scotland 2024	15 August 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
A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study	20 February 2025
Additional support for learning	27 February 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
Council Tax rises in Scotland	28 March 2025

South Ayrshire Integration Joint Board

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