

South Lanarkshire Integration Joint Board

2024/25 Annual Audit Report



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

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Key messages

Audit of the annual accounts

- 1 The annual accounts contain an unqualified audit opinion providing reasonable assurance that they are free from material misstatement.
- 2 There were no significant findings or key audit matters to report.

Wider scope and Best Value audit

- 3 The IJB has effective and appropriate arrangements in place for Financial Management.
- 4 The IJB has established a medium to longer term financial forecast. This is restricted to focusing on scenarios around cost and cost pressures. The IJB should look to develop its financial planning arrangements to incorporate funding assumptions and identify budgetary pressures and planned actions to address these. This would support effective financial planning with its partners.
- 5 The IJB has set a clear strategic vision through its Strategic Commissioning Plan which outlines the vision and priorities for the IJB. The IJB has effective and appropriate Leadership and Governance arrangements in place.
- 6 The IJBs Strategic Commissioning plan, annual budgets and performance monitoring arrangements are designed to support the effective use of resources. There is an opportunity to enhance commentary in the Management report to enhance transparency around performance during the year.
- 7 South Lanarkshire Integration Joint Board 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 Lanarkshire 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 South Lanarkshire 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 and Audit Sub-Committee (PASC). Details of national and performance audit reports published over the last year can be seen in [Appendix 3](#).

Audit of the annual accounts

Main judgements

Audit opinions on the annual accounts of the South Lanarkshire Integration Joint Board (the IJB) are unmodified. The annual accounts are free from material misstatement.

There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by the IJB.

Audit opinions on the annual accounts

12. The body's annual accounts were approved by the board on 23 September 2025 and certified by the appointed auditor on 23 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 25 June 2025 in accordance with the agreed audit timetable.

Audit Fee

14. 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

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	£14.655 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.	£10.991 million
Reporting threshold – set at 5% of materiality.	£0.732 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 and Audit Sub-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

27. No audit adjustments were required to the primary financial statements greater than the reporting threshold of £0.732 million.

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.

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 South Lanarkshire Council and NHS Lanarkshire financial reports/ledger/correspondence. • Assurances will be obtained from the auditors of South Lanarkshire Council and NHS Lanarkshire 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 good progress in implementing the two agreed prior year audit recommendations. One has been completed, and one has been superseded by a new audit recommendation as highlighted at [Appendix 1](#).

Wider scope and Best Value audit

Conclusion

The IJB has effective and appropriate arrangements in place for Financial Management.

The IJB has established a medium to longer term financial forecast. This is restricted to focusing on scenarios around cost and cost pressures. The IJB should look to develop its financial planning arrangements to incorporate funding assumptions and identify budgetary pressures and planned actions to address these. This would support effective financial planning with its partners.

The IJB has set a clear strategic vision through its Strategic Commissioning Plan which outlines the vision and priorities for the IJB. The IJB has effective and appropriate Leadership and Governance arrangements in place.

The IJBs Strategic Commissioning plan, annual budgets and performance monitoring arrangements are designed to support the effective use of resources. There is an opportunity to enhance commentary in the Management report to enhance transparency around performance during the year.

The body has effective and appropriate arrangements in place for securing 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 In recent years South Lanarkshire IJB has achieved short term financial balance. However, it continues to be faced with significant financial challenges and difficult decisions to ensure resources are allocated to areas of strategic priority and user need. Further work is required to ensure sustainable financial balance is maintained.	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 South Lanarkshire IJB's 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 has developed medium and longer-term financial forecasts • The assumptions made in the financial forecasts are reasonable and reflect the level of uncertainty around cost and demand led pressures • The financial forecasts incorporate optimistic, pessimistic, and planning outlook scenarios. The planning outlook projects over the medium term cumulative cost pressures of £59.9 million over the next three years. • The financial forecasts provide cost projections including estimated cost pressures. However, they

Significant risk	Planned audit response	Outcome of audit work
		do not contain details around planned measures to address the budget gap or assumptions around level of funding to determine measures required to address any budget gaps. Conclusion: The IJB continues to face significant financial pressures. Arrangements are in place to develop and implement medium term financial plans linked to strategic commissioning plans. The IJB should look to develop medium to longer term financial plans which incorporate revenue projections, any budget gaps and planned measures to address these. Recommendation 1

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 Performance and Audit Sub-Committee.

37. The IJB does not directly incur expenditure or employ staff, other than the Chief Officer and Chief Financial Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records.

38. The IJB approved its initial 2024/25 financial plan 26 March 2024, with an identified funding gap of £33.037 million, comprising of £19.543 million re Social Care Services and £13.494 million Health Care Services.

39. Savings proposals to address the funding gap consisted of £29.284 million (89%) planned recurring savings with only £3.753 million (11%) of non-recurring measures being required. Recurring options were planned to be delivered by NHS £10.5 million and SLC £18.7 million while non-recurring options included NHS use of reserves £1.881 million and projected staffing underspends £1.060 million.

40. During 2024/25 the financial plan was regularly updated to reflect changes to planned expenditure and to update funding received. The final 2024/25 budget was for £743.066 million funded by £185.736 million from SLC, £555.554 million from NHS and £1.776 million from reserves.

41. The IJB annual accounts record a surplus on provision of services of £5.147 million. The underlying operational performance was an underspend against budget of £6.923 million, with areas of significant underspend being Locality and Other Services £6.9 million, Hosted Services £4.7 million and Addiction Services £1.3 million, offset by an overspend on prescribing £7.5 million. Underspends were primarily as a result of underspends against employee costs in NHS Lanarkshire as a result of unfilled vacancies. Prescribing costs are subject to demand and inflationary costs pressures.

42. The IJB's underlying financial position is reflected in the movement in General Fund Reserves which as at 31 March 2025 have increased by £5.147 million to £33.982 million.

43. Detailed financial monitoring reports were submitted to the IJB and PASC throughout the year. The year to date position and projected year-end outturn position were clearly stated in these reports. The up to date drawdown on reserves and projected outturn is also included in the reports. There were a number of changes in the year to the underlying budget through additional funding allocations

44. South Lanarkshire IJB does not have its own financial systems and instead relies on information from partner bodies' financial systems. All financial transactions are therefore processed under the partner bodies' internal controls

45. As part of our audit approach, we sought assurances from the external auditor of NHS Lanarkshire and South Lanarkshire Council. Neither the health board nor council auditors reported any significant weaknesses that could result in a risk to the annual accounts of the IJB.

Internal audit assurance

46. Internal audit provides the IJB with independent assurance on risk management, internal control and corporate governance processes. South Lanarkshire IJB's internal audit function is provided through a joint approach utilising the internal audit functions of NHS Lanarkshire and South Lanarkshire Council.

47. The Internal Audit Annual Assurance Report 2024/25 was submitted to the Performance Audit and Scrutiny Committee on 27 May 2025. Based on the internal audit work during the year and knowledge of wider governance, risk management and control arrangements the internal audit opinion is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of South Lanarkshire IJB's framework of governance, risk management and control arrangements for the year ending 31 March 2025.

48. 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.

49. The IJB has appropriate arrangements in place to prevent and detect fraud, error or other irregularities. We are not aware of any specific issues we require to bring to your attention.

Financial Sustainability

50. 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.

51. 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 arrangements to develop medium and longer-term financial plans and linking these to its Strategic Commissioning Plan and priorities.
- having effective arrangements in place for identifying risks to financial sustainability over the medium and longer-term, and understanding medium and longer-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.

52. The 2025/26 Financial Plan approved 18 March 2025 identified a Net Funding Gap of £17.651 million to be met from recurring savings options of £11.433 million and from non-recurring savings options of £6.218 million. Based on the latest available financial monitoring position (August 2025 Financial Monitoring), Health Care is recording a small underspend with Social Care at breakeven, with Q1 savings reported as being on target or being achieved.

53. The Medium Term Financial Forecast 2026-2029, approved along with the 2025/26 plan, now recognises future uncertainty by presenting three separate scenarios when projecting future cost increases, these being Planning/Pessimistic/Optimistic. Funding gaps for the three years, using the Planning basis and reflecting the most up to date information available, are £27.1m/£16.6m/£16.2m being a cumulative £59.9 million over the period.

54. A Long Term Financial Forecast 2029-36 covering the seven years beyond the medium term outlook is now also provided along with the financial plan. Three separate long term financial forecasts have been developed using the same scenarios approach to project future cost increases. Cumulative Total Funding Gaps for the forecast seven years range from £81.8 million (optimistic) to £165.4 million (pessimistic) with a planning assumption of £110.9 million.

55. Assumptions and other factors taken into account are reasonable and comprehensive, with the alternative scenario options in particular providing focus on the sensitivity of the financial position to changes in expenditure and funding.

56. The medium to longer term Financial Forecasts do not take into account assumed levels of funding in the coming years. Consequently, while they provide insight into cost trends, they do not provide an indication of budget pressures in the coming years or planned activity to address these.

Recommendation 1

Financial planning

The IJB should develop medium to longer term financial plans that incorporate assumptions on forecast levels of funding from NHS Lanarkshire and South Lanarkshire Council. This should enable the identification of budget gaps and support a strategic approach and plans to address these.

57. The Sustainability and Value Programme 2025-2028 was last reviewed in September 2024 and will require to be updated to align with the strategic goals in the new Strategic Commissioning Plan 2025-28.

58. The IJB Reserves Strategy is updated annually as an integral part of the financial plan, and is designed to ensure that funding from reserves is directed to best effect to secure financial sustainability and achieve required outcomes. As at 31 March 2025 total reserves of £33.982 million had been accumulated, these being categorised as Ring Fenced £16.004 million and Voluntary £17.978 million.

Vision, Leadership and Governance

59. 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 sets out its vision, strategy, and priorities and reflects 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 Performance and Audit Sub-Committee.
- having effective governance arrangements in place in general, as reflected in the Annual Governance Statement included in the accounts.

60. The IJB has well established governance arrangements with the Board supported through the activity of the PASC. From review of IJB and PASC reports and through attendance at IJB and PASC meetings during the year, we have found that these are conducted in a professional manner with a suitable degree of scrutiny and challenge from members.

61. The new Strategic Commissioning Plan 2025-28 (SCP) was presented to the IJB on 18 March 2025, and published online April 2025.

62. The SCP has been prepared taking into consideration the Scottish Government's Health and Social Care - Strategic Plans: Statutory Guidance and Healthcare Improvement Scotland's Strategic Planning: Good Practice Framework. The process of preparing the SCP included three main elements:

- **Data Analysis** – supported by Public Health Scotland, the Strategic Planning Group completed an updated Strategic Needs Assessment which is publicly available on the HSCP website. In addition, data published by the Improvement Service, the Office for National Statistics and National Records of Scotland was utilised.

- **Stakeholder Engagement** – use of intelligence already available from pre-existing extensive engagement processes with NHS Lanarkshire and with South Lanarkshire Council. An extensive engagement process was undertaken in accordance with SG and COSLA's Planning with People guidance. An online survey was carried out from September to December 2024 which received almost 1500 responses.
- **Situational Awareness** – Key local strategies and plans of the Health Board, Council and Community Planning partnership were reviewed along with other local priorities, programmes and improvement activity. The Medium to Long-Term Financial Forecast was also referred to in relation to uncertainty over SG funding and future local budgets. Workforce profiles and projections from national sources were reviewed alongside the workforce plans of NHS Lanarkshire, South Lanarkshire Council and the local integrated health and social care workforce plan.

63. The resulting Strategic Commissioning Plan 2025 to 2028 identifies five strategic goals which the IJB consider are complementary to and reinforce the National Health and Well Being Outcomes, and the priorities within NHS Lanarkshire's Our Health Together and South Lanarkshire Council's Connect Plan.

- Nurture – to support more children to reach their developmental milestones.
- Access – to improve the accessibility and range of primary care services.
- Flow – to shift the balance of care from acute to community services, including reduced delayed discharges.
- Recovery – to reduce harm from substance misuse and reduce drug related deaths.
- Protect – to strengthen public protection arrangements to help keep vulnerable children and adults safe from harm.

Use of Resources to Improve Outcomes

64. 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.

65. Management commentaries included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements. IJB management are committed to clear and transparent reporting of financial and non-financial information within the management commentary

66. The IJB has continued to monitor key performance targets throughout the year. Performance monitoring reports are presented to all regular IJB and PASC meetings. The reports included performance against Ministerial Steering Group targets, the 2022-25 Strategic Commissioning Plan priorities and public protection measures. The reports provided both a summary and detailed information on performance, projections and trends. Board and Committee members are also provided with Best Practice Examples arising each quarter.

67. We would suggest management take the opportunity to enhance the Management Commentary in the accounts by providing a summary of performance in the year against these measures.

68. 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. The 2024/25 Annual Performance Report (APR) is being presented to the IJB on 23 September 2025.

69. The APR has been prepared with respect to the final year of the Strategic Commissioning Plan 2022/2023 to 2024/2025. This APR sits alongside routine performance reporting in-year that has been provided to both the IJB and the PASC. To aid and improve reader accessibility and experience, and also to improve transparency, the APR is enhanced by the greater use of infographics as a replacement for block text. Examples of notable achievements within 2024/2025 have been provided in the form of videos as follows.

- Holistic End of Life Care at Home
- Improving Population Oral Health
- Active Community Reablement
- Right Care, Right Time, Primary Care Out of Hours
- Innovation in Intermediate Care

70. The regular reporting of the core suite of performance measures has been further developed for the Strategic Commissioning Plan 2025 to 2028. This is also accompanied by a cycle of dedicated 'deep dive' reports on each strategic goal, with a different strategic goal focused on at IJB meetings.

71. A particular area of ongoing development relates to the “access” measures and specifically how best to gauge access to General Practice. The performance measure in respect GP Practices Average Call Waiting Times (Pan-Lanarkshire) is therefore subject to active development and iteration. Work is also being progressed to further develop the link between performance outcomes and strategic risks.

72. The Management Commentary in the accounts provides an overview of the IJB’s performance management framework as well as information outlining key developments and progress against the outcomes against the Strategic Commissioning Plan priorities. However, there is an opportunity for the Management Commentary to provide more information on the IJB’s performance against key measures to provide a more transparent view of performance in the year.

Conclusions on Best Value

73. Integration Joint Boards have a statutory duty to have arrangements in place to secure Best Value. To achieve this all IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account. The audit work performed on the arrangements the body has in place for securing Best Value found these were effective and appropriate

74. The IJB demonstrates best value by ensuring that resources are utilized efficiently and effectively to deliver high-quality services that meet the needs of the community. This is achieved through a commitment to continuous improvement, accountability and transparency in decision-making processes. The partnership adopts a person-centred approach, focusing on integrated outcomes that improve the well-being of individuals and communities

75. The work that the IJB does in relation to the achievement of best value is outlined in the IJB’s latest Best Value Statement covering the following best value principles:

- Governance and accountability
- Service delivery in line with the Strategic Commissioning Plan (SCP)
- Vision and leadership
- Continuous improvement
- Local accountability
- Openness to challenge and support
- Performance monitoring, continuous improvement and community engagement
- Financial sustainability and effective use of resources
- Reliance on each partner’s best value arrangements

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. Financial planning The IJB has annual financial plans and medium to longer term financial forecasts. The financial forecasts are limited to projected levels of expenditure and associated cost pressures. The forecasts do not contain assumptions around projected funding levels, budget gaps or plans in place to address these. Risk: There is a risk that the IJBs financial planning is focused on a 12 month period and therefore does not take a strategic approach to addressing financial challenges. Given the scale of the pressures faced, it will require more strategic approach to address these.	The IJB should develop medium to longer term financial plans that incorporate assumptions on forecast levels of funding from NHS Lanarkshire and South Lanarkshire Council. This should enable the identification of budget gaps and support a strategic approach and plans to address these.	Partially Accepted It is acknowledged that, given the scale of the pressures faced, a more strategic approach is required to address these, both nationally and locally. The medium to longer term financial forecasts will continue to be further developed. This will include updates in respect of the financial strategy to address the projected cost pressures as these evolve in consultation with both partners, the Scottish Government and key stakeholders. The recommendation however is partially accepted on the basis of the following factors out with the control of the IJB: (1) The achievement of this recommendation is dependent on each partner's ability to confirm the future funding that can be made available to the IJB in respect of delegated services. (2) A range of external factors impact on the development of the transformational opportunities required to achieve financial sustainability over the short to medium term. Chief Financial Officer 31 March 2026

Follow-up of prior year recommendations

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
b/f 1. Presentation of financial and non-financial information in the annual accounts [2023/24 AAR] In the unaudited accounts, the Management Commentary and financial statements contained information on the operational activity of the health and social care partnership rather than that of the strategic commissioning activity of the IJB. Risk – There is a risk that the Management Commentary and notes to the accounts do not reflect the functions and activities of the IJB as a strategic commissioning body.	While the 2023/24 annual report and accounts have been updated to reflect the activities of the IJB and ensure they are free from material misstatements, during the production of future accounts, the IJB should review the presentation of both financial and non-financial information to ensure this reflects the organisation's role as a strategic commissioning body The IJB annual accounts will ensure the financial and non-financial information continues to reflect the role of the IJB as a strategic commissioning body. Responsible officer Chief Financial Officer Agreed date March 2025	Implemented and closed

Matter giving rise to recommendation	Recommendation, agreed action, officer and timing	Update
b/f 2 Longer Term Financial Plan[2023/24 AAR] Medium term financial plans have been developed which reflects the financial challenges over the next four years. However, the IJB does not have a longer term financial plan. A longer term plan would set out how the IJB's longer term strategic objectives are underpinned by its finances, including the use of any reserves. Risk – There is a risk that as the IJB faces significant financial and operational challenges and services are transformed, that strategic decisions around these are not aligned to longer term financial plans to support financial sustainability.	The IJB should develop a longer term financial plan to demonstrate the longer term financial sustainability and help support longer term strategic planning and decision making. . Agreed action: Recognising the uncertainty nationally in respect of current and future costs and funding, in particular Scottish Government funding allocations, a longer term financial plan will be developed to demonstrate the longer term financial sustainability and to help support longer term strategic planning and decision making. Responsible officer Chief Financial Officer Agreed date March 2025	Superseded by recommendation 1

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

South Lanarkshire Integration Joint Board

2024/25 Annual Audit Report



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