



Clackmannanshire and Stirling Integration Joint Board

Report to the Clackmannanshire and Stirling Integration Joint Board on the 2024/25 audit
Issued for the meeting on the 28 January 2026

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Wider scope audit

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Engagement Lead Introduction

The key messages

Introduction

I have pleasure in presenting our report to the Clackmannanshire and Stirling Integration Joint Board (“the Board”) for the 2024/25 audit. The report summarises our findings and conclusions in relation to the audit of the Annual Report and Financial Statements and the wider scope requirements, the scope of which was set out within our planning report presented to the Finance, Audit and Performance Committee (FAPC) on 19 February 2025.

Conclusions from our testing

Based on our audit work completed to date, we expect to issue an unmodified audit report.

The auditable parts of the Remuneration and Staff report have been tested and no issues have been identified.

Based on the audit procedures performed to date we have identified one uncorrected misstatements. Please see page [29](#).

Outstanding matters

Our financial statement audit is substantially complete subject to completion of the following principal matter:

- Receipt of signed management representation letter; and
- Review of events since 31 March 2025.

Conclusions from our testing (continued)

Significant risk

In our planning report we identified management override of controls as a significant audit risk, please refer to page [6](#) for further details regarding our testing.

Wider Scope

Our wider scope conclusions can be viewed on pages [13](#) to [26](#).

Our key wider scope findings are:

- The £11.912m overspend of the 2024/25 budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. See page [17](#) for further details.
- The IJB operated without a designated Section 95 officer from 18 October to 21 December 2025 which is not in line with the requirements of the Local Government (Scotland) Act 1973. See page [22](#) for further details.

Internal Audit

The audit team has reviewed the findings of the Internal Audit team, which has been used to inform our risk assessment. It should however be noted that we have not placed any reliance on the work of Internal Audit during the year.

Audit team

I have taken over responsibility from Ian Howse as the Engagement Leader for the audit.

Stuart Kenny
Engagement Leader

Quality indicators

Impact on the execution of our audit

Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit.

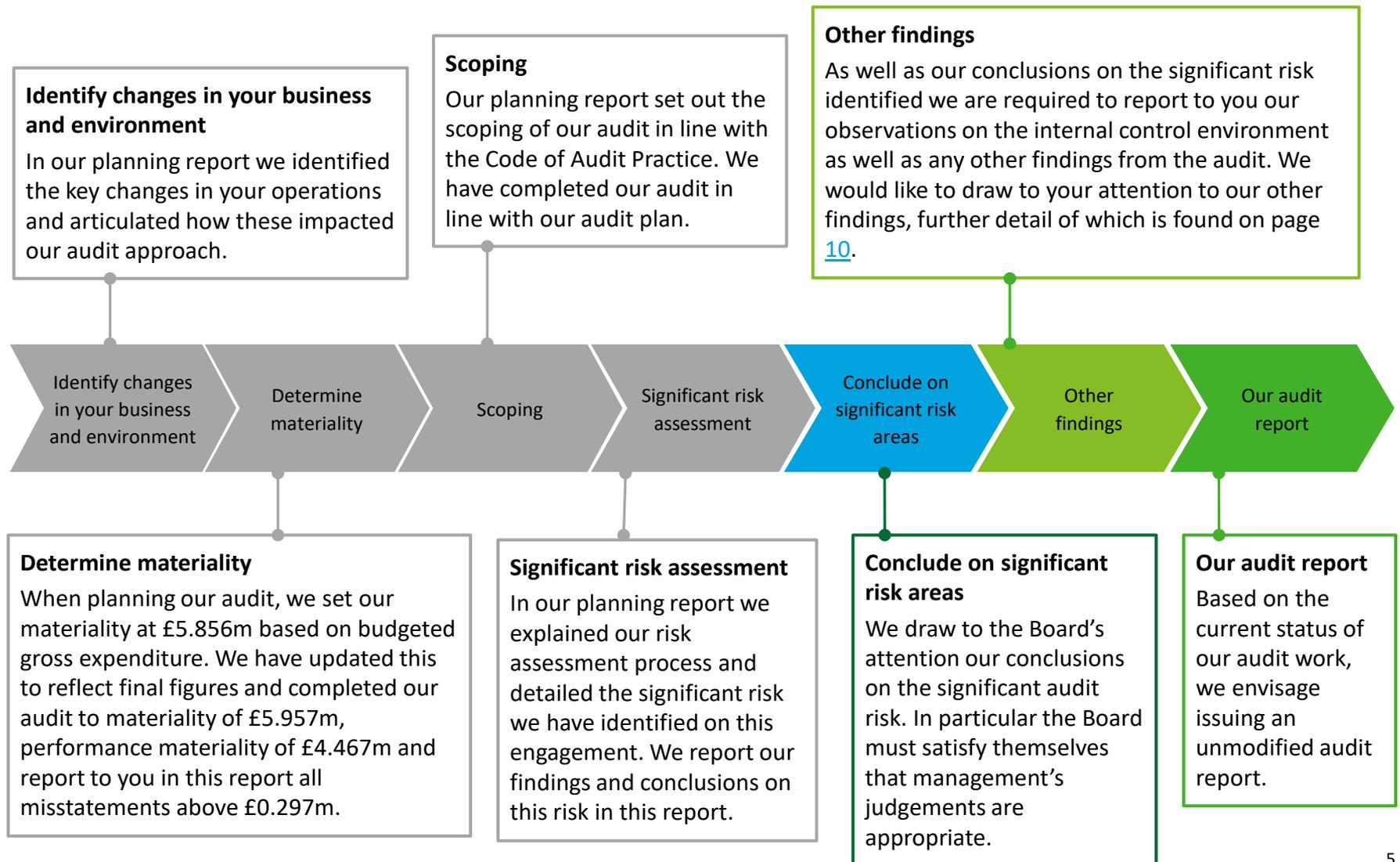
This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading	Reason
Adherence to deliverables timetable		There was an average of 16 days delay in obtaining relevant supporting evidence from the constituent authorities, when compared to the audit deadlines agreed at the beginning of the audit, which contributed to the delays in the audit.
Access to finance team and other key personnel		We had good access to the finance team of the IJB during the initial stages our audit work until the departure of the IJB's section 95 officer and management accountant and as the underlying data is held by the constituent authorities, there was a need to also access their respective finance teams. There were some delays in getting access to the relevant staff within the constituent authorities.
Quality of draft Annual Accounts		We have obtained and reviewed the initial draft version of the accounts. We have provided comments to management for consideration and amendment which have been incorporated in the accounts.
Response to control deficiencies identified		The control deficiencies identified during our audit are explained on Page 10 .
Volume and magnitude of identified errors		We have identified uncorrected errors in the current year which we have set out on page 29 .

 Lagging  Developing  Mature

Our audit explained

We tailor our audit to your business and your strategy



Significant risk

Management override of controls

Risk identified In accordance with ISA (UK) 240 management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the Annual Report and Accounts as well as the potential to override the IJB's controls for specific transactions.

Due to the nature of the IJB accounts, with all expenditure transactions being processed through the respective partner bodies ledger, there are no key judgements or accounting estimates specifically identified in the IJB's Annual Accounts.

Under Auditing Standards there is also a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. We have concluded that this is not a significant risk for the IJB as there is little incentive to manipulate revenue recognition with all revenue being from the three contributing partner bodies which can be agreed to confirmations supplied.

Our response We have performed the following audit procedures in relation to this risk:

- We have considered the overall control environment and 'tone at the top';
 - We have reviewed the design and implementation of controls relating to journals and accounting estimates;
 - We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
 - We have tested the appropriateness of journals and adjustments made in the preparation of the Annual Report and Accounts using our Spotlight data analytics tools to select journals for testing, based on identification of items of potential audit interest;
 - We have reviewed accounting estimates for biases that could result in material misstatements due to fraud and perform testing on key accounting estimates as discussed; and
 - We have obtained an understanding of the business rationale of significant transactions that we have become aware of that are outside of the normal course of business for the entity, or that otherwise appear to be unusual, given our understanding of the entity and its environment.
-

Significant risks (continued)

Management override of controls (continued)

Key estimates and judgements The key estimates and judgements in the Annual Accounts includes areas which management inherently has the potential to use their judgement to influence the Annual Accounts. As part of our work on this risk, we reviewed and challenged management’s key estimate below:

Estimate / judgement	Details of management’s position	Deloitte Challenge and conclusions
Set Aside Budget for Large Hospitals	<p>For the financial year 2024/25, the sum included within the accounts in relation to the Set-Aside budget for Large Hospital Services reflects the budget allocated rather than the actual cost of hospital activity.</p> <p>Systems are being developed to accurately provide this information in future financial years.</p> <p>In terms of risk of misstatement, a 10% shift in activity would equate to an estimated £4.179m in costs which would, in turn, be borne by NHS Forth Valley.</p>	<p>We have reviewed the evidence and concluded that the rationale provided is reasonable and that the accounting treatment of the set aside budget is appropriate. However, we have noted the lack of a formalised agreement between the IJB and NHS Forth Valley. We have raised a control recommendation in respect of this. See page 8.</p>

Conclusion We have not identified any instances of management override of controls from our testing to date.

Your control environment and findings

Control deficiencies and areas for management focus

- Low priority
- Medium Priority
- High Priority

Observation	Severity	Deloitte recommendation	Management response and remediation plan
<p>Although we were provided with appropriate supporting documentation to complete our audit testing, there were challenges in obtaining trial balances, listings, and evidence from the relevant constituent authorities in a timely manner.</p> <p>While the IJB finance staff are responsible for preparing the IJB Annual Accounts, they are reliant on information being provided by the constituent authorities. This caused a delay in completing the audit.</p>		<p>The IJB and constituent authority finance teams should agree a clear timeline and list of deliverables for preparing the Annual Accounts.</p> <p>This would allow a more streamlined audit and ensure reporting timelines are met.</p>	<p>The IJB CFO will co-ordinate with NHS Forth Valley, Stirling Council and Clackmannanshire Council to ensure there is clarity around the year end timetable and deliverables. This will support the provision of audit information to Deloitte in a timely manner during the year end audit process.</p>
<p>Lack of formalised agreement between the IJB and NHS Forth Valley regarding the overspend on the set aside budget</p>		<p>Without a formalised agreement, the IJB might have to bear the financial risk associated with overspend of the set aside budget. Management should ensure the arrangement with NHS Forth Valley to meet the financial pressure associated with the set aside budget is captured and included within the revised integration scheme which is currently under review.</p>	<p>The IJB CFO will work with NHS Forth Valley to ensure mitigation of the financial risk associated with the Set Aside budget, that this is articulated in the revised integration agreement.</p>

Your control environment and findings

Control deficiencies and areas for management focus

-  Low priority
-  Medium Priority
-  High Priority

Observation	Severity	Deloitte recommendation	Management response and remediation plan
<p>Differences have been identified between the underlying transaction information and the values included in the accounts. This suggests that a reconciliation between the accounts and the underlying transaction data has not been performed.</p>		<p>Management should ensure all balances within the accounts have been reconciled and agreed to the underlying transaction data.</p>	<p>The IJB have reconciled the accounts to provide the annual statements however the process of accounts completion was carried out by a number of staff due to changes in accounting staff at that time. The Interim Chief Finance Officer will ensure the accounting adjustments made as part of the completion of the 2025/26 accounts are fully reconciled and reflected in the appropriate ledgers.</p>

Our audit report

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



Our opinion on the Annual Accounts

Our audit is substantially complete and based on our work to date, we expect, subject to the successful conclusion of the matters raised on page [3](#), that our opinion on the financial statements will be unmodified.



Going concern

We will highlight that the going concern assessment is on the basis of the 'continuing provision of service' approach, and will report that we concur with management's use of the going concern basis of accounting.



Emphasis of matter and other matter paragraphs

Our audit is substantially complete and based on our work to date, we do not expect to include any emphasis of matter paragraphs and an other matter paragraph in our opinion.



Other reporting responsibilities

Our opinion on matters prescribed by the Controller of the Audit are discussed further on page [13](#).

Your Annual Accounts

We are required to provide an opinion on the auditable parts of the Remuneration report, the Annual Governance Statement and whether the Management Commentary is consistent with the disclosures in the accounts.

	Requirement	Deloitte response
Management Commentary	The report outlines the IJB's performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by the IJB.	<p>We have assessed whether the Management Commentary has been prepared in accordance with the statutory guidance.</p> <p>We have also read the Management Commentary to ensure it is materially correct and consistent with our knowledge acquired during the course of performing the audit and is not otherwise misleading.</p> <p>We provided management with comments and suggested changes which have been incorporated within the accounts.</p>
The Remuneration Report	The remuneration report is required to be prepared in accordance with the 2014 Regulations, disclosing the remuneration and pension benefits of Senior Employees of the IJB.	We have audited the disclosures of remuneration and pension benefits and we can confirm that they have been properly prepared in accordance with the regulations.
The Annual Governance Statement	The Annual Governance Statement reports that the IJB's governance arrangements provide assurance, are adequate and are operating effectively.	<p>We have assessed whether the information given in the Annual Governance Statement is consistent with the Annual Accounts and has been prepared in accordance with the Delivering Good Governance in Local Government Framework.</p> <p>We provided management with comments and suggested changes which have been incorporated within the accounts.</p>

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the FAPC and the IJB discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Accounts.
- Our internal control observations
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the Annual Accounts.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the IJB, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the IJB.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.



Deloitte LLP

Newcastle upon Tyne | January 2026

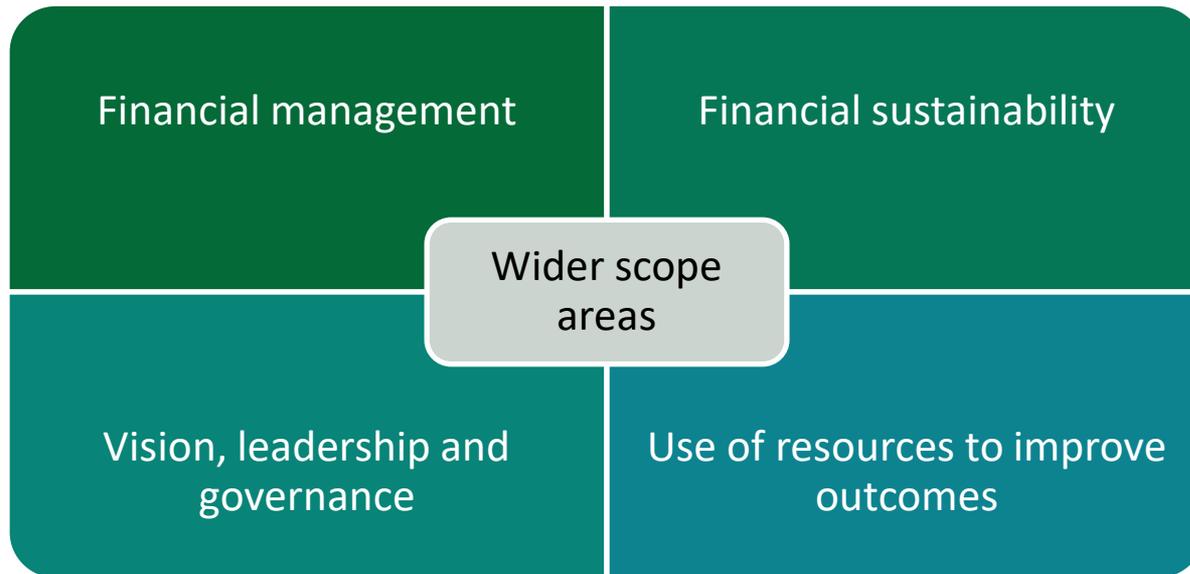
Wider scope audit



Wider scope requirements

Overview

As set out in our audit plan, reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks in the following areas.



Our audit work has considered how the IJB is addressing these and our conclusions are set out within this report, with the report structured in accordance with the four dimensions. Our responsibilities in relation to Best Value ('BV') have all been incorporated into this audit work.

Wider scope requirements (continued)

Financial management

Is there sufficient financial capacity?



Is there sound budgetary processes in place?



Is the control environment and internal controls operating effectively?



Financial Management

Significant risks identified in Audit Plan

In our planning paper, we identified a risk that the IJB delivered an overspend for the 2024/25 financial year.

Current year financial performance

The 2024/25 budget of £257.384m, including set aside, was approved by the IJB in March 2024. The final outturn position is a net overspend of £11.912m (£6.990m on the integrated budget and £4.922m on the set aside budget).

The overspend on the integrated budget was covered by additional payment contributions of £6.990m (as part of the risk sharing arrangements to meet the overspend on the integrated budget) from the constituent authorities. In the current year, this led to disputes which were resolved between the constituent authorities on how much should be borne by each authority. As set out on page [7](#), overspend on set aside budget is met by NHS Forth Valley.

The general reserve is now nil after the utilisation of £3.947m in the current year which was approved as part of the 2024/25 budget. The current position of the general reserve does not comply with the IJB's extant Reserves Policy.

Total reserves as at 31 March 2025 equate to £10.253m which are all earmarked reserves.

As a result of the level of risk associated with the revenue budget, the financial resilience risk scoring within the IJB's risk register continues to be on the highest possible level.

Savings Plans

The IJB 2024/25 budget included planned savings of £14.041m, which was made up of required savings of £10.095m in year and £3.947m utilisation of reserves.

The year end final outturn position reported to the Board highlighted that, out of the £10.095m savings identified, only £5.643m (55.9%) of savings had been achieved.

Wider scope requirements (continued)

Financial management (continued)

Finance Team capacity

The IJB finance team is reliant on support from the three partner bodies to provide information to support the financial management of the IJB, and to discharge their duties. The finance team has remained consistent throughout the year however, there have been changes post year end to management personnel in key finance officer posts. Most notably, the Section 95 Officer and the Management Accountant both left the IJB in October 2025. The Section 95 Officer had been in the position for 10 years.

The Section 95 Officer is a role mandated by the Local Government (Scotland) Act 1973 and the IJB operated without a named Section 95 Officer from 18 October 2025 to 21 December 2025. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However there was no named officer with responsibility for the financial affairs of the IJB in place. An interim Section 95 officer assumed office on the 22 December 2025.

Budget Reporting

The Partnership Senior Management Team (SMT), the Finance, Audit and Performance Committee (FAPC) and the Board regularly review progress against the budget throughout the year with quarterly reporting produced.

In our 2023/24 audit, we recommended further analysis relating to risks of non-achievement and illustration of current/future implications within the financial reports were lacking and this should be progressed to further develop and improve the integrated financial reporting. In the current year, further detail around each material variance provided within the financial reports to the Board. This clearly sets out the various services and provides an explanation of variances when compared to budget.

These financial reports are readily available on the IJB's website as part of the minutes of the FAPC and Board. The reports clearly sets out performance against budget and also includes forecast spend.

Due to the IJB being the only IJB in Scotland to have three partner bodies, there are unique challenges relating to the collation of financial reporting information. Consolidation of three different ledger systems proves inefficient at times, as evident in the timeliness of audit deliverables as noted within this paper on page [8](#).

Wider scope requirements (continued)

Financial management (continued)

Standards of conduct for prevention and detection of fraud and error

We have assessed the IJB's arrangements for the prevention and detection of fraud and irregularities. This has included specific considerations in response to the Audit Scotland's quarterly bulletin which contains a "Fraud and Irregularities" section. All finance and staff members are made aware of the standards relating to fraud and error. The IJB places reliance on the internal control systems of the constituent authorities and through our audits of these bodies, we have concluded that they have appropriate arrangements for the prevention and detection of fraud.

Internal controls and internal audit

The IJB is largely reliant on the internal control arrangements within the respective partner bodies. In accordance with the agreement with the three partners, from 2022/23, the internal auditors have been appointed on behalf of Clackmannanshire Council.

The 2024/25 Internal Audit Plan was approved by the Audit and Risk Committee (now FAPC) in June 2024 and comprised six assignments for the year, covering 60 audit days. Detailed reports are provided to the Committee for each project.

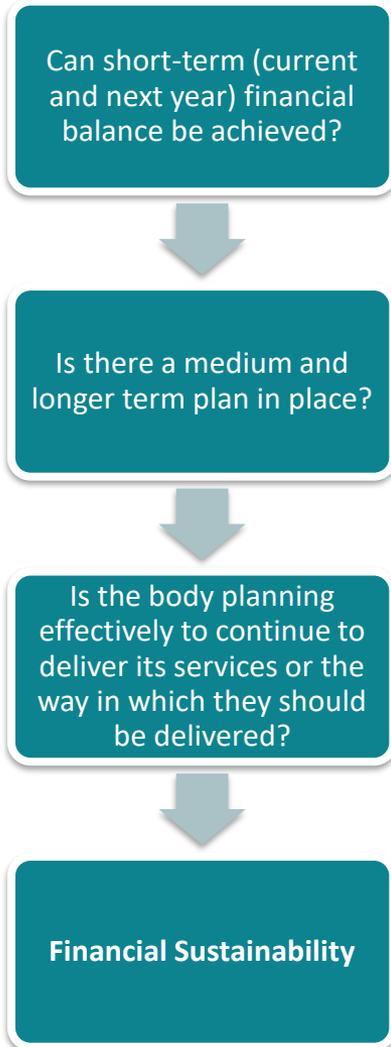
Deloitte view – financial management

The IJB has budget setting and monitoring processes in place, however, the continued overspends year-on-year, and under achievement of savings against targets leads to the reliance on risk share from the constituent authorities and the utilisation of reserves.

The Section 95 Officer left the IJB in October 2025 and while this has not directly impacted the financial management of the IJB in the 2024/25 financial year, this has presented challenges with the year-end audit timetable. The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

Wider scope requirements (continued)

Financial sustainability



Significant risks identified in Audit Plan

In our audit plan we highlighted that there was a risk that robust medium-to-long term planning arrangements are not in place to ensure that the IJB can manage its finances sustainably and deliver services effectively.

2025/26 budget setting

In May 2025, the IJB approved an unbalanced budget with a proposed deficit of £18.984m on the Integrated Budget and £5.711m on the Set Aside Budget for Large Hospital Services bringing a total financial gap in relation to the Strategic Plan budget of £24.695m or 8.86% of total budgeted expenditure of £278.293 million (set side budget of £36.333m and Integrated budget of £241.36m) for 2025/26.

A savings delivery programme for £11.162m has been agreed to offset part of this gap on the integrated budget. As at September 2025, the IJB is forecasting to achieve £8.6m of savings with the key features of the programme including a £2.3m (forecast achieving £1.66m) saving in Reducing Net Admissions into Long Term Care, £1.5m (forecast achieving £1.01m) in Primary Care Medicines Optimisation Programme (including 25/26 PII, Polypharmacy, Meds/therapeutics of ltd clinical value and non medical prescribing) and £1.5m (forecasted to be fully achievable) in Improving Financial Assessment and Recovery.

Reserves

At the time of approval of the 2025/26 budget, the IJB had carried out its annual review of its reserves strategy in line with good practice. The reserves policy and strategy is largely unchanged from previous years, with the key element being:

- A reserves target of 2.5% of budgeted expenditure;
- A minimum general or contingency reserve level of 1% of budgeted expenditure.
- Maximum reserves level of 4%

At the end of 24/25, the IJB currently holds a nil general reserve balance with £10.253m within the earmarked reserve. This is not in line with the IJB's reserve policy.

Wider scope requirements (continued)

Financial sustainability (continued)

Reserves (continued)



As highlighted previously, financial balance was only achieved after the utilisation of £3.947m of reserves in addition to additional payments from the constituent authorities.

It is worth noting that this is a common theme of IJBs throughout the country; as per Audit Scotland's report on IJBs Finance and performance, by the end of 2023/24, nine IJBs now do not hold any contingency reserves reducing their financial flexibility and increasing the risk to their financial sustainability.

As part of the financial reporting to the Board, this includes a detailed breakdown of the various movement within the reserves.

It is important that clear plans are developed and monitored as part of the regular financial monitoring reporting to the Board to demonstrate how the reserve position can be strengthened.

Medium-to-long term financial planning

In the 2023/24 audit, we recommended that the IJB provided a more comprehensive medium term financial outlook post publication of the Scottish Government's next Medium Term Financial Strategy (MTFS).

As part of the 2025/26 budget approved in May 2025, the IJB has set out the medium-term financial outlook over the next 3 years which was set before the Scottish Government's MTFS was published in June 2025. This 3-year plan sees the IJB in a deficit position by the end of 2027/28 with the only forecasted surplus position in 2026/27. The total estimated savings required for the 3-year period is £22.236m while the cumulative deficit position is £26.387m.

Overall, the cumulative deficit position after achievement of all savings for the three year period is £4.151m. This demonstrates the IJB's need to continuously monitor and develop recurrent cost reducing options alongside the delivery plan savings.

We recommend the IJB's MTFS is reviewed and aligned with the Scottish Government's MTFS.

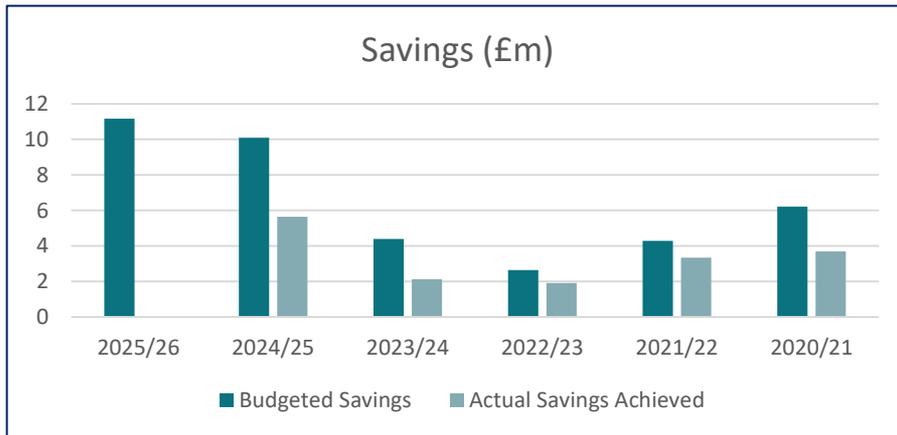
Wider scope requirements (continued)

Financial sustainability (continued)

Savings and transformational change

As explained on page [20](#), the approved budget incorporates the need to make savings in both the Integrated and Set Aside Budgets.

The graph below illustrates the level of savings achieved over the last 5 years against the 2025/26 budgeted amount, demonstrating that the IJB has historically not met its savings targets, and that the 2025/26 savings target is significantly higher than that achieved in previous years.



The delivery plan which was approved alongside the 2025/26 budget has been aligned to the strategic commissioning plan which identifies areas where cost reduction can be achieved. This aims to explore all feasible options to deliver the Strategic Commissioning Plan priorities within the available resources.

The key elements of the Delivery Plan are under 4 thematic areas:

- Raising Revenue;
- Doing Things Differently;
- Doing Less; and
- Doing Things More Efficiently.

To monitor the achievement of the delivery plan, a three person Project Management team appointed on a secondment basis has been put in place since August 2025 who report to the Head of Strategic Planning and Health Improvement to ensure progressing the delivery plan, supporting the Senior Leadership Team (SLT) structure, and informing future reporting to both the Finance, Audit and Performance Committee (FAPC) and the Board.

Reporting from the Delivery Plan meetings is fed to the SLT and included in Board meetings where the Head of Strategic Planning and Health Improvement provides an update to the Board on the status of achievement of the delivery plan.

Wider scope requirements (continued)

Financial sustainability (continued)

Workforce planning

A key enabling activity identified within the Delivery Plan is workforce planning.

The Integrated Workforce Plan 2022-2025 continues to form the basis of the Health & Social Care Partnership's Strategic Workforce Planning and is based on the continuous improvement cycle 'Plan, Do, Study & Act', to ensure that they are a dynamic and flexible organisation, capable of responding to system changes.

In the current year, the annual review of the integrated workforce was carried out and one of the biggest risks faced by the IJB continues to be the availability of workforce and the reliance on temporary staff.

It is critical that the actions identified in the Workforce Plan are taken forward and closely monitored to support the delivery of the Strategic Commissioning Plan.

Deloitte view – financial sustainability

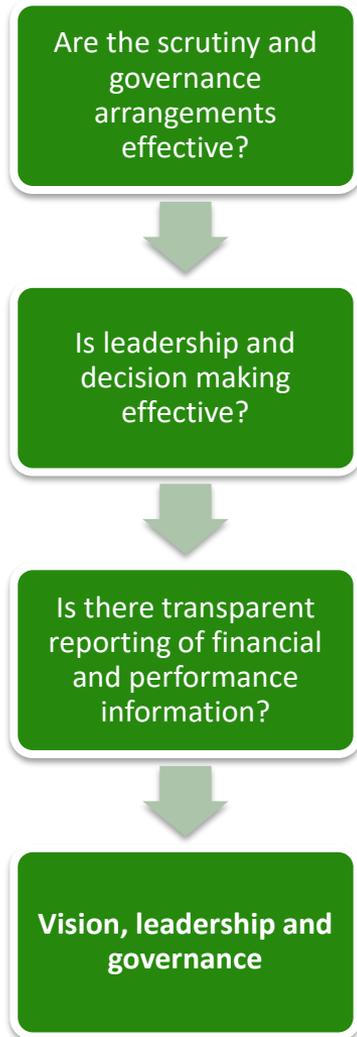
The IJB overspent its budget in 2024/25 and achieved financial balance only after the utilisation of reserves and additional contribution from constituent authorities. The IJB currently has a nil general reserve which is against the IJB's Reserves Policy. A plan should be devised as to how the reserves position will be improved.

For FY26, the IJB has set an unbalanced budget with significant savings required. In 2024/25, the IJB achieved 55.9% of its planned savings and has set an even greater savings plan of £11.162m for 2025/26, which is required to be achieved in order to reduce the planned deficit. The IJB must implement robust measures to identify and achieve savings, thereby reducing the planned deficit. Failure to do so will exacerbate the current financial unsustainability.

There is a three-year Medium-term financial plan however, the IJB is still forecasted to be in a deficit at the end of the third year, with only the second year achieving any surplus on budget. We would recommend Management should review this plan and align this to the Scottish Government's MTFS as this was published after the IJB had set their MTFS.

Wider scope requirements (continued)

Vision, leadership and governance



Significant risks identified in Audit Plan

In our audit plan, we highlighted the consultation and consideration for approval by the partner bodies for the revised Integration Scheme, the appointment of an interim Chief Officer and the decision to combine the Audit and Risk Committee with the Finance and Performance Committee to create the Finance, Audit and Performance Committee.

Vision and strategy

The IJB's Strategic Commissioning Plan covering the period 2023-2033 was approved by the Board in March 2023. This plan will be subject to substantive review at least every 3 years to comply with legislation and statutory guidance. The vision is clearly defined within the Plan, as:

“Enabling people in Clackmannanshire & Stirling to live full and positive lives within supportive communities by working together and promoting wellbeing”.

The plan sets out the following 5 strategic themes:

1. Prevention, early intervention and harm reduction
2. Independent living through choice and control
3. Achieving care closer to home
4. Supporting and empowering people and communities
5. Reducing loneliness and isolation

Performance against the delivery of the plan is monitored as part of the quarterly Performance Reports. These reports also set out how the IJB priorities link with the National Health and Wellbeing Outcomes.

Wider scope requirements (continued)

Vision, leadership and governance (continued)

Leadership

The Partnership Senior Management Team was led by the Joanna MacDonald, the Interim Chief Officer between December 2024 to December 2025. She replaced David Williams who was the Chief Officer till November 2024. The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. The IJB did not operate with a Section 95 Officer for the period 18 October to 21 December 2025 which is not in line with the requirements of section 95 of the Local Government (Scotland) Act 1973. An interim Section 95 Officer assumed office on the 22 December 2025.

The Chair and the Vice Chair of the Board changed in April 2024 in line with the partnership agreement, which requires these positions to rotate across constituent authorities every two years. Stirling Council nominated the new Chair of the IJB, at its October 2024.

Governance and scrutiny arrangements

Integration Scheme

The Integration Scheme is a key feature of the governance arrangements in place and sets out the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils. The Scheme sets out the functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act).

Under the requirements of the Act, local authority and NHS Boards are required to review the Integration Scheme within 5 years of the scheme being approved (i.e. by October 2020 at the latest). An initial review was undertaken in January 2020, this did not progress due to the pandemic, ongoing service pressures and other competing demands. The Integration Scheme for the IJB is currently under review and awaiting approval by all three constituent authorities. In the current year, this has been approved by 2 out of the 3 constituents' bodies, with the other authority seeking further revisions before consideration for approval. This was expected to be laid before the Scottish Parliament in Quarter 1 of 2025 but is still yet to be concluded. It is important that this is progressed to ensure full compliance with the Act.

NHS Forth Valley Escalation Framework

On 23 November 2022, NHS Forth Valley, a key partner of the IJB, was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and Culture. The Board was de-escalated to stage 3 and with the continued development of the Compassionate leadership and culture change programme and its corresponding reports to the Board, NHS Forth Valley are committed to a path of further de-escalation.

Wider scope requirements (continued)

Vision, leadership and governance (continued)

Governance and scrutiny arrangements (continued)

Finance, Audit and Performance Committee (FAPC)

The IJB approved the establishment of the Finance, Audit and Performance Committee and its Terms of Reference at a special meeting on 7 February 2025. This combined the existing Audit & Risk Committee(ARC) and the Finance Performance Committee(FPC) which were in place till February 2025.

Membership of the new FAPC is 8 voting members (2 from each constituent Council and 4 from NHS Forth Valley), plus 2 non-voting members, meeting 4 times a year.

There was no annual assurance statement as the FAPC was established part way through the 2024/25 year and could not reasonably discharge its Terms of Reference in a part year. The annual assurance statement will be re-established once FAPC has been in place for a full year.

The FAPC oversaw the work of Internal Audit and a substantial assurance in relation to Clackmannanshire and Stirling Integration Joint Board's arrangements for risk management, governance, and control for the year to 31 March 2025.

Transparency of reporting

All Board and FAPC (previously ARC) papers and minutes are publicly available through the Health and Social Care Partnership website. The partnership website includes a suite of information including strategic plan, annual accounts and annual performance reports that can be accessed by members of the public.

Deloitte view – Vision, leadership and governance

The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. This poses a risk to entity's strategic continuity, operational stability, and the robustness of its governance.

The Constituent authorities have not completed the review of the Integration Scheme including issuance of a revised Integration Scheme.

Wider scope requirements (continued)

Use of resources to improve outcomes



Significant risks identified in Audit Plan

In our audit plan we highlighted that given the ongoing pressures across the health and care system, including issues on delays in patient discharge and workforce capacity, there is a risk that performance reporting has not been timely, reliable, balanced and transparent. There are also the longer-term uncertainties around the National Care Service.

Performance management framework

The Integration Joint Board has a responsibility to ensure effective performance monitoring and reporting. The IJB monitors performance and measures impact for the communities against their Strategic Commissioning Plan priorities and be able to share with communities and stakeholders.

The IJB approved an Integrated Performance Framework in June 2024 which is used to drive the performance culture, with evidence-based decision making, service planning and response as well as supporting greater ability for scrutiny in an open and transparent environment. This sets out the indicators and measurement, format and frequency of reporting, concepts and tools and the level of reporting and escalation.

The Integrated Performance Framework relies on an integrated approach to managing, using, and understanding our data. This is because driving performance is most efficiently achieved based on a sound understanding of the systems and processes involved. Analysing data alongside listening to supported people and other stakeholders provides the best way to do that and provides advantage in planning change, deploying preventative approaches, evidencing our functions under legislation and driving process and cost efficiency.

The performance management reporting cycle includes the annual performance report, quarterly performance report, monthly key performance measures report and other weekly and daily operational reports.

Wider scope requirements (continued)

Use of resources to improve outcomes

Deloitte view –Use of resources to improve outcomes

The IJB has further enhanced its performance management framework with the approval of the Integrated Performance Framework (IPF) in June 2024. This revised framework promotes a culture of performance driven by data-informed decision-making, effective service planning and responsiveness, and a commitment to greater transparency and accountability through enhanced scrutiny.

Regular reporting on performance is provided to the Board through the quarterly performance reports against the strategic themes and the annual performance report again.

Wider scope requirements (continued)

Best value

Requirements

It is the duty of the IJB to secure Best Value as prescribed in Part 1 of the Local Government in Scotland Act 2003. We have a statutory duty to be satisfied that the IJB have made proper arrangements for securing BV.

Duty to secure Best Value

1. It is the duty of the IJB to make arrangements which secure Best Value.
2. Best Value is continuous improvement in the performance of the IJB's functions.
3. In securing Best Value, the IJB shall maintain an appropriate balance among:
 - a) The quality of its performance of its functions;
 - b) The cost to the IJB of that performance; and
 - c) The cost to persons of any service provided by the IJB for them on a wholly or partly rechargeable basis.
4. In maintaining that balance, the IJB shall have regard to:
 - a) Efficiency;
 - b) Effectiveness;
 - c) Economy; and
 - d) The need to make the equal opportunity requirements.
5. The IJB shall discharge its duties in a way that contributes to the achievement of sustainable development.
6. In measuring the improvement of the performance of an IJB's functions, regard shall be had to the extent to which the outcomes of that performance have improved.

Conclusions

The IJB has a number of arrangements in place to secure best value. As noted elsewhere within this report, the Strategic Commissioning Plan provides a clear vision and has specific focus on some of the BV characteristics.

Best Value is monitored through the reporting to the Board which includes the Quarterly Performance reports, finance reports and service area reports which are all reviewed by the Board. These reports include BV reviews of services provided.

Financial sustainability continues to be a significant risk to the IJB. In the current year, as set out in the financial sustainability section, a Project Management team has been put in place to monitor the delivery of the savings plans which is also a way of securing best value for the IJB.

Deloitte view – Best Value

The IJB has sufficient arrangements in place to secure best value and has a clear understanding of areas that require further development. Significant work is still required to make the level of savings delivery needed to ensure financial sustainability, both short term and long term.

Appendices



Audit adjustment

Uncorrected misstatement

The following uncorrected misstatement has been identified which we request that you ask management to correct as required by ISAs (UK). Uncorrected misstatements increase the result for the year by £1.09m.

		Debit/ (credit) income statement £m	Debit/ (credit) in net assets £m	Debit/ (credit) prior year reserves £m	Debit/ (credit) OCI/Equity £m
Misstatements identified in current year					
Understatement of Health and Social Care Service expenditure	[1]	1.09	(1.09)	-	-

[1] This relates to difference between the Health and Social Care Services transaction listing and the balance disclosed within the accounts.

Disclosure deficiencies

We have not identified any disclosure deficiencies up to the date of this report.

Action Plan

The following recommendations have arisen from our 2024/25 audit work:

Recommendation	Management Response	Priority	Responsible Person	Target Date
<p>1. Financial Sustainability The overspend of the budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. The IJB should put in place robust measures to ensure savings are monitored and achieved in order to reduce the planned deficit for 2025/26.</p>	<p>The IJB Chief Finance Officer will review the draft 2025/26 outturn budget and provide an approach to bring the budget into balance.</p>	High	IJB Chief Finance Officer	March 2026
<p>2. Vision, leadership and governance- Section 95 Officer role The IJB's Section 95 officer left their post in mid October 2025. Following this date the IJB did not have a named Section 95 officer in place, until mid December 2025 when an interim Section 95 officer was appointed.</p>	<p>The IJB Chief Finance Officer will recommend an approach to ensure the S95 Officer responsibilities can be covered if the post holder has an extended period of absence or leaves with the HSCP.</p>	High	FAPC and the Board	March 2026
<p>3. Vision, leadership and governance- Chief Officer Role The IJB has experienced significant turnover in its Chief Officer position, with 6 different individuals having held this role over the past 10 years. The IJB should seek to find a permanent recruitment to this role to ensure operational and governance stability.</p>	<p>The HSCP has appointed an Interim Chief Officer prior to starting the recruitment process to appoint a new permanent Chief Officer.</p>	High	The Board	March 2026

Action Plan (continued)

We have followed up the recommendations made in 2023/24. We note that out of the 5 recommendations, only 1 has been fully implemented as documented below

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>1. Housing Aids & Adaptions</p> <p>The amount of costs incurred by Stirling Council in relation to Housing Aids & Adaptions should be reassessed and more transparent. Additionally, this should be within Stirling Council’s Revenue Budget paper for future financial years and the IJB should include a section within future IJB Revenue Budget papers. This would provide deeper clarification and an enhanced audit trail.</p>	<p>Accepted – IJB and Stirling Council CFOs will review treatment and reporting to enhance transparency and understanding.</p> <p>Stirling Council and IJB will consider presentation within future revenue budget papers</p>	Low	<p>Open</p> <p>Some consideration was given within the 2025/26 revenue budget however there is scope for further improvement in future years to ensure consistency across both councils.</p>
<p>2024/25 update:</p> <p>While acknowledging initial consideration in the 2025/26 revenue budget, the recommendation remains open, requiring full implementation and consistent reporting across in future years.</p>			
<p>2. Financial management – financial reporting</p> <p>Whilst a RAG rating has been implemented into the savings plan, further analysis relating to risks of non-achievement and illustration of current/future implications are lacking. This should be progressed to further develop and improve financial reporting.</p>	<p>Accepted – IJB CFO will consider within future financial reports to IJB / committee.</p>	Low	<p>Complete</p> <p>Further detail now provided with IJB financial reports.</p>

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>3. Financial sustainability – budget setting</p> <p>The activity and cost model in relation to Set Aside arrangements should be developed. In addition to complying with legislation, this would identify areas where spending could be preserved and subsequently aid the savings requirement for the Set Aside for future years.</p> <p>2024/25 update: Similar to our recommendation last year, management should seek to fully develop the activity and cost model in relation to set aside arrangements.</p>	<p>Accepted – Matter already being considered by both IJBs and NHS Forth Valley. Activity information requirements being accessed to develop model in line with legislative requirements. It is anticipated that this will allow arrangements to be progressed for 2025/26 financial year.</p>	<p>Medium</p>	<p>Open</p> <p>Work has been undertaken and supported by NHS FV information services on an appropriate dataset to support set aside arrangements. Discussions ongoing with Falkirk IJB and NHS FV as to how best to use information as basis for identifying future improvements and how this aligned to improving unscheduled care work on whole system basis and initiatives aiming to shift the balance of care. Aim is for both IJBs to highlight shifting the balance of care opportunities via 2026/27 Business case process.</p>

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>4. Financial sustainability – medium-to-long-term planning</p> <p>Currently, the IJB is not financially sustainable. A more comprehensive medium-term financial outlook post publication of the Scottish Government’s next Medium Term Financial Strategy and Medium Term Financial Framework should be developed and implemented as soon as viably possible.</p>	<p>Accepted – It is currently understood that Scottish Government will publish updated Medium Term Financial Strategy and Medium Term Financial Framework for Health and Social Care by end of 2024. An updated medium-term financial outlook will be developed aligned to these publications and financial planning assumptions of the constituent authorities of the IJB.</p>	Medium	<p>Open</p> <p>A medium term Financial plan was incorporated within the Revenue budget for 25/26.</p>

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>5. Financial sustainability – reserves</p> <p>The utilisation of reserves is not sustainable and places itself and its partner bodies at risk. Although this is a common theme for IJBs across the country, reserves levels should be actively monitored and being applied for the purposes intended. A plan should also be devised as to how the reserves position will be improved.</p> <p>2024/25 update: Reserves levels have continued to deteriorate and there is currently no general reserve with earmarked reserve at £10.253m. This is not in line with the IJB's reserve policy. A plan should be devised as to how the reserves position will be improved.</p>	<p>Accepted</p> <p>To be considered as part of the updated medium term financial outlook. It should however, be understood that re establishing a prudential level of general reserves will be extremely challenging.</p>	<p>Medium</p>	<p>Open</p> <p>FAPC request further discussion on reserves at the June 2025 meeting. The extant reserves policy/strategy maintains an aspirational reserves position however, it is difficult to see how this could be achieved whilst delivering statutory services at this current point in time. IJB reserves highlighted through financial sustainability work of Health and Social Care Scotland and will continue to feature in national level discussions.</p>

Action Plan (continued)

We have followed up on open recommendation made in previous audits. Only one remains open in the current year which we have set out below.

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>1. Lack of preparation for the IJB audit</p> <p>We would recommend that in the future, there is better communication between the constituent authorities and the IJB and that there is an agreed timetable in place with the IJB and the constituent authorities to collate information for the start of the audit.</p> <p>2024/25 update: Deloitte were informed of the delays, and a revised timetable was set, however, due to the exit of key finance team members, the 24/25 audit was delayed again.</p>	<p>Interim discussion on learning points was held with Finance Working Group. The IJB CFO also completed a survey issued by Audit Scotland.</p> <p>The 2023/24 year-end timetable was drafted and discussed at Finance Working Group prior to year-end.</p>	Medium	<p>Open</p> <p>The FAPC is presented with a report in relation to delay to unaudited accounts at June 25 meeting. Deloitte were notified and revised timetable meant audit commenced in first week of September 2025. Initial discussion on future improvements held via Finance Working Group to be revisited once all 2024/25 statutory audits are complete.</p>

Our other responsibilities explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations:

We have asked the IJB to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the IJB.

We have also asked the IJB to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and their belief that they have appropriately fulfilled those responsibilities.



Audit work performed:

In our planning we identified the risk of management override of controls as a key audit risk.

During course of our audit, we have had discussions with management and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements.

We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

Concerns:

No issues or concerns have been identified in relation to fraud.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the IJB and our objectivity is not compromised.

Fees

The expected fee for 2024/25, as communicated by Audit Scotland in January 2025 is analysed below:

	£
Auditor remuneration	36,890
Audit Scotland fixed charges:	
• Pooled costs	930
• Contribution to PABV costs	7,080
• Sectoral cap adjustment	(10,900)
Total expected fee	34,000

Non-audit services

We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships

We have no other relationships with the IJB, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.



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