

The 2024/25 audit of

Clackmannanshire and Stirling Integration Joint Board

Securing a section 95 officer



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
March 2026

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Commission findings

The Accounts Commission is pleased that the Controller of Audit used her powers to highlight a matter arising from the 2024/25 audit of the Clackmannanshire and Stirling Integration Joint Board (IJB) in relation to the departure of the section 95 officer (as required under the Local Government (Scotland) 1973 Act) in October 2025. Following consideration of the Controller's report (presented at [page 5](#)) at its meeting on 12 March, the Commission has made the findings presented below, and would urge all IJBs to review [paragraphs 29–32](#) in the report and take appropriate action:

- 1** Legislation requires IJBs to appoint a section 95 officer (often referred to as a chief finance officer or CFO). This role is fundamental to good governance, accountability and strategic financial planning. The CFO is responsible for ensuring resources are aligned with priorities so is the statutory financial lead. Given current financial pressures, this role is more important than ever, and our 2024 [blog](#) and the CIPFA briefing referenced within it remain highly relevant.
- 2** In this case, partner bodies undertook the necessary financial management after the CFO's departure, and there is clear evidence of strong partnership working in day-to-day financial management and in preparing the annual accounts. However, the failure to formally appoint a CFO, even on an interim basis, meant legal requirements were not met. We view this as a serious failure by all three partners. Following the Scheme of Delegation in future would prevent this. We expect to see evidence of lessons learned in the IJB's own Annual Governance Statement, as well as in the auditor's 2025/26 report.
- 3** We are particularly concerned about advice given to the IJB in November stating that 'all statutory requirements are being met; no legal issues identified'. In the minutes of that meeting, the IJB Chair stated that assigning specific people to statutory posts was essential for meeting legal requirements. However, no formal appointment was made at that time to the role of CFO, despite uncertainty over the outcome of the recruitment being undertaken. Additionally, there was no clarity in relation to contingency

arrangements had the IJB failed to recruit which is concerning from a financial planning and governance perspective.

- 4 We recognise the recruitment and retention challenges faced by all IJBs, especially at senior levels. High turnover increases the risk that institutional knowledge is undermined, and statutory obligations are misunderstood. Robust induction processes are therefore essential across the IJB, so everyone clearly understands their legal duties. Clear contingency arrangements are also essential to address any gaps that arise in relation to statutory roles.
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The 2024/25 audit of Clackmannanshire and Stirling Integration Joint Board

Introduction

1. The Code of Audit Practice requires appointed auditors to produce an Annual Audit Report (AAR) summarising the significant matters arising from their audit work. For Integration Joint Boards (IJBs), auditors appointed by the Accounts Commission address the AAR to the IJB and the Controller of Audit.
2. I have received the AAR and the audited annual accounts for Clackmannanshire and Stirling Integration Joint Board (IJB) for 2024/25. The appointed auditor has issued unqualified opinions on the annual accounts but has identified a matter relating to the departure of the chief finance officer (CFO) in October 2025. The IJB failed to formally designate a section 95 (s95) officer until an interim CFO appointment was made in December 2025.
3. I have therefore decided to use the reporting powers available to me under s102 (1) of the Local Government (Scotland) Act 1973 to bring this matter to the Accounts Commission's attention.

Background

4. IJBs are separate legal entities, bound by Part VII of the [Local Government \(Scotland\) Act 1973](#) (the 1973 Act) which includes requirements relating to finance. Under [section 95 of the 1973 Act](#), IJBs are required to 'make arrangements for the proper administration of their financial affairs and shall secure that the proper officer of the authority has responsibility for the administration of those affairs'. The 'proper officer' referred to in the legislation is commonly referred to as the s95 officer.
5. IJBs were established under the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) (the Public Bodies Act). The Public Bodies Act requires the 32 Scottish councils and 14 territorial NHS boards to work together in partnerships to integrate how social care and community healthcare services are provided. Clackmannanshire and Stirling councils formed a single partnership with NHS Forth Valley.

6. Supporting legislation ([Scottish Statutory Instruments 2014 No. 285, Article 5](#)) and statutory guidance for the Public Bodies Act ([Roles, Responsibilities and Membership of the Integration Joint Board](#)), set out that the minimum membership of the IJB must include a chief officer (CO) and a s95 officer, appointed by the IJB. The CO provides a single point of accountability for integrated health and social care services. For most IJBs the s95 officer is the CFO. This officer is responsible for the financial arrangements of the IJB. The Clackmannanshire and Stirling IJB's scheme of delegation sets out that a range of important responsibilities are delegated to its CFO (the s95 officer). Specifically:

'The CFO will have delegated responsibility from the IJB for the planning, development and delivery of the three-year financial strategy together with such statutory or other legal duties as may have been specifically assigned to the CFO including:

- establishing financial governance systems for the proper use of the delegated resources
- ensuring that the strategic plan meets the requirement for Best Value in the use of the IJB's resources
- ensuring that the directions to the health board and local authority provide for the resources that are allocated in respect of the directions are spent according to the plan.'

7. In August 2025, the IJB's CFO resigned and on 17 October 2025 left the IJB. An initial recruitment process commenced after the CFO gave notice, and this was followed by a direct request to other IJBs nationally for a secondee. Both were unsuccessful. The IJB operated without a s95 officer for nine weeks until an interim CFO was appointed and started in post on 22 December 2025 on a six-month fixed contract.

8. During this time, the s95 officers and the Director of Finance from all three partners collaborated with the interim CO, sharing key duties to maintain financial management and reporting to the board.

9. At the IJB's November 2025 meeting, an update was provided to the board, setting out that the post of CFO was to be re-advertised, that temporary cover was being arranged through an agency and that 'in the short term, the s95 council finance leads from all partner organisations and the Director of Finance for NHS Forth Valley are working together to cover the core financial requirements'. Minutes of the meeting record that the IJB Chair noted that assigning specific people to these positions is essential for meeting statutory requirements. The supporting paper presented to the IJB notes under the heading of 'legal implications' – 'All statutory requirements are being met; no legal issues identified'.

10. Interviews for the permanent CFO post took place on 12 February 2026. The interim CO has advised that the recruitment was successful,

resulting in an appointment being made. A timeline of the relevant events is set out in [Exhibit 1](#).

Exhibit 1

Timeline of events

Events relating to the IJB s95 officer role and wider leadership changes at Clackmannanshire and Stirling IJB between August 2025 and February 2026.

Month	Event
August 2025	CFO resigns
September 2025	Recruitment process for CFO began
October 2025	<p>1 October: recruitment process concludes but unable to appoint new CFO</p> <p>2 October: request put out to other IJBs, councils and NHS boards for a temporary secondment opportunity – no interest</p> <p>3 October: HSCP management accountant left post</p> <p>17 October: the former CFO leaves having served his notice</p>
November 2025	<p>3 November: partner finance leads meet to discuss IJBs finance priority actions</p> <p>Weekly meetings of partner finance leads and interim CO established</p> <p>IJB chair changes</p> <p>Further recruitment work undertaken to identify a temporary CFO through an agency</p> <p>Paper to IJB meeting updates on interim arrangement – the IJB Chair raises the lack of a designated s95 officer</p>
December 2025	<p>5 December: former interim CO leaves</p> <p>8 December: new interim CO starts secondment from NHS Forth Valley – due to finish 30 September 2026</p> <p>22 December: interim CFO starts six-month fixed-term contract (to June 2026)</p>
January 2026	<p>Recruitment for substantive CFO post began</p> <p>28 January: interim CFO presents financial report and update to the IJB</p>
February 2026	12 February: interviews for new CFO led to the appointment of the interim CFO into the substantive post

The auditor's opinion

11. The auditor highlights in the 2024/25 AAR that:

- '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.'

The legal requirement was not met

12. Qualified colleagues from the partner organisations managed financial tasks during the period when the IJB had no CFO, ensuring operations continued. However, their roles were not officially assigned or delegated, and no one was appointed as the s95 officer.

13. The IJB's scheme of delegation specifically states:

'If the CFO is absent or otherwise unable to carry out their responsibilities, any suitably experienced and qualified person formally appointed by the IJB to carry out the role in the CFO's absence would be entitled to exercise delegated responsibility under this Scheme as is afforded to the Chief Finance Officer.'

14. Although the partner bodies have provided effective support and have done so in good faith, there is no evidence that the IJB 'formally appointed' any or all the lead officers to fulfil this role.

15. Not appointing a s95 officer means the IJB was not complying with a legal requirement of the 1973 Act, or the supporting Scottish Statutory Instrument and statutory guidance of the Public Bodies Act. The s95 officer has specific duties and responsibilities for the appropriate financial management of significant amounts of public money and is legally accountable for this. If there is a failure to maintain the financial governance and control systems effectively there is increased risk of inaccuracies, mismanagement and legal implications for the IJB.

Financial administration has been maintained

16. The auditor found that the gap in having an identified s95 officer did not result in a failure to deliver proper financial administration. He did report that there were challenges with meeting the year-end audit

timetable. This also reflects that the other member of the IJB finance team left two weeks before the CFO, leaving no dedicated finance staff.

17. This adds pressure to an already challenging budget process for the IJB and its partners for 2026/27, alongside revising the integration scheme and medium-term financial planning.

18. Delays at the IJB also mean that information is not as readily available for financial reporting and planning at partner bodies. Increased partner involvement has directly strained the finance teams' capacity in each organisation, especially during financially challenging times.

19. Officers of the partner bodies acknowledge that working closely on the financial requirements of the IJB has improved their understanding and their collective approach to addressing the issues faced. The improved working arrangements, understanding and relationships may assist in managing the complex and challenging financial issues ahead for the IJB and partners to address.

20. The Accounts Commission's [IJB Finance bulletin for 2024/25](#), highlights that IJBs are in a critical financial position, 'with increasing cost pressures and the total level of reserves now lower than the budget gap forecast, IJBs need to take decisive action and make difficult decisions about services'. In 2024/25, Clackmannanshire and Stirling IJB faced a financial gap of £24.7 million, which is almost 8.9 per cent of total budgeted expenditure. By the end of the financial year, the IJB was forecast to achieve £8.6 million savings and had no contingency reserves left.

The IJB has experienced significant leadership instability

21. The initial difficulties that the IJB faced in recruiting a new CFO reflect a challenging context for recruitment and retention of CFOs (and COs) across the sector. The IJB Finance bulletin 2024/25 highlights that 'over half of IJBs experienced a change in senior leadership at either the CFO or CO level in 2024/25. This continues a pattern that has been evident for several years. The leadership and strategic vision of senior officers is crucial in the strategic planning and decision-making required to drive much-needed transformation. Instability in leadership teams has the potential to disrupt strategic planning and the leadership capacity to bring about the fundamental change required to address the growing scale of challenges facing IJBs'.

22. The IJB has been through a period of leadership instability. Although the CFO had been in post for ten years, the CO role has been held by four individuals over the past five years with three of those being on an interim basis. The chair's role changes every two years by design, but five different individuals have served as chair in the past five years.

23. The interim CO came to the end of her appointment and was replaced by the current interim CO in December 2025. In December 2025, the CO and CFO were both new to the role and interim appointments. In November 2025, the chair of the IJB also changed.

24. The IJB will benefit from a period of leadership stability, particularly given the challenging financial context it faces. The appointment of the interim CFO into the substantive post in February 2026 is a positive step. The IJB also anticipates beginning recruitment for the substantive CO post before the end of March 2026.

25. The interim CO has recently sought and agreed legal support for IJB meetings from one of the partner councils. This had been the arrangement in the past but was discontinued in 2024. The legal implications of not appointing a s95 officer is an example of where appropriate legal support is important.

Conclusions

26. The departure of the IJB CFO did not adversely affect financial management or annual account preparation, though the auditor reported some challenges with year-end audit arrangements. The limited impact reflects the close working undertaken by the three partner body CFOs and the IJB interim CO.

27. However, it is a legal requirement for the IJB to have a s95 officer in place and the informal arrangement between October and December 2025 did not fulfil this requirement. At any point, financial management of public money requires clear lines of responsibility and accountability, and this is heightened with the current challenging financial landscape as set out in the Accounts Commission's Integration Joint Boards Financial bulletin 2024/25.

28. I have asked the appointed auditor to monitor progress at Clackmannanshire and Stirling IJB with the effectiveness of the financial management arrangements as the new s95 officer takes up the substantive role. The auditor will also monitor the wider stability of leadership at the IJB and report on progress with improving governance arrangements in their report on the audit of the 2025/26 accounts.

Lessons for all IJBs

29. There is a notable turnover of CFOs and COs in IJBs and there is a limited pool of candidates with the skills, experience and appetite to take on these challenging roles. The circumstances at Clackmannanshire and Stirling IJB are not unique and it is important that all IJBs consider their arrangements to manage the duties and responsibilities of these posts if there is a period when they may become vacant.

30. The duties of statutory roles such as s95 and COs must be formally assigned to an appropriate individual or individuals. These arrangements should be considered by the IJB's legal advisor to ensure they are appropriate and reflect the requirement of the role. The proposed arrangements should be agreed by the IJB. Informal agreements do not meet the legal requirement and do not provide satisfactory accountability for the significant responsibilities held by these posts.

31. Each IJB should:

- ensure it has appropriate legal support to provide advice on meeting statutory and governance requirements

- ensure governance documentation includes contingency arrangements for a gap in a statutory role so that in these circumstances an appropriate individual is identified as responsible and accountable for the specific duties.

32. If there is the potential for a statutory role to become vacant, IJBs should:

- seek an immediate interim appointment until the permanent post can be filled to meet the statutory obligations under section 95 and ensure continuity of statutory financial administration
- accelerate permanent recruitment
- proactively inform the appointed auditors about the vacancy, the interim measures in place, and the recruitment timetable
- while interim cover is in place:
 - strengthen internal controls and monitoring including internal audit scrutiny
 - reassess financial strategy and risks
 - introduce safeguards for financial decision-making
 - maintain transparency with board members, including increasing the frequency of financial monitoring reports.

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