

East Dunbartonshire Integration Joint Board

2018/19 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the members of East Dunbartonshire Integration Joint Board and the Controller of Audit

24 September 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2018/19 annual accounts

- 1** East Dunbartonshire IJB's financial statements give a true and fair view of the financial position for the year ended 31 March 2019.
- 2** The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with proper accounting practices.
- 3** The unaudited financial statements in 2018/19 were of an improved quality with fewer errors identified compared with last year.
- 4** We have issued an unqualified Independent Auditor's Report on the East Dunbartonshire Integration Joint Board Annual Accounts for 2018/19.

Financial management and sustainability

- 5** The IJB has an established budgeting and budget monitoring process. Budget monitoring reports provide good quality information to facilitate scrutiny and challenge by members.
- 6** The IJB incurred a deficit of £1.8 million in 2018/19 and utilised the majority of its general reserves to fund it. Balancing the budget through the use of reserves will not be possible in 2019/20.
- 7** The 2019/20 budget shows £154 million of expenditure. In the most recent budget monitoring report, an overspend of £3.6 million is projected. A financial recovery plan for 2019/20 was approved by the Board on 5 September 2019.
- 8** A medium and long term financial plan is required to support longer term decision making.

Governance, transparency and value for money

- 9** The IJB has effective governance arrangements in place that support the scrutiny of decisions by the board.
- 10** The IJB demonstrates a commitment to transparency in the way it conducts its business.
- 11** A Best Value framework has been established and was approved by the Performance, Audit and Risk Committee in March 2019.
- 12** The IJB's provisional 2018/19 Annual Performance Report (June 2019) reflects mainly positive performance. Of the 20 core indicators reported, at the end of 2018/19, it had maintained or improved its performance in 18 with 2 showing a deterioration from the prior year.

Introduction

1. This report is a summary of our findings arising from the 2018/19 audit of East Dunbartonshire Integration Joint Board (the IJB).

2. The scope of our audit was set out in our Annual Audit Plan presented to the Performance, Audit & Risk Committee meeting on 1 March 2019. This report comprises the findings from our main elements of work in 2018/19 including:

- an audit of the IJB's 2018/19 annual accounts including issuing an independent auditor's report setting out our opinion
- consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

Adding value through the audit

3. We aim add value to the IJB through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides.

4. In so doing, our objective is to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

5. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The IJB is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

6. Our responsibilities, as independent auditor appointed by the Accounts Commission, are established by the Local Government (Scotland) Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

7. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the appropriateness and effectiveness of performance management arrangements
- the suitability and effectiveness of corporate governance arrangements, and
- the financial position and arrangements for securing financial sustainability.

8. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

9. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

10. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

11. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can confirm that we have not undertaken any non-audit related services and therefore the 2018/19 audit fee of £28,440, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

12. This report is addressed to both the board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

13. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

Part 1

Audit of 2018/19 annual accounts



Main judgements

East Dunbartonshire IJB's financial statements give a true and fair view of the financial position for the year ended 31 March 2019.

The management commentary, audited part of the remuneration report and annual governance statement were consistent with the financial statements and prepared in accordance with applicable guidance.

The unaudited financial statements in 2018/19 were of an improved quality with fewer errors identified compared to last year.

We have issued an unqualified Independent Auditor's Report on the East Dunbartonshire IJB's Annual Accounts for 2018/19.

The annual accounts are the principal means of accounting for the stewardship of the board's resources and its performance in the use of those resources.

Audit opinions on the annual accounts

14. The annual accounts for the year ended 31 March 2019 were approved by the Performance, Audit and Risk Committee on 24 September 2019. We reported within the independent auditor's report that:

- the financial statements give a true and fair view and were properly prepared
- the audited part of the remuneration report, management commentary, and annual governance statement were all consistent with the financial statements and properly prepared in accordance with proper accounting practices.

15. Additionally, we have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, and the information and explanations we received.

Submission of annual accounts for audit

16. Our audit approach assumed receipt of the 2018/19 unaudited annual accounts, with a complete working papers package on 3 June 2019. However, we did not receive the unaudited annual accounts and working papers until 18 June 2019. The IJB has explained that the delay was the result of an error in information submitted in respect of the treatment of an accrual which required a late adjustment to the accounts prior to submission. Assurances over the hosts relevant governance arrangements were provided by each host (East Dunbartonshire Council (EDC) and NHS Greater Glasgow & Clyde (NHSGGC)), as part of the accounts preparation process. Information on year-end balances were provided by the IJB to NHSGGC by the pre-agreed timetable for NHS consolidation purposes.

17. Once received, the working papers provided with the unaudited annual accounts were of a good standard and finance staff provided good support to the

audit team which helped ensure the audit process ran smoothly. This is an improvement on last year when we reported that the quality of the draft accounts submitted for audit were of a lower than expected standard.

Risks of material misstatement

18. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the financial statements and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks. We have no issues to report from our work on the risks highlighted in our 2018/19 Annual Audit Plan.

Materiality

19. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement. It is affected by our perception of the financial information needs of users of the financial statements.

20. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). Specifically, regarding the annual accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

21. On receipt of the unaudited annual accounts we reviewed our materiality calculations and concluded that they remained appropriate.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£1.539 million
Performance materiality	£0.924 million
Reporting threshold	£15 thousand

Source: Audit Scotland 2018/19 Annual Audit Plan

Significant findings from the audit in accordance with ISA 260

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures.

23. The significant findings are summarised in [Exhibit 3](#). Where a finding has resulted in a recommendation to management, a cross reference to the Action Plan in [Appendix 1](#) has been included.

Exhibit 3

Significant findings from the audit of the financial statements

Issue	Resolution
<p>1. Hospital acute services (set aside)</p> <p>The “set aside” budget is the IJB’s share of the budget for delegated acute services provided by large hospitals, on behalf of the IJB.</p> <p>As per the previous financial year, a notional figure for the “set aside” has been agreed with NHSGGC and included in the NHSGGC & IJB annual accounts. The budget and actual expenditure reported for the “set aside” are equal. The figure is based on 16/17 activity levels for hospital inpatient and day case activity, provided by NHS National Services Scotland’s Information Services Division, adjusted to reflect 2018/19 costs.</p> <p>The “set aside” value disclosed in the accounts (£19.1 million) may not accurately reflect the actual hospital use in 2018/19.</p>	<p>NHSGGC and the IJB have chosen to continue the transitional arrangements for agreeing the set aside sum.</p> <p>The Comprehensive Income & Expenditure Statement correctly incorporates set aside costs.</p> <p>Going forward into 2019/20, the set aside budget will continue on this transitional arrangement, and, NHSGGC is awaiting guidance on the mechanism for fully implementing the set aside budget.</p>

How we evaluate misstatements

24. There were no material adjustments to the unaudited annual accounts arising from our audit.

25. In accordance with normal audit practice, a few presentational and disclosure issues were discussed with management. These were adjusted and reflected in the audited annual accounts.

Good practice in financial reporting

26. The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 requires local government bodies to publish, along with their financial statements, an annual governance statement and a management commentary which are consistent with the disclosures made in the financial statements. In our view, the Management Commentary provides a fair and balanced reflection of the IJB’s performance in 2018/19 and contains all of the necessary disclosures.

27. In the main, the annual accounts reflect good practice as set out in the Audit Scotland good practice note on [‘Improving the quality of local authority accounts – integration joint boards’](#) (April 2018). We have no significant findings to report around the qualitative aspects of the 2018/19 accounting practices.

Follow up of prior year recommendations

28. The IJB has made good progress in implementing our prior year audit recommendations (see [Appendix 1](#)). We will follow up those recommendations highlighted as “Action Ongoing” during 2019/20 and report on progress in our Annual Audit Report.

Part 2

Financial management and sustainability



Main judgements

The IJB has an established budgeting and budget monitoring process. Budget monitoring reports provide good quality information to facilitate scrutiny and challenge by members.



The IJB incurred a deficit of £1.8 million in 2018/19 and utilised the majority of the general reserves to fund it. Balancing the budget through the use of reserves will not be possible in 2019/20.

The 2019/20 budget shows £154 million of expenditure. In the most recent budget monitoring report, an overspend of £3.6 million is projected. A financial recovery plan was approved by the Board on 5 September 2019.

A medium and long term financial plan is required to support longer term decision making.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Financial management

29. It is the IJB's responsibility to ensure that its financial affairs are conducted in a proper manner. As auditors, we need to consider whether audited bodies have established effective financial management arrangements.

30. The IJB is required by statute to make arrangements for the proper administration of its financial affairs and to appoint a "proper officer" to have "responsibility for the administration of those affairs" (section 95 of the Local Government (Scotland) Act 1973). The Chief Finance & Resources Officer was in post throughout the accounting year and is responsible for ensuring that appropriate financial services are available to the IJB and Chief Officer.

Financial performance in 2018/19

31. The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance & Resources Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records. Satisfactory arrangements are in place to identify this income and expenditure and report this financial information to the Board.

32. The IJB Board formally approved the 2018/19 budget in June 2018. This comprised of contributions from EDC and NHSGGC of £52.6 million and £77.2 million respectively, with £17.4 million of funding set aside. The budget contained an initial funding gap of £4.6 million. With £2.8 million of savings identified, the revised funding gap was £1.8 million to be met through the use of reserves or service reduction.

33. The Board is responsible for scrutinising financial and operational performance and ensuring that prompt corrective actions are taken where appropriate. To

discharge this duty, it needs timely and comprehensive budget monitoring information, including projections of the year end position. Budget monitoring reports provide good quality information to facilitate scrutiny and challenge by members on the financial position of the IJB. Five budget monitoring reports were reported to meetings of the Board during 2018/19. These reports projected a gradually increasing year-end overspend throughout the year, with the actual year-end overspend reflected in the annual accounts (£1.8 million).

34. The integration scheme states that where a deficit is projected during the year, a financial recovery plan must be agreed by all partners. A financial recovery plan for 2018/19 was approved by the Board in May 2018.

35. Performance against budget is analysed in [Exhibit 4](#). In 2018/19, the IJB reported a deficit of £1.8 million against partnership funding. In the main this is due to a £3.5 million overspend on social work services which was mitigated, in part, through an underspend on community health budgets of £0.5 million. Additional Scottish Government funding for key initiatives, combined with underspends in areas such as oral health and prescribing, increased the IJB's earmarked reserves by £1.2 million.

Exhibit 4 Performance against budget

IJB budget summary	Budget £m	Actual £m	Variance £m
NHS Greater Glasgow & Clyde	103.228	101.532	(1.696)
East Dunbartonshire Council	52.690	56.204	3.514
Total Net Expenditure	155.918	157.735	1.818
Movement in Reserves to reflect deficit:			
– Earmarked reserves from health services			(1.2)
– Surplus from health services			(0.5)
– Deficit from care services			3.5

Source: East Dunbartonshire IJB 2018/19 Annual Accounts

36. A review of the IJB's reserves was carried out in March 2019 and resulted in the re-designation of £2.1 million of earmarked reserves to general fund. This allowed the IJB to achieve a balanced budget at the year-end, however, it had a serious impact on the level of reserves available moving forward into 2019/20.

37. In our 2017/18 Annual Audit Report we recommended that reporting arrangements could be further enhanced by combining performance reporting with financial reporting and that this would allow members to have clear sight of the impact of variances against budget in terms of service performance. The Chief Finance & Resources Officer has updated the 2019/20 Transformation Plan to include financial information aligned to delivery priorities and has advised that quarterly performance reports are currently being reviewed to include relevant financial information.

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

Financial planning and sustainability

38. The 2019/20 budget shows £154 million of expenditure. In the most recent budget monitoring report for 2019/20 the IJB is projecting an overspend of £3.6 million which is mainly due to demand and cost pressures within Older People & Physical Disability Services. A financial recovery plan was approved by the Board on 5 September 2019 to address the anticipated overspend. The plan includes a number of management actions and budgetary control measures, including limiting recruitment and the use of overtime to critical cases only.

39. In our 2016/17 and 2017/18 Annual Audit Reports, we highlighted the importance of a medium to long term financial plan to support longer term planning for the IJB. This was included as an action plan point and the IJB agreed to develop this as part of its Strategic Plan 2018-2021, approved by the Board in April 2018. Although a long term plan has yet to be developed, the Chief Finance & Resources Officer advised that a draft five year financial plan has been discussed at Senior Management Team (SMT) including planning assumptions. Discussions with partner bodies on the draft five year financial plan are still to be held.

40. One of the challenges for the IJB is the short-term financial planning cycle of the Scottish Government and the resulting uncertainty over future NHS budgets. The Scottish Government issued guidance to health boards in February 2019 on three-year financial planning and performance and there is an expectation that medium to long term financial plans will be in place from 2020/21.

41. A new Scottish budget process has been introduced, which is based on a year-round continuous cycle of budget setting, scrutiny and evaluation. As part of the new budget process, the Scottish Government published an initial five-year Medium-Term Financial Strategy (MTFS) in May 2018. The five-year outlook for the Scottish budget, set out in the MTFS, provides useful context for the IJB's financial planning.

Efficiency savings

42. The IJB is required to make efficiency savings to maintain financial balance. In 2018/19 the IJB was expected to make efficiency savings of £2.453 million. The actual outturn position was £2.038 million. The savings not achieved include the changes to staff terms & conditions, CM2000 monitoring system changes and life changes trust monies not obtained in year.

43. Based on the indicative financial settlement from NHSGGC and EDC, the IJB will be required to make £3.9 million of savings in 2019/20, through a combination of management actions and transformation activities. As of August 2019, the IJB is predicting a £1.1 million shortfall in the delivery of these planned efficiencies.

44. Failure to achieve these savings targets could have serious implications to the delivery of core services in 2019/20 due to the level of reserves available. Progress towards efficiency savings should be carefully monitored and regularly reported to the Board. The IJB has not fully achieved its efficiency savings targets in the past two financial years. In light of this, there is a risk that the IJB's 2019/20 efficiency savings will also not be achieved.



Recommendation 1

The IJB should ensure that plans are developed identifying how the shortfall in the delivery of efficiency savings in 2019/20 will be addressed.

Reserves strategy

45. The reserves policy of the IJB was approved by the Board meeting in August 2016. The integration scheme and the reserves policy set out the arrangements between the partners for addressing and financing any overspends or underspends. Both documents highlight that underspends in an element of the operational budget arising from specific management action may be retained by the IJB to either fund additional in year capacity or be carried forward to fund capacity in future years of the Strategic Plan. Alternatively, these can be returned to the partner bodies in the event of a windfall saving.

46. The IJB's reserves policy states that a prudent level of general reserves will represent approximately 2% of net expenditure. This equates to approximately £3.2 million in 2018/19. As a result of the deficit in 2018/19, the general reserve has fallen to £0.041 million which leaves little capacity for responding to in year pressures. The IJB will be particularly vulnerable to any unexpected costs during 2019/20.

Systems of internal control

47. The IJB does not have any financial systems of its own. All financial transactions of the IJB are processed through the financial systems of NHSGGC and EDC. The key financial systems it relies upon include general ledger, trade payables, trade receivables and payroll.

48. As part of our audit approach we received assurances from the external auditors of NHSGGC and EDC. We concluded that there were no significant weaknesses in the internal controls of the main financial systems for the health board or council which would impact upon the annual accounts of the IJB.

Internal audit

49. Internal audit provides the IJB Board and Accountable Officer with independent assurance on the IJB's overall risk management, internal control and corporate governance processes.

50. The internal audit function is carried out by the internal auditors at both EDC and NHSGGC. As part of our routine planning process we carry out an early assessment of the internal audit function to determine whether it has sound documentation standards and reporting procedures in place and complies with the requirements of Public Sector Internal Audit Standards (PSIAS). A review of the adequacy of the respective internal audit functions was carried out by the external auditors of the host bodies from which an assessment was made in relation to the IJB. We concluded that it operates accordance with PSIAS and has sound documentation standards and reporting procedures in place.

51. In 2017/18 we reported that the internal auditors of NHSGGC do not share copies of individual internal audit reports with the IJB or attend meetings of the IJB's Performance, Audit & Risk Committee. New internal auditors are now in place at NHSGGC and the arrangements for sharing information have been reviewed. Summary information will be provided to the Performance, Audit & Risk Committee and the Chief Internal Auditor will have access to progress reports to manage relevant risks. This should ensure the appropriate assurances can be provided the IJB. A draft protocol has been prepared to formalise these arrangements.

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

52. The Board requires that all members must comply with the Standards in Public Life - Code of Conduct for Members of Devolved Public Bodies. In August 2016 the Board agreed to adopt the template Code of Conduct for Integration Joint Boards which had been produced by the Scottish Government.

53. Based on our review of these arrangements we concluded that the IJB has effective arrangements in place for the prevention and detection of corruption and we are not aware of any specific issues that we need to record in this report.

Dependency on key suppliers

54. The impact of a failure or collapse of a key supplier can be significant to an organisation and can result in either delays or non-completion of major contracts or, disruptions in the continued provision of vital services. This has brought into focus the risk of key supplier failure and the risk of underperformance in suppliers that are experiencing difficult trading conditions.

55. Failure of external care providers to maintain delivery of service is recognised as a risk on the IJB's Corporate Risk Register. The collapse of a care provider could have a significant impact on the IJB's ability to provide and arrange care services. This risk is managed through the Contract Management Framework.

EU Withdrawal

56. There remains significant uncertainty surrounding the terms of the UK's withdrawal from the European Union (EU). EU withdrawal will inevitably have implications for devolved government in Scotland and for audited bodies. It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce – the extent to which potential changes to migration are likely to affect the availability of the people and skills needed to deliver services.
- Funding – the extent to which potential changes to existing EU funding programmes are likely to affect the finances of public bodies and the activity that such funding supports.
- Regulation – the extent to which potential changes to EU regulations are likely to affect the activities of some public bodies.

57. The operational risks associated with EU withdrawal have been assessed by the partner bodies. The IJB should seek to ensure that satisfactory arrangements have been put in place by partner bodies to address potential risks.

Part 3

Governance, transparency and Best Value



Main judgements

The IJB has effective governance arrangements in place that support the scrutiny of decisions by the board.



A Best Value framework has been established and was approved by the Performance, Audit and Risk Committee on 1 March 2019.

The IJB's provisional 2018/19 Annual Performance Report (June 2019) reflects mainly positive performance. Of the 20 core indicators reported, at the end of 2018/19, it had maintained or improved its performance in 18 with 2 showing a deterioration from the prior year.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Governance arrangements

58. The integration scheme between EDC and NHSGGC sets out the IJB's responsibilities for the management and delivery of health and social care services in East Dunbartonshire. The IJB's governance arrangements and procedures are regulated by its Scheme of Delegation.

59. Standing Orders for the IJB were approved when it was established in July 2015. Schemes of Delegation clarify the functions delegated by EDC and NHSGGC to the IJB. These delegate operational management of services to the IJB's Chief Officer.

60. The integration scheme also sets out the key governance arrangements. The Board is responsible for establishing arrangements for ensuring the proper conduct of the affairs of the IJB and for monitoring the adequacy of these arrangements. The Board comprises a wide range of service users and partners including three elected councillors nominated by EDC and three non-executive directors nominated by NHSGGC.

61. The IJB's Chief Officer provides overall strategic and operational advice and is directly accountable to the Board for all of its responsibilities. The Chief Officer is accountable to both the Chief Executive of EDC and the Chief Executive of NHSGGC. The Chief Officer also provides regular reports to both partners which include national and local developments in relation to the implementation of the Public Bodies (Joint Working) (Scotland) Act 2014.

62. The Board is supported by the Performance, Audit & Risk Committee, two Locality Planning Groups, a Clinical and Care Governance Group and the Strategic Planning Group. The Board and each of the groups met on a regular basis throughout the year. We reviewed Board minutes and Performance, Audit & Risk Committee minutes to ensure they are fulfilling their responsibilities. We also periodically attend meetings of the Performance, Audit & Risk Committee.

Additionally, we attend selected Board meetings to observe how they perform, and we concluded that these meetings are well attended and demonstrate an appropriate level of discussion and scrutiny.

63. The Clinical and Care Governance Group reports through the Chief Officer to the Board on a regular basis. The membership reflects the professional groups, including nursing, medical, social work and primary care colleagues. The role of the Clinical and Care Governance Group is to consider matters relating to Strategic Plan development, governance, risk management, service user feedback and complaints, standards, education, learning, continuous improvement and inspection activity.

64. The IJB is currently developing a Commissioning Strategy and Market Facilitation Plan. The strategy will outline the IJB's commissioning plans over the next three years based on key themes identified through the consultation and engagement process. The draft strategy is expected to be circulated to stakeholders in October 2019 with a view to finalising and submitting to the Board in November 2019.

Openness and transparency

65. There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny. Transparency means that the general public has access to understandable, relevant and timely information about how the IJB is taking decisions and how it is using resources.

66. Full details of the Board meetings held by the IJB are available through the EDC website, where access is given to partnership board papers and minutes of meetings. In our 2017/18 Annual Audit Report, we reported that transparency could be improved by making papers for the Performance, Audit & Risk Committee publicly available. Minutes for the committee are included as part of the Board meeting papers and access to papers is now possible through the EDC website. This provides more context to stakeholders and allows for a greater understanding of the matters discussed at these meetings.

67. We conclude that the IJB has shown a commitment to openness and transparency by increasing the amount of information available to the public.

Best Value arrangements

68. Local government bodies, including Integration Joint Boards, have a statutory duty to make arrangements to secure Best Value, through the continuous improvement in the performance of their functions. The characteristics of a Best Value organisation are laid out in Scottish Government Guidance issued in 2004.

69. The Public Bodies (Joint Working) (Scotland) Act 2014 requires that an annual performance report is completed within four months of the year end. Guidance highlights that the report should cover areas including; assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, inspection of services, and a review of strategic commissioning plan (if applicable).

70. In 2017/18, we recommended that the annual performance report should include a section on best value to demonstrate that the IJB is meeting its best value obligations. The provisional annual performance report for 2018/19 was presented to the Board in June 2019 and covers the key areas set out in the guidance. It also now includes the best value framework as an appendix to the report.

71. The IJB has assessed itself against Audit Scotland guidance entitled Auditing Best Value – Integration Joint Boards (March 2018) in order to establish a best

value framework. This was approved by the Performance, Audit and Risk Committee in March 2019.

Service Performance

72. The IJB Board receives performance reports on a quarterly basis. These reports provide an update on performance against proposed targets and measures, with narrative to describe progress and actions for improvement. We are satisfied with the format and the content of these report which provide an adequate level of information to Board members.

73. The IJB reports on progress against 20 Scottish Government core indicators relating to health and social care integration. Of the 20 core indicators reported, at the end of 2018/19, it had maintained or improved its performance in 18 with 2 showing a deterioration from the prior year. The two indicators showing decreased performance were:

- Falls rate per 1,000 population aged 65+
- Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population). Although performance in this area deteriorated in 2018/19, the IJB is still performing ahead of the Scottish average.

74. Overall, the IJB has demonstrated good performance against its own key target areas. The provisional Annual Performance Report for 2018/19 highlights that the IJB performed well in relation to the following health and wellbeing national outcomes:

- People who are able to look after and improve their own health and wellbeing and live in good health for longer
- People who use health and social care services have positive experiences of those services, and have their dignity respected
- Health and social care services contribute to reducing health inequalities
- People who use health and social care services are safe from harm
- People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.

Joint Inspection (Adults) by Care Inspectorate and Healthcare Improvement Scotland

75. Scottish Ministers asked the Care Inspectorate (CI) and Healthcare Improvement Scotland (HIS) to report on the effectiveness of the strategic plans prepared by integration authorities, from April 2017. East Dunbartonshire IJB received an inspection of this nature spanning the time period of late 2018 into early 2019 and the final report was published by the CI on 30 July 2019.

76. The inspection looked not just at the work of the IJB, but at the partnership working across agencies and services in the East Dunbartonshire IJB area. The aim was to assess the extent to which the right and necessary building blocks are in place to plan, commission and deliver high quality services in a co-ordinated and sustainable way, in East Dunbartonshire. The key building blocks are described by CI and HIS as follows:

- a shared vision
- leadership of strategy and direction

- a culture of collaboration and partnership
- effective governance structures
- a needs analysis on which to plan and jointly commission services
- robust mechanisms to engage with communities
- a plan for effective use of financial resources, and
- a coherent integrated workforce plan which includes a strategy for continuous improvement
- professional development and shared learning

77. The purpose of the inspection was to explore the question “How well does the IJB plan and commission services to achieve better outcomes for people?”. The inspection process included a review of strategic plans and the process by which they were developed, and an overview of delivery against national targets. A staff survey and series of focus groups with staff and other stakeholders took place over a two week period. The inspection team also observed a number of meetings over a two week period. Unlike previous CI inspections, the process did not involve meeting with people who use services to seek their views. This was because the focus of the inspection was on strategic action and progress, as opposed to operational service delivery.

78. Overall, inspectors fed back to local staff that they could see the progress that had been made, and was continuing, in the journey of integration, and planning and delivery of integrated services. However, grading in a number of areas was impacted by the view that a number of the required developments were still at a relatively early stage and could not yet be said to be fully embedded. The inspection process results in gradings in three main quality indicators taken from the Care Inspectorate’s Quality Improvement Framework. East Dunbartonshire IJB were graded as follows:

- Key performance outcomes – Good
- Strategic planning and commissioning arrangements – Adequate
- Leadership and direction that promotes partnership – Adequate

79. Following publication of the report the IJB developed an action plan in collaboration with EDC and NHSGGC to address the improvement areas identified. Implementation of this plan will be overseen by the allocated CI link inspector for the East Dunbartonshire area. We will monitor progress in the implementation of this action plan during 2019/20.

National performance audit reports

80. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2018/19 we published some reports which are of direct interest to the board as outlined in [Appendix 3](#). Processes are in place to ensure that all national performance reports and their impact are considered by the Board.

81. In November 2018, the Auditor General and Accounts Commission issued the [Health and social care integration: update on progress report](#). This report highlights that, while some improvements have been made to the delivery of health and social care services, IJBs, councils and NHS boards need to show a stronger commitment to collaborative working to achieve the real long-term benefits of an integrated system. The national report was presented to the Board in January 2019. The Board noted the report and agreed to consider further reports on the

progress of the Audit Scotland recommendations across all partnership bodies tasked with delivering improvement actions.

82. A report was presented to the meeting of the IJB in March 2019 which provided an update on Scottish Government's Ministerial Strategic Group (MSG) for Health and Community Care review of integration of health and social care (published in February 2019) to highlight the local process that would be undertaken to address the findings from this review. In response to the MSG review, partner bodies were issued with a self-evaluation template in March 2019 with a clear outline as to expectations for completion and submission. The MSG review report noted an expectation that "every health board, local authority and IJB will evaluate their current position in relation to this report and the Audit Scotland national report, and take action to make progress." It was also made clear that the expectation was that each IJB area would submit a single joint response by 15 May 2019.

83. East Dunbartonshire IJB completed its national self-evaluation submission and sent it to the Scottish Government by the required deadline of 15 May 2019. The final submission was presented to the meeting of the IJB on 28 May 2019 for noting and the IJB was requested to note that an action plan would be developed in collaboration with the council and NHSGGC and would be presented to a future meeting of the IJB along with delivery updates in the run up to the one year follow up self-assessment process expected to take place in April 2020. We will review progress on the action plan during 2019/20.

Appendix 1

Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Efficiency savings</p> <p>For 2019/20 the board is required to deliver £3.9 million of efficiency savings and, as at August 2019, the IJB is also predicting a £1.1 million shortfall in the delivery of planned efficiencies.</p> <p>Risk</p> <p>The IJB does not achieve its efficiency savings target in 2019/20 leading to the increased use of reserves and increases the level of efficiency savings required in future years.</p>	<p>The IJB should ensure that plans are developed identifying how the shortfall in the delivery of efficiency savings in 2019/20 will be addressed.</p> <p>Paragraph 44</p>	<p>The partnership are scrutinising, through the IJB leadership team, options for delivery of the transformation plan and identifying areas for further efficiency and service redesign which can be accelerated to mitigate the financial challenge. It is expected that options will be brought forward to the IJB in November/December 2019 for consideration. In addition, the IJB have implemented a financial recovery plan and the expected financial efficiencies accruing from this implementation will be assessed and reported through the revenue monitoring cycle</p> <p>Chief Finance & Resources Officer</p> <p>March 2020</p>

Follow up of prior year recommendations

2	<p>Quality assurance review</p> <p>The quality of the draft 2017/18 unaudited accounts submitted for audit were of a lower than expected standard.</p> <p>Risk</p> <p>More audit time is spent identifying typographical and other errors and the audit fee may be increased as a result.</p>	<p>Prior to submission for audit, the IJB should carry out a quality assurance review of the unaudited accounts to identify and eliminate errors.</p>	<p>The 2018/19 unaudited annual accounts presented for audit were of improved quality.</p> <p>Action complete.</p>
3	<p>Hospital acute services (set aside)</p> <p>The total Joint Board expenditure includes “set aside” costs for hospital</p>	<p>NHSGGC and the IJB should prioritise revised processes for planning and performance management of delegated hospital functions and</p>	<p>NHSGGC and the IJB have chosen to continue the transitional arrangements for agreeing the set aside sum. Going forward into 2019/20,</p>

acute services. The figure is an estimate, based on 2015/16 activity levels.

Risk

In future years the sum set aside recorded in the annual accounts will not reflect actual activity levels.

associated resources in 2017/18.

the set aside budget will continue on this transitional arrangement, however, the health board is awaiting guidance on the mechanism for fully implementing the set aside budget.

Action ongoing reported in [Exhibit 3](#).

4 Budget and performance monitoring arrangements

Budget and performance monitoring arrangements are currently reported separately to the Board which means that it can be challenging to link the impact of budget variances on service performance.

Risk

There is a risk that members are not fully sighted on the impact of budget variances on service performance.

The IJB should seek to combine these to ensure that members have clear sight of the impact of variances against budget in terms of service performance.

The 2019/20 Transformation Plan has been updated to include financial information aligned to delivery priorities.

A review of quarterly performance reports is underway to include relevant financial information.

Budgetary control meetings include analysis of activity data aligned to financial performance.

Action ongoing reported at paragraph 37.

5 Efficiency savings

There is no formal mechanism in place to identify and report on whether savings targets are being met and how these are being achieved. In addition, savings identified for 2018/19 include £1.7 million that is considered as high risk and may not material.

Risk

Savings are not being delivered in accordance with decisions taken by the Board.

The IJB should develop a formal mechanism to demonstrate how planned efficiency savings are being met as well as the risk status and implications should these savings not be met.

Progress on the delivery of planned efficiency savings is now reported to the Board as part of the regular financial performance monitoring reports.

Action complete.

6 Long term financial plans

There are no long term financial plans in place which demonstrate how the IJB will secure the financial sustainability of its services in the future.

Risk

The IJB is not planning adequately over the medium to long term to manage or respond to significant financial risks.

We recommend that a long term financial strategy (5 years and over) supported by clear and detailed financial plans (3 years and over) is prepared. This is increasingly important as demand pressures increase, financial settlements continue to reduce and fundamental service redesign over a longer time frame becomes necessary. Plans should set include scenario planning (best, worst, most likely).

Integrated Finance and Planning Group established to develop a collective understanding of financial planning assumptions across health & social care.

A Board development session took place in August 2019 with a focus on financial planning.

The Chief Finance & Resources Officer advised that a draft five year financial plan has been discussed at Senior Management Team (SMT) including planning assumptions. Discussions with partner bodies on the draft five year financial plan are still to be held.

Action ongoing reported at paragraph 39.

7	<p>Review of earmarked reserves</p> <p>There is £3.13 million allocated as earmarked reserves. From our review we identified a few instances where reserves were being earmarked despite not meeting the criteria.</p> <p>Risk</p> <p>Unearmarked reserves do not represent a suitable level of contingency to mitigate the impact of unexpected events.</p>	<p>The IJB should undertake a thorough review of its earmarked reserves to ensure they have been earmarked for known or predicted requirements.</p>	<p>Regular reviews of reserves are undertaken and reported to the IJB Board. Reserves were further reviewed as part of the year end accounts process.</p> <p>£2.114 million in earmarked reserves were re-categorised as general to cover the in year overspend.</p> <p>Action complete.</p>
8	<p>Workforce action plan</p> <p>A draft workforce plan was approved by the Board in March 2018. Although there is a workforce action plan listing areas of improvement, it lacks action owners and timescales for completion.</p> <p>Risk</p> <p>With a lack of targets and ownership, the completion of these actions will be at risk.</p>	<p>The IJB should ensure that the workforce action plan is updated with appropriate owners and achievable target deadlines included.</p>	<p>The workforce plan has been updated to assign a lead officer to each action plan point.</p> <p>Action complete.</p>
9	<p>Financial regulations</p> <p>The financial regulations refer to incorrect legislation in relation to the audit and publication timetable, and the Scheme of Delegation does not declare whose responsibility it is to sign the audited financial statements.</p> <p>Risk</p> <p>Inappropriate legislation may be referred to and confusion from the lack of clarity within the Scheme of Delegation on the signing of the financial statements.</p>	<p>The IJB should update their regulations on a regular basis to ensure these are compliant with legislation.</p>	<p>The updated financial regulations were presented to the Performance, Audit & Risk Management Committee for approval in March 2019 and now include reference to the correct legislation.</p> <p>The terms of reference for the Performance, Audit & Risk Committee have now been updated to state whose responsibility it is to sign the audited financial statements. These were presented to the September 2019 Performance, Audit and Risk Committee for approval.</p> <p>Action complete.</p>
10	<p>Transparency</p> <p>Although minutes and papers for each Board meeting are available through the IJB website, other committee/group papers are not publicly available.</p> <p>Risk</p>	<p>The IJB should enhance transparency by publishing papers submitted to standing committees and groups. Where papers include confidential information, these can be withdrawn or redacted as appropriate.</p>	<p>Performance, Audit & Risk Committee papers are now available on the IJB website.</p> <p>Action complete.</p>

Service users, member and staff have difficulty in accessing information.

The IJB's status as leader in health and social care is diluted.

11	Internal Audit The internal auditors of NHSGGC do not share copies of individual internal audit reports with the IJB or attend meetings of the IJB's Performance, Audit & Risk Committee. Risk Board members may be unable to properly discharge their governance responsibilities.	The IJB should review internal audit arrangements to ensure that all internal audit reports affecting the IJB are presented to the IJB's Performance, Audit & Risk Committee.	Arrangements relating to how information is shared have been reviewed with the newly appointed internal auditors for NHSGGC. Summary information will be provided to the IJB Performance, Audit and Risk Committee and the Chief Internal Auditor will have access to progress reports to manage relevant risks. A draft protocol for sharing information on high risk areas affecting the IJB has been prepared. Action ongoing reported at paragraph 51.
12	GDPR The IJB has not formally considered and reported on its own responsibilities regarding GDPR in order to assess whether it is a controller of personal information and if so, whether it needs to identify and appoint a Data Protection Officer. Risk The IJB is in breach of GDPR legislation and is not taking responsibility for the safeguarding of personal data.	The IJB should formally consider and report on its responsibilities in relation to GDPR to ensure it is not in breach of relevant legislation.	The IJB is a statutory authority and Data Controller and is, therefore, subject to GDPR regulations. In practice, however, the IJB handles very little personal data. A Records Management Plan has been developed and submitted to the Keeper of the Records of Scotland. A report on the responsibilities of the IJB in relation to GDPR was presented to the Board in March 2019. A Data Protection Officer has been appointed to act for both the IJB and East Dunbartonshire Council. Action complete.
13	Demonstrating best value Although it was agreed that the annual performance report would include a section for best value, this has not been included within the 2017/18 report. Risk The IJB is not able to demonstrate that it is meeting its best value obligations.	The IJB should develop an approach to demonstrate that it is meeting its best value duties and report on this accordingly.	The IJB has assessed itself against the Audit Scotland best value guidance. This assessment provided the basis of a best value framework for the IJB and was approved by the Performance, Audit & Risk Committee in March 2019. Action complete.

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Reviewed of accounting estimates.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluated of significant transactions that are outside the normal course of business.</p>	<p>Satisfactory written assurances were received from the external auditors of EDC and NHSGGC regarding journal testing and accuracy, allocation and cut-off of IJB transactions.</p>
<p>2 Risk of fraud over expenditure</p> <p>The Code of Audit Practice expands the ISA assumption on fraud over income to aspects of expenditure. The expenditure of the IJB is processed through the financial systems of East Dunbartonshire Council (EDC) and NHS Greater Glasgow & Clyde (NHSGGC). There is a risk that non IJB related expenditure is incorrectly posted to IJB account codes.</p>	<p>Obtained assurances from the auditors of EDC and NHSGGC over the accuracy, completeness and appropriate allocation of the IJB ledger entries.</p> <p>Carried out audit testing to confirm the accuracy and correct allocation of IJB transactions, and that they were recorded in the correct financial year.</p>	<p>Satisfactory written assurances were received from the external auditors of EDC and NHSGGC regarding journal testing and accuracy, allocation and cut-off of IJB transactions.</p>
<p>3 Hospital acute services (Set Aside)</p> <p>The “set aside” budget is the IJB’s share of the budget for delegated acute services provided by large hospitals on behalf of the Joint Board.</p> <p>The budget and actual expenditure reported for the “set aside” were equal in 2017/18. The figure was based on 2015/16 activity levels and provided by NHS National</p>	<p>Engaged with officers to ensure that a robust mechanism has been developed to quantify set aside income and expenditure.</p> <p>Monitor Scottish Government guidance on the treatment of set aside in the 2018/19 financial statements to establish whether the financial statements are compliant.</p>	<p>NHSGGC and the IJB have chosen to continue the transitional arrangements for agreeing the set aside sum. Going forward into 2019/20, the set aside budget will continue on this transitional arrangement, however, the health board is awaiting guidance on the mechanism for fully implementing the set aside budget.</p> <p>Reported at Exhibit 3.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>Services Scotland's Information Services Division.</p> <p>There is a risk that the income and expenditure of the IJB is misstated in 2018/19 due to the lack of current activity information.</p> <p>There is also a risk that the sum set aside recorded in the annual accounts will not reflect actual hospital use in the 2018/19 accounts.</p>		
<p>4 Financial sustainability and going concern</p> <p>Based on the current 2018/19 budget monitoring report (for the period to 30 November 2018) there is a projected overspend of £3.425 million. The budget includes the planned use of £2.114 million of earmarked reserves and any additional unplanned overspend will be financed by the General Reserve. This is mainly due to overspends in Adult Learning Disability services, Older People Community services and Children's services.</p> <p>The projected year end reserves balance is expected to be £0.662 million, which is in breach of the IJB's reserves policy. The reserves policy suggests that a prudent reserves level is 2% of net expenditure which would equate to approximately £3 million.</p> <p>In addition, there are no long term financial plans in place to demonstrate how the IJB will secure the financial sustainability of its services in the future.</p> <p>There is a risk that the IJB is not financially sustainable. As a result, the IJB needs to demonstrate that the going concern basis is appropriate for the 2018/19 accounts.</p>	<p>Ensured budget monitoring is robust and accurately reflects the financial position.</p> <p>Confirmed agreement of funding and balances with host bodies.</p> <p>Reviewed the IJB's recovery plan agreed with EDC and NHSGGC.</p> <p>Reviewed progress against our 2017/18 audit recommendation in relation to this risk.</p> <p>Reviewed the IJB's evidence to support the going concern assumption for the 2018/19 accounts.</p>	<p>The IJB incurred a deficit on provision of services of £1.8 million in 2018/19.</p> <p>£2.1 million of earmarked reserves were re-designated in March 2019 in order to balance the budget.</p> <p>Although a long term plan has yet to be developed, the Chief Finance & Resources Officer advised that a draft five year financial plan has been discussed at Senior Management Team (SMT) including planning assumptions. Discussions with partner bodies on the draft five year financial plan are still to be held.</p> <p>Reported at paragraph 39.</p>

Audit risk	Assurance procedure	Results and conclusions
Risks identified from the auditor's wider responsibility under the Code of Audit Practice		
<p>5 Achievement of efficiency savings</p> <p>The financial planning update presented to the January 2019 meeting of the Board reported that the estimated funding gap for 2019/20 is £3.5 million. Of this total, £2.1 million of the required savings have so far been identified as part of the IJB's transformation activity.</p> <p>There is a risk that the IJB may not be able to generate sufficient efficiencies and cost savings to bridge the remaining funding gap of £1.4 million.</p>	<p>Ongoing review of budget monitoring reports including details of identified savings.</p>	<p>In 2018/19 the IJB was expected to make efficiency savings of £2.453 million. The actual outturn position was £2.038 million.</p> <p>Some of the efficiencies not achieved are recurring in the 2019/20 savings plan.</p> <p>Achievement of 2019/20 efficiency savings has been raised as a 2018/19 action plan point above.</p>
<p>6 EU withdrawal</p> <p>There are considerable uncertainties surrounding the implications of EU withdrawal and public bodies should assess the potential impact on their operations and identify specific issues and planned responses.</p> <p>There is a risk that the IJB is not prepared for the impact of EU withdrawal on the delivery of services.</p>	<p>Assessed how the IJB has prepared for EU withdrawal, including the specific work on workforce impact and dependency on key suppliers.</p> <p>Considered how the IJB responded to any emerging issues after March 2019.</p>	<p>The operational risks associated with EU withdrawal have been assessed by the partner bodies, and the risk to the IJB is included in the IJB's corporate risk register presented to the Board in March 2019.</p>
<p>7 Quality assurance review</p> <p>The quality of the unaudited 2017/18 annual accounts submitted for audit was not acceptable. As a result, the audit team were required to carry out additional audit work to support the IJB in securing an unqualified audit opinion.</p> <p>There is a risk that the quality of the unaudited 2018/19 annual accounts submitted for audit will be not be acceptable and a qualified audit opinion is reached, or additional audit work is required.</p>	<p>Liaised with the Chief Finance and Resources Officer regarding the application of good practice notes and other relevant guidance.</p> <p>Audited the 2018/19 annual accounts.</p>	<p>The quality of the unaudited 2018/19 annual accounts submitted for audit was acceptable and were an improvement on the prior year unaudited annual accounts.</p>
<p>8 Internal audit</p> <p>The internal auditors of NHSGGC do not permit full copies of individual internal audit reports to be presented to the Performance, Audit and Risk Committee for member</p>	<p>Reviewed NHSGGC internal audit arrangements to ensure that all internal audit reports affecting the IJB are appropriately presented to the IJB's Performance, Audit and Risk Committee.</p>	<p>A draft protocol for sharing information on high risk areas affecting IJB's has been prepared. Summary information is to be provided to the IJB with the Chief Internal Auditor provided access to more detailed progress reports to give</p>

Audit risk	Assurance procedure	Results and conclusions
<p>scrutiny, although full copies of these reports are made available to the IJB Chief Internal Auditor and Chief Finance and Resources Officer on request.</p> <p>There is a risk that Performance, Audit and Risk Committee members may be unable to properly discharge their responsibilities.</p>		<p>assurance to the IJB on appropriate actions being taken to manage risks.</p> <p>Reported at paragraph 51.</p>
<p>9 Corporate risk register</p> <p>The corporate risk register has not been presented to members since November 2017. The register should be updated and presented to the Performance, Audit and Risk Committee on a regular basis to ensure that members are able to properly discharge their responsibilities.</p>	<p>Reviewed updated corporate risk register for risks that may impact upon our 2018/19 audit approach.</p>	<p>Corporate risk register was reviewed, updated and presented to the Performance, Audit and Risk Committee for approval in March 2019.</p>
<p>10 2017/18 Annual Audit Report</p> <p>Our 2017/18 Annual Audit Report identified twelve audit issues with associated recommendations for the IJB to address. In October 2018 we agreed a detailed action plan to address our recommendations in a meeting with the Chief Officer and Chief Finance and Resources Officer.</p> <p>There is a risk that the IJB is unable to action our audit recommendations in line with the timescales set out in the agreed action plan produced by the Chief Officer and Chief Finance and Resources Officer.</p>	<p>Obtained an update on progress of action plan to address our 2017/18 Annual Audit Report recommendations from the Chief Finance and Resources Officer throughout the year. Reported on the IJB's progress in addressing our prior year recommendations in our 2018/19 Annual Audit Report.</p> <p>Reviewed action plan updates provided to Performance, Audit and Risk Committee on the 2017/18 Annual Audit Report recommendations.</p>	<p>Progress report on 2017/18 Annual Audit Report action plan was presented to the Performance, Audit and Risk Committee in March 2019.</p> <p>A further update was received from the Chief Finance & Resources Officer in August 2019.</p> <p>Progress against our 2017/18 action plan has been detailed throughout this report.</p>
<p>11 Best value</p> <p>The IJB should have arrangements in place to demonstrate that it is delivering Best Value in the provision of services.</p> <p>There is a risk that opportunities for continuous improvement are missed.</p>	<p>Reviewed Best Value updates provided to the Performance, Audit and Risk Committee.</p> <p>Reviewed the IJB's response to the November 2018 National Report, 'Health and social care integration: update on progress'</p>	<p>The IJB has assessed itself against the Audit Scotland best value guidance. This assessment provided the basis of a best value framework for the IJB and was approved by the Performance, Audit & Risk Committee on 1 March 2019.</p> <p>The proposed 2018/19 Annual Performance Report also includes this framework as an appendix to provide a link to the IJB's best value obligations.</p> <p>Reported at paragraph 70.</p>

Appendix 3

Summary of national performance reports 2018/19

		 2018/19 Reports	
Local government in Scotland: Challenges and performance 2018		Apr	
Councils' use of arm's-length organisations		May	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		Jun	
		Jul	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		Aug	 Major project and procurement lessons
Children and young people's mental health		Sept	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		Oct	
Health and social care integration: update on progress		Nov	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		Mar	 Local government in Scotland: Challenges and performance 2019

Reports relevant to Integration Joint Boards

[Local government in Scotland: Challenges and performance 2018](#) – April 2018

[Councils' use of arm's-length organisations](#) – May 2018

[Children and young people's mental health](#) – September 2018

[NHS in Scotland 2018](#) – October 2018

[Health and social care integration: update on progress](#) – November 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019

East Dunbartonshire Integration Joint Board

2018/19 Annual Audit Report

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