

West Dunbartonshire Integration Joint Board

2018/19 Annual Audit Report



 AUDIT SCOTLAND

Prepared for West Dunbartonshire Integration Joint Board and the Controller of Audit

25 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 report and accounts

- 1 West Dunbartonshire IJB's financial statements give a true and fair view of the financial position for the year ended 31 March 2019. They were properly prepared in accordance with regulations and guidance.
- 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 Local Authority Accounts (Scotland) Regulations 2014 sets out that public notice must be given on the right to inspect the unaudited accounts. The advert was published on 17 June, and the accounts were available for inspection from 21 June, therefore missing the 14-day notice period criteria.

Financial management and sustainability

- 4 Budgetary processes provide timely and reliable information for monitoring financial performance. During the financial year the IJB reported a projected overspend and in November 2018, the Board approved a financial recovery plan which aimed to improve the projected overspend.
- 5 The year-end position for the IJB was an underspend against budget of £0.450 million. This, alongside additional funding from Scottish Government for primary care, mental health and alcohol and drug partnerships resulted in an overall surplus of £1.038 million.
- 6 Following a review, the IJB transferred a total of £0.670 million from earmarked to unearmarked reserves in 2018/19. At year-end, unearmarked reserves totalled £2.457 million, which is £0.143 million below the prudential reserve target of £2.6 million, set by the Board.
- 7 The Board has a cumulative efficiency savings target of £1.831 million for 2019/20. Therefore, it is increasingly important that a medium to long term financial plan is developed to highlight the risks and opportunities affecting the IJB's financial position and sustainability.

Governance, transparency and Best Value

- 8 The IJB has effective governance arrangements in place that support the scrutiny of decisions by the board and demonstrates a commitment to openness and transparency.
- 9 The Annual Performance Report was published in July 2019, in line with the requirements of the Public Bodies (Joint Working) (Scotland) Act and covered the IJB's performance. While there is evidence of some aspects Best Value being demonstrated by the IJB, the performance report should refer to how the IJB's duty of Best Value is being delivered, this is not included.
- 10 Internal Audit presented the findings of their audit on "Social Work Tendering and Commissioning" to the June 2019 Audit Committee. The audit highlighted that opportunities exist to strengthen internal controls and enhance the service provided. The IJB have taken on board the action plan and we will continue to monitor progress in 2019/20.

Introduction

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

2. The scope of our audit was set out in our Annual Audit Plan presented to the Audit Committee meeting on 13 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 my 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 add value to the IJB, through 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 4](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability

4. In so doing, we aim 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 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 \(2016\)](#), 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 the performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements,
- 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 £25,000, 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

West Dunbartonshire IJB's financial statements give a true and fair view of the financial position for the year ended 31 March 2019. They were properly prepared in accordance with regulations and guidance.

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.

The Local Authority Accounts (Scotland) Regulations 2014 sets out that public notice must be given on the right to inspect the unaudited accounts. The advert was published on 17 June, and the accounts were available for inspection from 21 June, therefore missing the 14-day notice period criteria.

Audit opinions on the annual accounts

14. The annual accounts for the year ended 31 March 2019 were approved by the board on 25 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 the information accompanying the financial statements, the adequacy of accounting records, or the information and explanations we received.

Submission of annual accounts for audit

16. The Local Authority Accounts (Scotland) Regulations 2014 sets out that public notice must be given on the right to inspect the unaudited accounts. The advert was published on 17 June, and the accounts were available for inspection from 21 June, therefore missing the 14-day notice period criteria.

The annual accounts are the principal means of accounting for the stewardship of resources and its performance in the use of resources



Recommendation 1

The IJB should ensure that it has procedures put in place to ensure that the accounts inspection advert is published in line with criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.

17. We received the unaudited annual accounts on 19 June 2019 in line with our agreed audit timetable. The IJB submitted financial information on year-end balances to NHS Greater Glasgow & Clyde on 21 May 2019, in line with the

agreed timetable. The IJB has appropriate arrangements in place for obtaining its assurances from West Dunbartonshire Council (WDC) and NHS Greater Glasgow and Clyde Health Board (NHSGGC). During the course of our audit, no issues were identified regarding the completeness and accuracy of information supplied.

18. Our Annual Audit Plan sets out that the unaudited accounts, with the complete working paper package, were to be submitted to external audit no later than 30 June 2019. The unaudited accounts were received on time and working papers were provided when requested.

19. The working papers provided were of a good standard and the finance staff provided good support to the audit team which helped ensure the audit process ran smoothly.

Risks of material misstatement

20. [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.

Materiality

21. 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.

22. Our initial assessment of materiality for the annual report and accounts was carried out during the planning phase of the audit and was reported in the Annual Audit Plan. Specifically, regarding the annual accounts we assess the materiality of uncorrected misstatements, both individually and collectively.

23. On receipt of the unaudited annual accounts we recalculated our materiality levels, this is summarised in [Exhibit 2](#). We concluded that there was no significant impact on the audit approach of the recalculated materiality level.

Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£2.854 million
Performance materiality	£1.998 million
Reporting threshold	£50 thousand

Source: Audit Scotland

Significant findings from the audit in accordance with ISA 260

24. 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. The findings are summarised in [Exhibit 3](#).

Exhibit 3

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 services provided by hospitals on behalf of the IJB.</p> <p>As in previous year, a notional figure of £18.210 million for the sum set aside for 2018/19 was agreed with NHSGGC. The value included in the accounts is calculated on acute hospital activity data provided in September 2018. It is based on a 3-year average of activity data covering 2015/16 to 2017/18 and a 2016/17 cost basis. As such, the set aside value included in the accounts does not reflect actual hospital use in 2018/19.</p>	<p>The Comprehensive Income and Expenditure Accounts correctly incorporates the set aside costs. The Scottish Government are in agreement with this approach being taken in 2018/19.</p> <p>The IJB is to continue to work with NHSGGC and the other six IJB’s in the Glasgow area to implement the set aside arrangements to move to actual costs and activity.</p>

How we evaluate misstatements

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

Good practice in financial reporting

26. Audit Scotland published a good practice note, ‘[Improving the quality of local authority accounts – integration joint boards](#)’, in April 2018. We reviewed the WDIJB’s annual accounts against this good practice note. We noted elements of good practice within the IJB’s annual accounts.

27. The management commentary that accompanies the financial statements should clearly explain how a body has performed against its budget and how this is reconciled to the financial statements. The management commentary details the final outturn position for the year against budget, with explanations given for significant overspends and underspends. The final outturn reported in the narrative is in line with the movement in reserves and Comprehensive Income and Expenditure Statement.

28. Management accepted our suggestions for improvements to the management commentary and we will work together to identify further improvements in 2019/20.

Follow up of prior year recommendations

29. Whilst the IJB has made progress in implementing some prior year recommendations, there has been slippage in implementing agreed external audit recommendations, including recommendations made in our 2016/17 Annual Audit Report, which we brought forward in our 2018/19 Annual Audit Plan. As such, there are two actions not yet implemented relating to the development of medium to long-term financial plans and development of Best Value arrangements.

30. Full details of the IJB’s progress in implementing prior year recommendations are set out in [Appendix 1](#). Where actions have not been implemented, revised responses and timescales have been agreed with management, and are included within the Action Plan at [Appendix 1](#) and are annotated with *b/f*.

Part 2

Financial management and sustainability

Main judgements



Budgetary processes provide timely and reliable information for monitoring financial performance. During the financial year the IJB reported a projected overspend and in November 2018, the Board approved a financial recovery plan to improve the projected overspend.

The year-end position for the IJB was an underspend against budget of £0.450 million. This, alongside additional funding from Scottish Government for primary care, mental health and alcohol and drug partnerships resulted in an overall surplus of £1.038 million.



Following a review, the IJB transferred a total of £0.670 million from earmarked to unearmarked reserves in 2018/19. At year-end, unearmarked reserves totalled £2.457 million, which is £0.143 million below the prudential reserve target of £2.6 million, set by the Board.

The Board has a cumulative efficiency savings target of £1.831 million for 2019/20. Therefore, it is increasingly important that a medium to long term financial plan is developed to highlight the risks and opportunities affecting the IJB's financial position and sustainability.

Financial management

31. It is the Joint Board'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.

32. The Joint Board 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 role of a Finance Manager was appointed post year-end with the responsibility to support the Chief Financial Officer and strengthen the financial services support available to the IJB. We will monitor the impact of this during the course of the 2019/20 audit.

33. Differences in the timescales for budget setting in Councils and Health Boards makes it difficult for the IJB to agree a budget by the start of the new financial year. Progress has been made each year and the Chief Officer and Chief Financial Officer worked closely with NHS GGC finance colleagues to agree on the key elements of the Scottish Government funding settlements in 2018/19. The Board were presented with updates on funding scenarios at every meeting from November 2017 until the 2018/19 budget was formally set on 2 May 2018.

34. Financial performance reports are taken to each Board meeting, outlining the most up to date financial position of the IJB with a projected financial position for the year. In relation to the 2018/19 financial outturn, the Board received 5 financial performance reports. In 2017/18 we made a number of recommendations to strengthen the Board's financial reporting arrangements such as including details of reserve movements, and an agreed formal recovery plan where a deficit is projected. Our review confirmed that these improvements have been made. A formal recovery plan was taken to the November 2018 Board meeting and financial

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

performance reports now include greater detail on reserve movements. The IJB was required to make efficiency savings of £1.216 million in 2018/19. An update on progress against these savings was presented to the August 2018 Board, showing a projected saving of £0.960 million for year-end. However, no further updates were reported throughout the year or at year-end, other than within projected outturn.



Recommendation 2

The IJB should continue to improve on its mechanism for monitoring and reporting on its progress against efficiency savings targets on a regular basis

Financial performance in 2018/19

35. The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer. All funding and expenditure for the IJB is incurred by partners' 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 IJB.

36. The initial budget gap identified for 2018/19 was £0.763 million. After public consultation, the board approved savings options of £1.216 million. Throughout the year, the projected financial outturn was closely monitored and the initial projected overspend outlined in the first quarter of £0.977 million reduced over the course of the year.

37. The November recovery plan identified a number of actions to be taken by the IJB to reduce the risk of an overspend. Examples include:

- A refresh of overtime authorisation procedures
- Budget savings for service re-design models relating to *Frailty and Alternatives to Care* to be used to help offset *Older People Services* pressures and Children and Families community placements
- Review of approved savings targets for 2018/19 and accelerate if possible

38. These actions outlined above, along with additional social care funding received from Scottish Government as outlined at paragraph [42](#), helped the IJB report an underspend for the year of £0.450 million.

39. The final outturn position of the IJB was an *underspend* of £0.450 million against budget. This is mostly attributable to underspends in Other Services which includes resources from social care funding from the Scottish Government and additional income received from Highland Health Board based on their use of mental health beds within West Dunbartonshire. The overall surplus as reported in the Comprehensive Income and Expenditure Statement (CIES) which shows the impact on the reserves position is £1.038 million.

40. The most significant year-end financial performance variances against budget are summarised at [Exhibit 4](#).

Exhibit 4

Performance against budget

IJB budget summary	Budget £m	Actual £m	Underspend/(Overspend) £m
Older People, Health and Community Care	44.368	45.008	(0.640)
Children and Families	20.249	22.511	(2.262)
Mental Health Services	9.574	8.949	0.622
HSCP Corporate and Other Services	4.204	1.892	2.312

Source: WDIJB audited annual accounts 2018/19

Financial planning and sustainability

41. For financial year 2019/20 the HSCP Board held a special meeting on 28 March 2019 to conditionally approve the 2019/20 budget based on the indicative funding allocation from NHSGGC and subject to formal approval by the NHSGGC Board. The Health Board funding was formally approved by NHSGGC on 16 April 2019.

42. We reported in both our 2016/17 and 2017/18 Annual Audit Reports that there was no medium to long term financial plans in place. This is still the case. Although the IJB achieved a surplus in year, as previously outlined a large proportion of this was due to social care funding from the Scottish Government. This was due to a number of short-term benefits from delays in applying this funding to new service developments. It is clear that this will not be available in 2019/20. Despite the surplus achieved, there were still significant overspends in areas such as *Older People Services* and *Children and Families* as outlined in [Exhibit 4](#) above.

43. *Prescribing* continues to be an area of significant financial risk. Although the GP prescribing budget was only marginally exceeded in year, the volatility of drug prices remains one of the most significant financial risks to the IJB. At a special meeting on 28 March 2019 (after the Council had approved its budget), the Board was presented with the budget position of the Health Board. It reported an underspend of £0.063 million which was recommended to be directed to the prescribing budget. Similarly, the underspend against Health care in 2018/19 has been earmarked against a new prescribing reserve due to the increasing cost pressures. There is a risk that EU withdrawal could also increase the costs and supply of medicines. Further information is provided at paragraph [60](#).

44. The social care funding gap identified at the same meeting was £0.700 million. It was agreed by the Board that a proportion of the new funding for investment in integration would be redirected to close this gap.

45. Costs pressures in *Older Peoples Services* and *Children and Families* continue into 2019/20, namely community placements, residential accommodation for both younger and older people and care at home. At the time of writing the Annual Audit Report, the most recent financial monitoring report covering the period 1 April – 30 June 2019 outlines an overspend of £0.235 million, and projects an outturn overspend of £0.954 million for 2019/20.

46. The current projected financial outturn and the IJB's efficiency saving target of £1.831 million for 2019/20 as outlined in the Strategic Plan 2019-22, further highlight the need medium-long term financial plans to address the financial sustainability and going concern of the IJB.

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.



Recommendation 3

The IJB should prioritise developing medium to long term financial plans to help manage cost and demand pressures.

Reserves strategy

47. The IJB's reserves policy recommends the level of general reserves should be 2% of its net expenditure (excluding Family Health Services). This would equate to approximately £2.6 million and the final position is £2.457m for 2018/19, £0.143 million lower than the target set by the Board.

48. We recommended in our 2017/18 Annual Audit Report that the IJB should undertake a review of its earmarked reserves to ensure they have been earmarked for known or predicted requirements. An initial analysis of levels of earmarked reserves and opportunities to transfer to unearmarked was discussed by the Board in November 2018. At the year-end a total of £0.670 million was released from earmarked reserves to increase the general reserves balance to bring the total closer to the 2% target. Despite this transfer, the IJB is still below its reserves target. Detail of movement in reserves for the year has been outlined below in [Exhibit 5](#).

49. The latest financial performance report taken to the August 2019 Board which outlines a projected financial outturn position of £0.954 million notes that the application of reserves may be required if the projected overspend cannot be reduced or contained within current budget limits. This would further reduce the balance and is not sustainable in the long term.

Exhibit 5 2018/19 General fund Reserve

2018/19 Movements in Reserves	Earmarked £m	Unearmarked £m	Total General Fund Balance £m
Balance at 1 April 2018	4.436	1.706	6.142
Increase in 2018/19	1.460	0.751	2.211
Utilised in 2018/19	1.173	-	1.173
Balance at 31 March 2019	4.723	2.457	7.180

Source: WDIJB audited annual accounts 2018/19

Systems of internal control

50. The IJB does not have any financial systems of its own. Instead, it relies upon the financial system of its host bodies, West Dunbartonshire Council (WDC) and NHS Greater Glasgow and Clyde (NHSGGC), to record all transactions. The key financial systems which the IJB relies on include the general ledger, trade payables, trade receivables and payroll.

51. As part of our audit approach we sought assurances from the external auditors of NHSGGC and WDC (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal controls for the health board and no

weaknesses in the systems of internal controls for the Council which would directly impact on the IJB.

Internal audit

52. We reviewed the IJB's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit.

53. We did not place any formal reliance on internal audit reviews for the purpose of obtaining direct assurance for our financial statements work. We did consider the following internal audit report findings as part of our wider dimension work:

- Children with additional needs transitioning into adults
- Charging Policy (Non-residential Services)
- Social Work Tendering and Commissioning

54. The Charging Policy (Non-residential services) internal audit report included 1 high level and 5 medium level priority recommendations to strengthen internal controls surrounding issues such as; financial assessments not located, lack of centralised records, evidence of benefits and the charging policy. The most recent update on progress against recommendations taken to the 19 June 2019 Audit Committee found that all recommendations due to be completed at that time were complete.

55. The Social Work Tendering and Commissioning internal audit report is discussed in more detail at paragraphs [71-73](#).

Internal Audit Reports sharing protocol

56. We have reported previously that the internal auditors of NHSGGC do not share copies of individual internal audit reports with the IJB. It was recommended that the IJB should develop a protocol with the auditors for all internal audit reports affecting the IJB to be made available to its Audit Committee. It remains the case that there is no formal protocol in place between NHSGGC and WDIJB.

57. The Chief Internal Auditor for the IJB received the 2018/19 Internal Audit Annual Report from NHSGGC internal auditors. However, no specific internal audit reports relevant to the IJB were received by the Chief Internal Auditor. A common protocol between the six Glasgow IJB's would be helpful moving forward.

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

58. Each partner body has a code of conduct for members and staff which sets out the standards expected in undertaking their duties. In addition, each partner body has its own arrangements for the prevention and detection of fraud, and these are subject to audit. We have received assurances from the auditors of NHSGGC and WDC (in accordance with ISA 402) and have no issues to bring to your attention.

EU Withdrawal

59. 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.

60. It was identified during the planning stage of our audit that the risk register failed to include EU withdrawal as a risk. The IJB considered the implications EU withdrawal would have on resourcing of medications and medical devices, including consideration of the IJB's dependency on key suppliers, alongside recruitment and retention and prescribing cost impacts. An updated risk register was then presented to the March Audit Committee which included EU withdrawal with the highest risk rating. The risk register also included mitigating actions such as establishing a register of staff that may be at risk and working alongside staff, Scottish Government and independent providers to allow contingency plans to be put in place. Frequent verbal updates are provided to the Board by the Chief Officer, with a report to be presented to the September 2019 Audit Committee providing an update on EU withdrawal.

61. As the IJB does not directly incur expenditure or employ its own staff, it is dependent on the preparations of WDC and NHSGGC. During discussions with officers it was highlighted that the IJB has contributed to these discussions. We have taken assurance from the conclusions reported by the external auditors of WDC and NHSGGC that both bodies have taken reasonable steps to prepare for EU withdrawal.

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 and demonstrates a commitment to openness and transparency.



The Annual Performance Report was published in July 2019, in line with the requirements of the Public Bodies (Joint Working) (Scotland) Act and covered the IJB's performance. While there is evidence of some aspects Best Value being demonstrated by the IJB, the performance report should refer to how the IJB's duty of Best Value is being delivered, this is not included.

Internal Audit presented the findings of their audit on "Social Work Tendering and Commissioning" to the June 2019 Audit Committee. The audit highlighted that opportunities exist to strengthen internal controls and enhance the service provided. The IJB have taken on board the action plan and we will continue to monitor progress in 2019/20.

Governance arrangements

62. The Integration Scheme between WDC and NHSGGC sets out the governance arrangements for the IJB. The IJB is responsible for strategic planning, management and delivery of the health and social care services delegated to it.

63. The IJB Board is made up of 22 members; 6 voting members, split equally between the two partnerships and 16 non-voting members, made up of professional members and stakeholder representatives. It was noted during our planning stage of the audit that there were vacancies within the non-voting members of the Board. At the time of writing, there are still vacancies noted within the non-voting members, namely the role of Clinical Director and Chair of the HSCP's Locality Group for the Alexandria and Dumbarton area. The IJB are actively seeking to fill the post of the Clinical Director, with a GP Specialist Advisor appointed to support this role. Furthermore, the role of Head of Strategy, Planning and Health improvement will be taking on responsibility for reviewing the process of communication with the wider community. We will monitor the progress of this during the next year.

64. The committee structure of the IJB comprises the Board and the Audit Committee. Observations from attendance at Board and Audit Committee meetings throughout the year found that they are conducted in a professional manner and there is a good degree of scrutiny and challenge by members. We concluded that overall, that the IJB has appropriate governance arrangements in place to allow for effective decision making and accountability.

65. However, it should be noted that the Audit Committee terms of reference had an initial review date of April 2017. This was pushed back until 2018 but have yet to be updated. The current terms of reference have not been updated since 2015. The IJB has informed us that work is planned to review the effectiveness of the Audit Committee in 2019/20. We will continue to review work in this area.

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.



Recommendation 4

The IJB should update the terms of reference of the Audit Committee to ensure they remain effective.

Openness and transparency

66. 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.

67. Full details of the meetings held by the IJB are available through their website and members of the public are permitted to attend and observe these meetings. Board and Audit Committee agendas, papers and minutes are available on the IJB's website. The Board receives regular financial monitoring reports which are clear and concise, and these form part of the public Board papers.

68. We concluded that the IJB demonstrates a commitment to openness and transparency.

Value for money

69. To achieve value for money the IJB should have effective arrangements for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account. Our audit covers the four audit dimensions, as set out in [Exhibit 1](#), which are key components of securing best value in the provision of services and the use of resources.

External Scrutiny

Care Inspectorate

70. A Care Inspectorate report identified weaknesses in how well Community Payback Orders (CPO) are implemented and managed in the WDC area. It highlighted that practice was not consistent with the national framework for the assessment and management of risk. In a high proportion of instances, case management plans are not completed, and plans are not reviewed in accordance with national guidelines. A new Criminal Justice Manager has been appointed, and the urgent need for improvements is being recognised and addressed.

Social Work Tendering and Commissioning

71. Audit Scotland published a Review of the Investigations of Tendering and Contracting Practices in Roads and Greenspace Services in June 2019. The report reviewed the approach taken by West Dunbartonshire Council in relation to their contract tendering procedures. Audit Scotland's report found that the Council did not have effective controls in place to monitor revenue spend consistently against contracts across all services. It also outlined that the Council's controls to ensure personal relationships between officers and suppliers do not influence the awarding of contracts were not effective. The full report can be accessed [here](#). The report referred to Internal Audit work on Social Work tendering and commissioning.

72. The IJB is expected to follow the council's Corporate Procurement Unit policies when procuring social care packages. The findings of an internal audit on Social Work Tendering and Commissioning were presented to the 19 June 2018 Audit Committee. While the audit found that service areas are dedicated to meeting service user's needs and ensure that appropriate care is provided in a timely fashion, it was also evident that opportunities exist to strengthen internal controls

and enhance the service provided. As a result of the audit, 7 improvement actions were identified, 5 medium risk and 2 low risk covering;

- Progression through the procurement council wide pipeline
- Contract monitoring
- Compliance of procuring call-offs from framework agreements

73. At the time of writing this report, the financial regulations are being revised and due to go to the August Council meeting. We have been told that they have been discussed with IJB staff to ensure that they reflect these differences. We will continue to monitor progress made towards recommendations made by internal audit.

Improving Sickness Absence Rates

74. Sickness absence rates continue to be a challenging area within some areas of social care services. The Annual Governance Statement outlines improving sickness absence rates as an area for improvement in 2019/20. The IJB has also approved the appointment of a human resources advisor for a fixed one-year term, to support employee absence. This was an area recommended for improvement in the Council's BVAR in 2017/18. An updated judgement has been reported on progress made by the Council in the 2018/19 Annual Audit Report, which outlines that despite the Council's actions and efforts, there was a deterioration in the absence rates reported for 2018/19. However, we are encouraged by the range of action taken by the council to support staff and tackle sickness absence levels. We accept that delivering such improvement will be a longer-term process. However, we note that for staff employed by the health board, staff absence levels within WDIJB were below the average compared to other HSCPs.

Best Value Arrangements

75. Integration Joint Boards have a statutory duty to make arrangements to secure best value.

76. The IJB provided a senior management team review of Best Value to external audit which outlined ways in which Best Value is considered and demonstrated. While there is evidence of elements of Best Value being demonstrated by the IJB, there is no mechanism for formal review or reporting to the board on the arrangements in place. Mechanisms and reporting arrangements should be implemented to provide assurance to the Board that partners have arrangements in place to demonstrate that services are delivering Best Value. This was raised in both our 2016/17 and 2017/18 Annual Audit Report.

Best Value is concerned with using resources effectively and continually improving services.



Recommendation 5

The IJB should agree a mechanism for undertaking a periodic and evidenced formal review of how it is achieving Best Value. This should be included and reported through the Annual Performance Report.

Performance management

77. 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.

78. The IJB board receives performance reports on a quarterly basis, providing an update on progress in respect of key performance indicators and commitments. These are available on the IJB's website. The Annual Performance Report was taken to the 7 August 2019 Board meeting and was available on the IJB's website prior to the deadline. As outlined at paragraph [77](#), while the report covered the majority of the key areas as set out by legislation, it did not demonstrate how the IJB is delivering Best Value.

79. The report measures performance against 3 sets of indicators; Core Integration indicators, Key Performance indicators and Local Government Benchmarking Framework indicators.

80. The report presents a mixed picture and of the 32 Key Performance indicators, 17 were met, 6 were narrowly missed, and 9 were missed by 15% or more.

Areas of positive performance against target to note are:

- Percentage of homecare clients aged 65+ receiving personal care
- Prescribing cost per weighted patient
- Percentage of clients waiting no longer than 3 weeks from referral received to appropriate drug or alcohol treatment that supports their recovery

Areas of poorer performance, where targets were missed by 15% include:

- Number of delayed discharges over 3 days (72 hours) non-complex cases
- Percentage of patients who started Psychological Therapies treatments within 18 weeks of referral
- Percentage of child protection investigations to case conference within 21 days

81. The report also includes detail of Care Inspectorate inspections of IJB services. Of the 13 external inspections carried out, 2 services received excellent gradings, 10 received good-very good gradings, and 1 service received an adequate grading.

Strategic Plan 2019-2022

82. The IJB approved the 2019-2022 Strategic Plan at the 28 March 2019 Special Meeting. The Strategic Plan identifies five strategic outcomes:

- Children and young people reflected in Getting It Right For Every Child (GIRFEC)
- Continual transformation in the delivery of services for adults and older people as reflected within the approach to integrated care
- The safety and protection of the most vulnerable people in care and in the wider community
- Support people to exercise choice and control in the achievement of their personal outcomes
- Manage resources effectively, making best use of integrated capacity

83. The Strategic Planning Group consulted with staff and other stakeholders with all feedback considered in shaping the new strategic plan outcomes.

84. The quarterly and annual Public Performance Report's outline progress made against areas such as;

- Supporting Children and Young People
- Supporting Older People
- Supporting Safe, Strong, Involved Communities
- Public Protection
- Self-directed Support

These mirror the Strategic Outcomes and the Strategic Plan would benefit from referring to the annual Performance Report where performance against targets is reported and monitored.

National performance audit reports

85. 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 4](#).

86. The Health and Social Care Integration: Update on Progress report was taken to the 12 December 2018 Audit Committee where members were asked to consider the contents of the report and its recommendations and agreed to consider further reports on progress of the recommendations.

87. This review formed the basis for a Scottish Government Ministerial Strategic Group (MSG) for Health and Community Care. The MSG published recommendations and issued a self-evaluation template for IJBs and partners to complete and submit by 15 May 2019.

88. The IJB undertook the self-evaluation and a list of improvement actions were identified. These will be drawn out into an action plan taking cognisance of the time scales for improvement laid down by the MSG. This will be followed up as part of our 2019/20 audit.

Appendix 1

Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Accounts inspection advert</p> <p>The public inspection advert was published on 17 June, and the accounts were available for inspection from 21 June, therefore missing the 14-day notice period criteria.</p> <p>Risk</p> <p>The IJB is in breach of the Local authority Accounts (Scotland) Regulations 2014.</p>	<p>The IJB should ensure that it has procedures in place to ensure that the accounts inspection advert is published in line with criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.</p> <p>Paragraph 16</p>	<p>The statutory notice period of 14 days will be incorporated into the advert for 2019/20. The drafting of the advert will be written into the year-end timetable and will be shared with external audit prior to the submission of the draft unaudited accounts.</p> <p>Chief Financial Officer.</p> <p>1 June 2020</p>
2	<p>Savings Targets</p> <p>The IJB was expected to make savings of £1.216 million in 2018/19. An update on progress against these savings was presented to the August 2018 Board, showing a projected saving of £0.960 million for the year-end. However, no further individual updates were reported throughout the year or at year-end other than within the projected outturn position.</p> <p>Risk</p> <p>There is a risk that the IJB is not achieving its savings targets.</p>	<p>The IJB should continue to improve on its mechanism for monitoring and reporting on its progress against efficiency savings targets on a regular basis.</p> <p>Paragraph 34</p>	<p>The format of the Financial Performance reports presented to each HSCP Board are being redesigned to provide members with ongoing updates on savings, application of reserves and significant variances.</p> <p>Chief Financial Officer</p> <p>March 2020</p>
3 b/f	<p>Financial Sustainability</p> <p>Cost pressures remain within prescribing, and in Older Peoples Services and Children and Families, namely community placements, residential accommodation for both younger and older people and care at home.</p>	<p>The IJB should prioritise developing medium to long term financial plans to help manage cost and demand pressures.</p> <p>Paragraph 46</p>	<p>The Medium-Term Financial Plan will be drafted using 2019/20 as the baseline year and will incorporate anticipated funding levels from our partner organisations. This will be extrapolated over the longer term based on high level assumptions on inflation, demographics and funding.</p>

The most recent financial monitoring report covering the period 1 April – 30 June 2019 outlines an overspend of £0.235 million, and projects an outturn overspend of £0.954 million for 2019/20.

Furthermore, the IJB is in breach of its target level of unearmarked reserves.

Risk

Continual pressures on IJB finances may result in a balanced budget not being delivered.

Chief Financial Officer

March 2020

4	<p>Audit Committee terms of reference</p>	<p>The IJB should update the terms of reference of the Audit Committee to ensure they remain effective.</p>	<p>A self-assessment of the Audit Committee is currently in progress which includes a review of the Audit Committee terms of reference. A report will be provided to the Audit Committee when completed.</p>
	<p>The Audit Committee terms of reference had an initial review date of April 2017. This was pushed back until 2018 but have yet to be updated. The current terms of reference have not been updated since 2015.</p>	<p>Paragraph 65</p>	<p>Colin McDougall November 2019</p>
	<p>Risk</p>	<p>There is a risk that the current terms of reference not effective.</p>	
5	<p>Best Value</p>	<p>The IJB should agree a mechanism for undertaking a periodic and evidenced formal review of how it is achieving Best Value. This should be included and reported through the Annual Performance Report.</p>	<p>The Audit Scotland template on “Auditing Best Value – Integration Joint Board” was completed close to the conclusion of the 2018/19 audit. The responses to the questions posed in the template will be incorporated into the Quarterly Performance Report for 2019/20 as well as the Annual Performance Report.</p>
b/f	<p>While there is evidence of elements of Best value being demonstrated by the IJB, there is no mechanism for formal review, and it is not being reported through the Annual Performance Report.</p>	<p>Paragraph 76</p>	<p>Head of Strategy, Planning and Health Improvement July 2020</p>
	<p>Risk</p>	<p>Non-compliance with requirements outlining the content of the Annual Performance Report.</p>	
	<p>Opportunities for continuous development are being missed.</p>		

Follow up of prior year recommendations

b/f 1	<p>Budget monitoring arrangements</p>	<p>The IJB should strengthen their financial reporting by including details of reserve movement, specifically to and from earmarked reserves.</p>	<p>Appendix on reserves highlighting movements to and from earmarked reserves was included in the financial monitoring report taken to the November Board. This continues to be a regular</p>
	<p>The year-end outturn report outlined a deficit of £1.231 million which was to be funded by reserves. In the same report, the accounts were presented which outlined a</p>		

£0.574 million increase in the overall level of reserves.

Risk

Budget reports may not provide sufficient information to enable members to review financial performance and make the necessary decisions.

feature of financial monitoring reports.

Completed

b/f 2 Financial recovery plan

The Integration Scheme states that where a deficit is projected or incurred for the year, a financial recovery plan must be agreed by partners. No plan was drafted or reported to the Board.

Risk

The lack of a financial recovery plan could impact on the Board's ability to make effective and informed decisions about the IJB's finances.

Where a deficit is anticipated, a recovery plan should be formally agreed between the IJB and its partners and submitted to the Board for approval.

A financial recovery plan was taken to the November 2018 Board meeting.

Completed

b/f 3 Review of earmarked reserves

Unearmarked reserves are currently below the prudential reserve target. Earmarked reserves total £4.437 million (72% of total reserves). From our review we identified a few instances where reserves were being earmarked despite not meeting the criteria.

Risk

Unearmarked reserves do not represent a suitable level of contingency to mitigate the impact of unexpected events or emergencies.

WDIJB should undertake a thorough review of its earmarked reserves to ensure they have been earmarked for known or predicted requirements.

The analysis of earmarked reserves presented to the November 2019 Board outlined the possible reclassification from earmarked to unearmarked reserves. At year end £0.670m was released from earmarked reserves to unearmarked reserves.

Completed

b/f 4 GDPR requirements

The IJB has not formally considered or reported on its responsibilities in relation to the new GDPR requirements.

Risk

WDIJB is in breach of GDPR legislation and has not considered its responsibility for the safeguarding of personal data.

WDIJB should formally consider and report on its responsibility in relation to the GDPR requirements, and if necessary, appoint a Data Protection Officer.

A report outlining the IJB's responsibilities in relation to GDPR and the appointment of a Data Protection Officer was taken to the February 2019 Board.

Completed

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 report and 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.</p> <p>Recent internal audit findings at West Dunbartonshire Council highlighted that procurement financial regulations were regularly circumnavigated.</p> <p>There is a risk that this may be the case with the procurement of social work contracts.</p>	<p>Review the findings of the internal audit in relation to procurement and tendering for WDIJB.</p> <p>Review of governance statement</p> <p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p>	<p>We found the governance statement adequately reflected the Social Work Tendering and Commissioning report findings.</p> <p>Satisfactory written assurances were received from the external auditors of the council and health board regarding accuracy, allocation and cut off of IJB transactions.</p> <p>Journal entries were tested, and no management override of control was identified.</p> <p>Our conclusion is that there is no evidence of management override of controls, other than the issue reported at paragraph 71.</p>
<p>2 Risk of fraud over expenditure</p> <p>The expenditure of WDIJB is processed through the financial systems of West Dunbartonshire Council and NHS Greater Glasgow and Clyde. There is a risk that non IJB related expenditure is incorrectly coded to IJB accounts.</p>	<p>Gaining assurances from the auditors of the council and health board over the accuracy, completeness and appropriate allocation on the IJB ledger entries.</p> <p>Carry out testing to confirm the accuracy and correct allocation of IJB transactions, and that they are recorded in the correct financial year.</p>	<p>Satisfactory written assurances were received from the external auditors of WDC and NHSGGC regarding 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 services provided by hospitals on behalf of the IJB.</p> <p>The Board recently agreed an estimated figure for 2018/19, with a view to reflecting the true</p>	<p>Engage with officers to ensure that a robust mechanism has been developed to quantify set aside figures.</p> <p>Monitor Scottish Government guidance on the treatment of set aside in the 2018/19 financial statements to establish whether the disclosure in the financial</p>	<p>A notional figure of £18.210 million for the sum set aside for 2018/19 was agreed with NHSGGC. As such, the set aside value included in the accounts does not reflect actual hospital use in 2018/19.</p> <p>The Scottish Government are in agreement with this approach being taken in 2018/19.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>cost and activity from 1 April 2019.</p> <p>There is a risk that the sum set aside in the 2018/19 annual accounts will be misstated, not reflecting actual hospital use.</p>	<p>statements is compliant. Provide update in the Annual Audit Report.</p>	<p>Through discussions with the Chief Financial Officer, actual costs are now available, with discussions ongoing with NHSGGC as to when the transfer to actuals will commence.</p>
<p>4 Financial sustainability – Going concern</p> <p>The most recent financial monitoring report (for the period to 31 December 2018) shows a projected overspend of £0.228m. The recovery plan presented to the Board (November 2018) sets out that reserves will be used to fund any overspend, after the application of mitigating actions. The reserves position as at 31 March 2018 was £1.705m, which is already below the IJB's reserve target of 2% of net expenditure (excluding Family Health Services expenditure).</p> <p>There are currently no medium-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>Review the Chief Financial Officer's assessment of going concern for the 2018/19 accounts.</p> <p>Review ongoing budget monitoring reports to ensure they accurately reflect the position of the partnership.</p> <p>Review of the IJB's year-end position.</p> <p>Review of financial and budgetary reports.</p> <p>Review of the IJB's recovery plan.</p> <p>Review of the year end position of reserves after possible un-earmarking to general reserves.</p> <p>Review medium-long term financial plans and report an update in the Annual Audit Report.</p>	<p>The IJB reported an underspend at year-end of £0.450m and an overall surplus in the accounts of £1.038m.</p> <p>However, the most recent financial monitoring report is currently projecting an overspend of £0.954m for 2019/20.</p> <p>Unearmarked reserves total £2.457 million, which is £0.143 million below the prudential reserve target of £2.6 million set by the Board.</p> <p>There are no medium-long term financial plans in place to demonstrate how the IJB will secure the financial sustainability of its services in the future.</p>

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

<p>5 Financial management</p> <p>The IJB has not yet received a formal offer from the Health Board regarding the 2019/20 budget. For the IJB to progress their budget setting process, indicative figures have been used.</p> <p>West Dunbartonshire Council will also not agree its budget until 27 March 2019.</p> <p>There is a risk that these figures will not be finalised before the start of the 2019/20 financial year and the IJB will</p>	<p>Ongoing monitoring of budget setting for 2019/20.</p> <p>Confirmation of agreement of funding from host bodies.</p>	<p>Progress has been made in budget setting arrangements with management working closely with NHSGGC.</p> <p>For financial year 2019/20 the HSCP Board held a special meeting on 28 March 2019 (the day after WDC set its budget) to conditionally approve the 2019/20 budget based on the indicative funding allocation from NHSGGC and subject to formal approval by the NHSGGC Board. The Health Board funding was formally approved by NHSGGC on 16 April 2019.</p> <p>Reported at paragraph 41.</p>
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Audit risk	Assurance procedure	Results and conclusions
<p>be operating without a formally agreed budget.</p> <p>Furthermore, if partner contributions are lower than the indicative budget, this will increase the risk of financial sustainability.</p>		
<p>6 EU withdrawal</p> <p>There are considerable uncertainties surrounding the implications of the EU withdrawal and public bodies should assess the potential impact on their operations and identify specific responses.</p> <p>The current risk register for the IJB fails to include EU withdrawal as a risk.</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>Review any work completed outlining the specific impact of EU withdrawal and assess the mitigating actions taken.</p> <p>Consider how the IJB responds to any emerging issues after March 2019.</p>	<p>An updated risk register was presented to the March Audit Committee which included EU withdrawal with the highest risk rating. The risk register also included mitigating actions such as establishing a register of staff that may be at risk and working alongside staff, Scottish Government and independent providers to allow contingency plans to be put in place.</p> <p>Frequent verbal updates are provided to the Board by the Chief Officer.</p> <p>A report is due to be presented to the September 2019 Audit Committee providing an update on EU withdrawal.</p> <p>Reported at paragraph 60.</p>
<p>7 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 currently no mechanism for formal review of Best Value.</p> <p>Also the annual performance report for WDIJB did not include information on how the IJB is delivering Best Value,</p> <p>Other areas noted include:</p> <ul style="list-style-type: none"> • The IJB is not deploying its self-evaluation framework • There is also a lack of benchmarking of performance indicators against other IJB's. <p>There is a risk that the IJB does not implement a culture of self-evaluation and opportunities for continuous improvement are missed.</p>	<p>Monitor progress against developing a mechanism to demonstrate that the IJB is achieving Best Value.</p> <p>Review the 2018/19 Annual Performance Report</p> <p>Review the IJB's self-evaluation against Audit Scotland's national report "Health and Social Care Integration Update"</p>	<p>No mechanism has been developed to demonstrate how the IJB is achieving Best Value.</p> <p>The Annual Performance report failed to demonstrate how the IJB is achieving Best Value.</p> <p>The IJB undertook a self-evaluation exercise of the MSG for Health and Community Care report which considered the findings from the Audit Scotland national report.</p> <p>An action point is included at Appendix 1.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>8 External audit recommendations</p> <p>There has been slippage in implementing agreed external audit recommendations, including those made in our 2016/17 Annual Audit Report which have been brought forward to the current year plan.</p> <p>There is a risk that the IJB is not implementing improved actions in line with agreed timescales.</p>	<p>Monitor progress against 2017/18 Annual Audit Report recommendations and report on this in 2018/19 Annual Audit Report.</p>	<p>From our review as at August 2019, there are two actions still outstanding relating to the development of medium-long term financial plans and the development of Best Value arrangements.</p> <p>An action point for each of the outstanding actions are included at Appendix 1.</p>
<p>9 Governance arrangements</p> <p>Currently there are non-voting member vacancies within the Board. This has been the case, in one instance, since May 2018.</p> <p>There is a risk that the Board is unable to effectively deliver its duties.</p>	<p>Monitoring the Board's progress in filling vacancies as part of our wider scope governance and transparency work. An update will be provided in the Annual Audit Report.</p>	<p>As at August 2019, there are still vacancies on the Board within non-voting members, namely the role of Clinical Director and Chair or the HSCP's Locality Group for the Alexandria and Dumbarton area.</p> <p>The IJB are actively seeking to fill the post of the Clinical Director, with a GP Specialist Advisor appointed to support this role.</p> <p>The role of Head of Strategy, Planning and Health improvement will be taking on responsibility for reviewing the process of communication with the wider community. We will monitor the progress of this during the next year.</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

West Dunbartonshire Integration Joint Board

2018/19 Annual Audit Report

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk