



Shetland Islands Integration Joint Board

Report to the Audit Committee, Members of the Integration Joint Board and the Controller of Audit on the 2021/22 audit

Issued on 7 September 2022 for the meeting on 29 September 2022

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Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the Annual Accounts.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Audit Committee (“the Committee”) of the Shetland Islands Integration Joint Board (“the IJB” “the Board”) for the year ending 31 March 2022 audit. The scope of our audit was set out within our planning report presented to the Committee in February 2022.

This report summarises our findings and conclusions in relation to:

- The audit of the **annual accounts**; and
- Consideration of the **four audit dimensions** that frame the wider scope of public sector audit requirements as illustrated in the following diagram. This includes our consideration of the Accountable Officers’ duty to secure best value.



Introduction (continued)

The key messages in this report (continued)

I would like to draw your attention to the key messages of this paper:

Conclusions from our testing

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

Following amendments made as a result of the audit process to incorporate the agreed changes, the Management Commentary and Annual Governance Statement comply with the statutory guidance and proper practice and are consistent with the annual accounts and our knowledge of the Board.

The auditable parts of the Remuneration Report have been prepared in accordance with the relevant regulations.

A summary of our work on the significant risks is provided in the dashboard on page 7.

We have identified no misstatements above our reporting threshold.

Status of the Annual Accounts audit

Outstanding matters to conclude the audit include:

- Receipt of final signed annual accounts;
- Receipt of signed management representation letter; and
- Our review of events since 31 March 2022.

Conclusions on audit dimensions and best value

As set out on page 3, our audit work covered the four audit dimensions. Our findings and conclusions on each dimension are set out on pages 16 to 26 of this report. Key highlights include:

Financial Management - The IJB continues to have effective budget setting and monitoring arrangements in place. This is supported by an experienced finance team and a robust internal audit function, as well as appropriate arrangements for the prevention and detection of fraud and error. While the IJBs budget is currently fully funded and therefore no savings targets are required, it is important that the IJB works closely with its partner bodies to identify where savings can be achieved.

Financial sustainability - The IJB has set a balanced budget for 2022/23 and is therefore financially sustainable in the short term. The medium-term position is also projecting to be balanced, suggesting that the IJB is financially sustainable over the medium-term. However, this is on the assumption that full funding will be provided by the partner bodies, who themselves have significant financial challenges. The IJB should therefore monitor this closely. Further work is also required to enhance the community engagement of the budget setting process.

In line with previous years, the IJB remains reliance on the transformation programmes of the partner bodies. The absence of savings targets within the IJBs budget and MTFP reduces the incentive for the IJB to drive forward these strategic changes. It is important that the IJB works closely with its partner bodies to identify areas of service redesign and build the financial impact into future plans. These can then be monitored to assess whether they are achieving the expected benefit (both financially and operationally).

Introduction (continued)

The key messages in this report (continued)

Conclusions on audit dimensions and best value (continued)

Governance and transparency – The IJB continues to have strong leadership, with robust governance arrangements in place and recent induction training for new members. It also demonstrates a commitment to remain open and transparent around its decision making and performance. Further work remain to implement a formal self-assessment process.

Value for money — The IJB continues to have a joint performance management framework with the NHS and the Council. Regular reporting on performance is provided to Audit Committee and the IJB, with a focus on continuous improvement. The IJB should take on board the recommendations raised within the Accounts Commission’s Best Value Assurance Report (BVAR) of Shetland Islands Council, published in August 2022, in relation to the performance management framework and consider any implications for IJB specific reporting.

Best value - The IJB has sufficient arrangements in place to secure best value and has a clear understanding of areas which require further development.

Next steps

An agreed Action Plan is included on pages 33 – 38 of this report, including a follow-up of progress against prior year actions.

Added value

Our aim is to add value to the IJB by providing insight into, and offering foresight on, financial sustainability, risk and performance by identifying areas for improvement and recommending and encouraging good practice. 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. This is provided throughout this report

We have also included our “sector developments” on pages 29 to 31 where we have shared Audit Scotland’s national reporting and our research and informed perspective and best practice from our work across the wider public sector that are specifically relevant to the IJB.

Managing transition to 2022/23 audits

2021/22 is the final year of the current audit appointments. We will minimise disruption to all parties, and maximise the transfer of knowledge of the Board, by working in partnership with Audit Scotland and the incoming auditors.

We would like to put on record our thanks to the Board, management and staff for the good working relationship over the period of our appointment.

Pat Kenny
Associate Partner






















Annual Accounts Audit



Quality Indicators

Impact on the execution of our audit

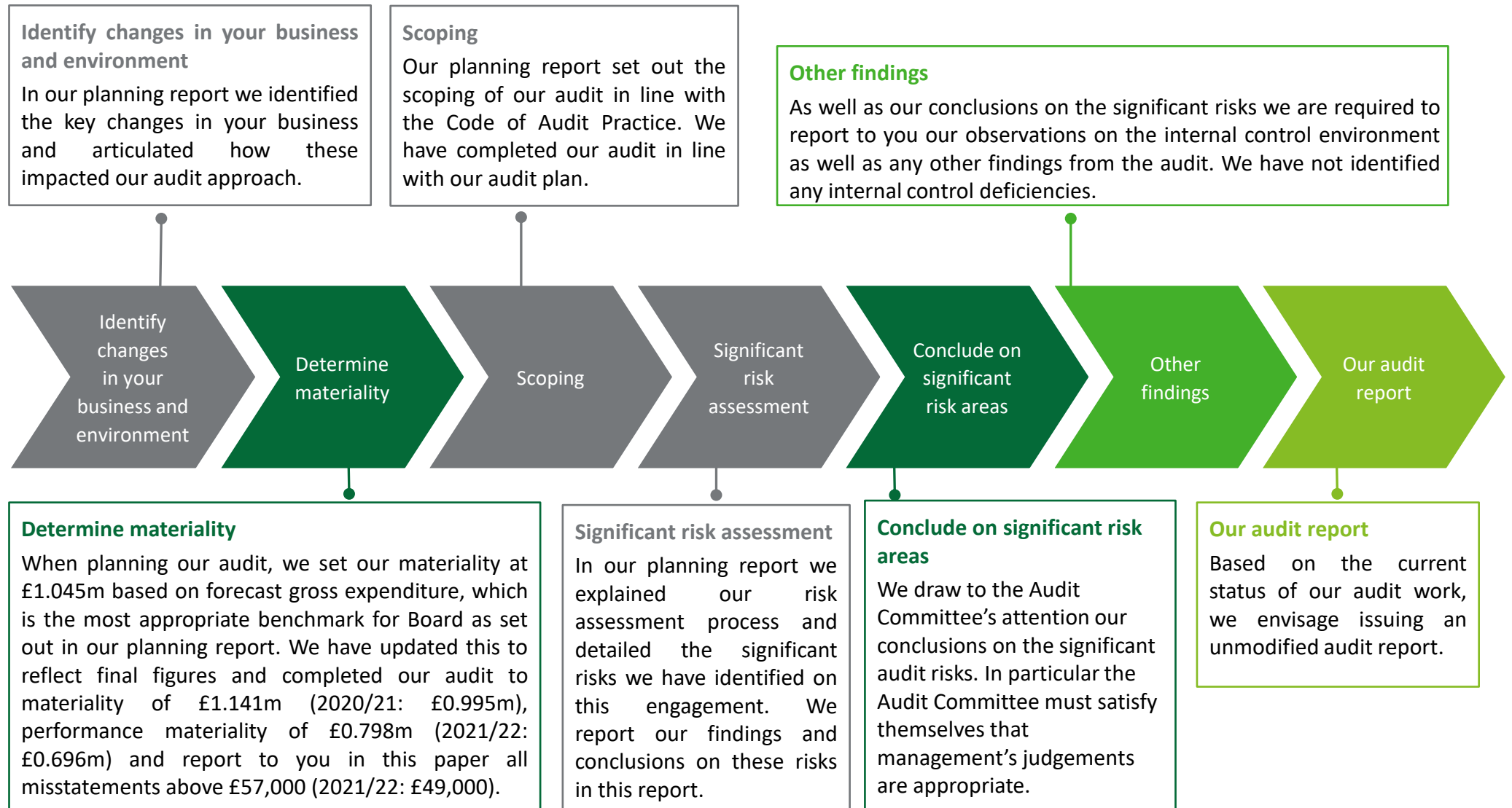
Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit. This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading			Reason
	FY22	FY21	FY20	
Timing of key accounting judgements				There were no significant accounting judgements included within the IJB Annual Accounts, which is in line with our expectations and understanding of the IJB.
Adherence to deliverables timetable				Management provided evidence in a timely manner and in line with agreed deadlines. Any follow-up requests during the audit were quickly actioned.
Access to finance team and other key personnel				Deloitte and the IJB have worked together to facilitate remote communication during the audit which has been successful. There have been no issues with access to the finance team or other key personnel.
Quality and accuracy of management accounting papers				Documentation provided has been of a high standard, which enabled an efficient audit. Working papers were clear and reconcilable to the Annual Accounts. This is borne out by the resubmission rate on requests for the audit being low.
Quality of draft Annual Accounts				A full draft of the Annual Accounts was received for the audit on 16 June 2022. Management have amend the draft accounts for the comments and suggested changes made throughout the audit. As discussed on page 14, the Annual Governance Statement did not initially include the significant weaknesses reported by the internal audit of partner bodies. The IJB should ensure that these are taken into account for future years.
Response to control deficiencies identified				We did not identify any control deficiencies during our audit.
Volume and magnitude of identified errors				We did not identify any errors.

 Lagging
  Developing
  Mature







Our Audit Explained

We tailor our audit to your business and your strategy



Significant Risks

Dashboard

Risk	Material	Fraud risk	Planned approach to controls testing	Controls testing conclusion	Consistency of judgements with Deloitte's expectations	Comments	Page no.
Completeness and accuracy of income			D+I	Satisfactory		Satisfactory	10
Management override of controls			D+I	Satisfactory		Satisfactory	11

Overly prudent, likely to lead to future credit



Overly optimistic, likely to lead to future debit.

D+I: Testing of the design and implementation of key controls

Significant Risks (continued)

Completeness and accuracy of income



Risk identified and key judgements

ISA 240 states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in income recognition, evaluate which types of income, income transactions or assertions give rise to such risks.

The main components of income for the Board are contributions from its funding partners, namely Shetland Islands Council and NHS Shetland. The significant risk is pinpointed to the recognition of this income, being completeness and accuracy of contributions received from the Council and NHS. Given the year-end deficit projected by the Board, there is a risk that overspends could be funded by funding partners in the year following their approval, and therefore contributions could differ from the approved budget.



Deloitte response and challenge

We have performed the following:

- assessed the design and implementation of the controls around recognition of income;
- tested the income to ensure that the correct contributions have been input and received in accordance with that agreed as part of budget process;
- tested the reconciliations performed by the Board at 31 March 2022 to confirm all income is correctly recorded in the ledger; and
- confirmed that the reconciliations performed during 2021/22 have been reviewed on a regular basis.

Deloitte view

We have concluded that income has been correctly recognised in accordance with the requirements of the Code of Practice on Local Authority Accounting.

Significant Risks (continued)

Management override of controls



Risk identified

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent Annual Accounts by overriding controls that otherwise appear to be operating effectively.

Although management is responsible for safeguarding the assets of the entity, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the Annual Accounts and accounting records.



Deloitte response and challenge

In considering the risk of management override, we have performed the following audit procedures that directly address this risk:

Journals

We have tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Annual Accounts. In designing and performing audit procedures for such tests, we have:

- Tested the design and implementation of controls over journal entry processing;
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Selected journal entries and other adjustments made at the end of a reporting period; and
- Considered the need to test journal entries and other adjustments throughout the period.

Accounting estimates and judgements

We have reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.

In performing this review, we have not identified any significant accounting estimates and judgements from our testing.

Significant and unusual transactions

We did not identify any significant transactions outside the normal course of business or any transactions where the business rationale was not clear.

Deloitte view

We have not identified any significant bias in the key judgements made by management.

We have not identified any instances of management override of controls in relation to the specific transactions tested.

Other Significant Findings

Financial reporting findings

Below, we set out the findings from our audit surrounding your financial reporting process.

Qualitative aspects of your accounting practices:

The Board has prepared its Annual Accounts in line with the Code of Practice on Local Authority Accounting. We are satisfied that the Board's accounting practices are appropriate.

Other matters relevant to financial reporting:

We have not identified other matters arising from the audit that, in the auditor's professional judgement, are significant to the oversight of the financial reporting process.

Significant matters discussed with management:

Significant matters discussed with management related primarily to the impact of COVID-19 on the organisation and the associated additional income received. This has been appropriately disclosed in the Annual Report and Accounts.

We will obtain written representations from the Board on matters material to the Annual Accounts when other sufficient appropriate audit evidence cannot reasonably be expected to exist. A copy of the draft representations letter will be circulated separately.

Our Audit Report

Other matters relating to the form and content of our report

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



Our opinion on the Annual Accounts

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



Material uncertainty related to going concern

We have not identified a material uncertainty related to going concern and will report by exception regarding the appropriateness of the use of the going concern basis of accounting.

Practice Note 10 provides guidance on applying ISA (UK) 570 Going Concern to the audit of public sector bodies. The anticipated continued provision of the service is relevant to the assessment of the continued existence of a particular body.



Emphasis of matter and other matter paragraphs

There are no matters we judge to be of fundamental importance in the Annual Accounts that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.



Other reporting responsibilities

The narrative parts of the Annual Accounts is reviewed in its entirety for material consistency with the annual accounts and the audit work performance and to ensure that they are fair, balanced and reasonable.

Our opinion on matters prescribed by the Controller of Audit as discussed further on page 14.

Your Annual Report

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

	Requirement	Deloitte response
Management Commentary	The management commentary comments on financial performance, strategy and performance review and targets. The commentary included both financial and non financial KPIs and made good use of graphs and diagrams. The Board also focuses on the strategic planning context.	<p>We have assessed whether the management commentary has been prepared in accordance with the statutory guidance.</p> <p>We have also read the management commentary and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading.</p> <p>Following amendments made as a result of the audit process to incorporate the agreed changes, we are satisfied that the management commentary has been prepared in accordance with guidance, is consistent with our knowledge and is not otherwise misleading.</p>
Remuneration Report	The remuneration report must be prepared in accordance with the 2014 Regulations, disclosing the remuneration and pension benefits of the Chief Officer.	We have audited the disclosures of remuneration and pension benefits and we can confirm that they have been properly prepared in accordance with the regulations.
Annual Governance Statement	The Annual Governance Statement reports that the Board governance arrangements provide assurance, are adequate and are operating effectively.	We have assessed whether the information given in the Annual Governance Statement is consistent with the Annual Accounts and has been prepared in accordance with the Delivering Good Governance in Local Government Framework. We requested management to reconsider the “Issues and Actions” included in the draft report as not all are considered significant governance issues and are a repetition of disclosures elsewhere in the Annual Accounts. We also requested the statement to be updated to reflect recent internal audit conclusions that were not available at the time the draft Annual Accounts were prepared where significant weaknesses have been reported. These changes have been made in the updated version of the Annual Accounts, therefore we can conclude that the Annual Governance Statement is consistent with the Annual Accounts, our knowledge and the accounts regulations.

Audit Dimensions and Best Value



Financial management



Significant risks identified in Audit Plan

In previous years we have concluded that the IJB had effective financial planning management arrangements in place and a sufficiently qualified and experienced finance team. We therefore did not identify any significant risks in relation to financial management during our planning. We have continued to review the arrangements in place as summarised on the following pages.

Current year financial performance

The 2021/22 budget of £53.035m, including set aside, was approved by the IJB on 25 March 2021. The budget has been updated throughout the year to include in year movements and the final outturn reported a net underspend of £2.118m (3.5% of the revised budget of £60.609m). The Senior Management Team and Board members regularly review progress against budget throughout the year, with monthly reporting to the IJB. From review of the reporting throughout the year, variances are clearly reported and explained.

The net underspend was achieved following additional contributions from partner bodies of £4.882m, therefore the actual outturn was an overspend of £2.764m. This was a combination of an overspend on the Council arm of the budget of £0.184m, and an overspend on the NHS arm of the budget of £2.580m. The most significant variances is within unscheduled care, which saw an overspend of £1.102m (31% of its budget) as a result of high bank and overtime costs, as well as medical locums for both junior doctors and consultants needed throughout the full financial year.

The IJB recognises that it is currently reliant on additional top up payments from its funding partners, which is not a sustainable financial position. In setting the budget, the IJB has not identified any specific savings. Instead, the partner bodies have included savings targets and therefore the responsibility for achieving these, and the associated risk of not achieving, sits with the partner bodies rather than the IJB. This approach is inconsistent with other IJBs in Scotland where IJBs have clear savings targets and need to make difficult decisions to identify how these are to be made.

As part of the response to the COVID-19 pandemic, the Health and Social Care Partnership developed a mobilisation plan detailing the additional activities to support its response, alongside the estimated financial impact, including unachieved savings. Financial returns have continued to be submitted during 2021/22 with funding of £5.370m received during 2021/22. £2.284m of this funding has been carried forward and will be used to offset further COVID-19 costs in 2022/23. The indications are that no further COVID-19 funding will be received from the Scottish Government for IJB services in 2022/23.

Financial management (continued)

Finance capacity

The finance team has remained consistent throughout the year. Whilst COVID-19 has created additional work for the team, including the additional reporting requirements to the Scottish Government, this is being well managed. In our previous audit report, we recommended that the IJB assess whether the model used in Shetland provides sufficient resource and capacity to embed effective financial management across the organisation. While a formal review has not yet been carried out, management has confirmed there is no indication that financial capacity is an issue. This is supported by satisfactory audit reports and timely production of the Annual Report and Accounts. Management has recognised that the National Care Service (NCS) may bring further challenges and will review again when the NCS model is finalised.

Internal audit

We have assessed the internal audit function, including its nature, organisational status and activities performed.

The 2021/22 Internal Audit Plan was approved by the Committee in May 2021. In addition to reviews carried out within the parent organisation, the IJBs own internal audit plan included two assignments for 2021/22, the first being a review of the IJBs governance arrangements and the second being a review of governance at care homes.

We have reviewed all IJB specific internal audit reports published in the year as well as those published throughout for both Shetland Islands Council and NHS Shetland. The conclusions have helped inform our audit work where applicable to the IJB, although no specific reliance has been placed on this work.

The Internal Audit Annual Report was approved by the Committee in June 2022, which concluded “The Shetland IJB has a system of internal control designed to manage risk to a reasonable level”.

We have considered the work of internal audit as part of our audit work on the Annual Governance Statement as discussed further on page 14. As noted, we recommended that the disclosure be updated in the Annual Governance Statement to incorporate the significant issues identified in the Shetland Islands Council and NHS Shetland Internal Audit Annual Reports.

Standards of conduct for prevention and detection of fraud and error

We have assessed the IJB’s arrangements for the prevention and detection of fraud and irregularities, which relies to an extent on the arrangements in place in the respective parent organisations. This has included specific considerations in response to the increased risk of fraud as a result of COVID-19. Overall, we found the IJB’s arrangements to be to be designed and implemented appropriately.

Deloitte view – financial management

The IJB continues to have effective budget setting and monitoring arrangements in place. This is supported by an experienced finance team and a robust internal audit function, as well as appropriate arrangements for the prevention and detection of fraud and error. While the IJBs budget is currently fully funded and therefore no savings targets are required, it is important that the IJB works closely with its partner bodies to identify where savings can be achieved.

Financial sustainability



Significant risks identified in Audit Plan

While the IJB has historically achieved short term financial balance, there remains a risk that robust medium-to-long term planning arrangements are not in place to ensure that the IJB can manage its finances sustainably and deliver services effectively. We have therefore considered the 2022/23 budget setting process and the work being done over the medium and longer-term. This includes the development and implementation of the Re-Mobilisation Plan and the implications for the medium to long-term planning arrangements, including the Strategic Commissioning Plan and Joint Workforce Strategy as summarised on the following pages.

2022/23 budget setting

The IJB approved a balanced budget of £58.180m (inclusive of the estimated set aside budget of £5.230m) for 2022/23 on 24 March 2022. The budget has been fully funded by partner bodies and therefore has not identified any funding gap or savings targets to be achieved. The funding covers the costs of substantive staff, however, does not include the cost pressure associated with temporary staffing on the NHS Shetland delivered services. The NHS will provide a ring-fenced staffing budget which will, at the year-end, fund any overspends which are the direct result of temporary staffing arrangements.

While the IJB has a balanced budget for 2022/23, it has recognised that this level of funding is not sustainable. Both the Council and NHS face significant financial challenges over the medium-to-long term and the IJB has acknowledged that all three parties need to work collaboratively to develop safe, effective and sustainable service models.

Included in the Council funding settlement is a grant of £1.986m from the Shetland Charitable Trust. This recognises that provision of rural community care in Shetland is comparatively more expensive than the national average and will ensure a continued high level of service can be providing, shifting the balance of care and improving the quality of life for people living in Shetland.

In setting its budget, the IJB has recognised a number of financial risks including the following:

- Should there be year-end overspends which the partner bodies do not agree to fund could result in a financial risk to the IJB; and
- COVID-19 poses a risk across the service – as well as the financial risk, there are also risks around staffing and demand on services.

Financial sustainability (continued)

2022/23 budget setting (continued)

The budget was prepared in consultation with relevant service manager and their relevant finance teams, with the overview by the Chief Officer. Needs assessment have informed the budget setting process to ensure there is a clear link between finances and the IJB's priorities as set out in the Strategic Commissioning Plan. The Board then considered the budget at the March 2022 meeting before approval.

We have previously recommended that the IJB consider how it could enhance community engagement into the budget setting process. This has not been progressed and has also been raised in the BVAR for Shetland Islands Council.

The costs associated with responding to the COVID-19 pandemic have been fully funded by the Scottish Government in 2020/21 and 2021/22. The final costs for 2022/23 and future years will depend upon the recovery timescale. In February 2022, the Scottish Government provided further funding to NHS Boards and IJBs to meet COVID-19 costs and to support the continuing impact of the pandemic. As discussed on page 16, £2.284m of this funding has been carried forward into 2022/23.

The Scottish Government also confirmed that additional COVID-19 funding will continue into 2022/23 but at lower levels than in 2021/22. The approved 2022/23 budget therefore does not include projected COVID-19 costs at this stage, and revisions may therefore be required during the year should all COVID-19 costs not be funded. This therefore remains an ongoing risk.

Reserves

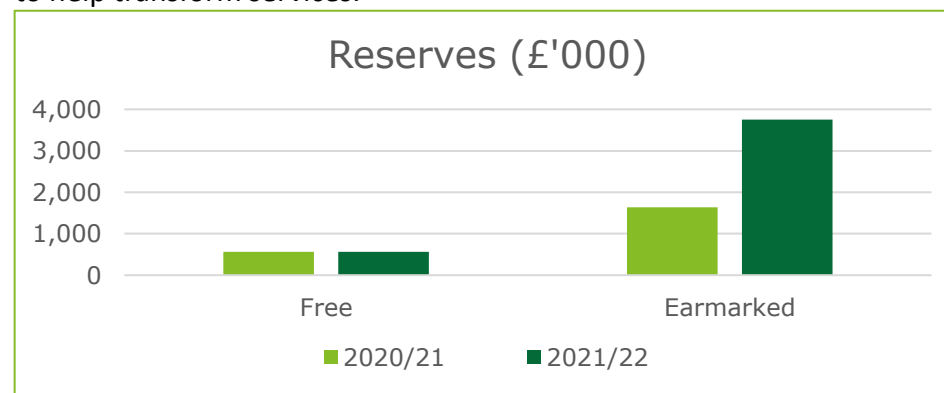
The IJB's reserves policy was last reviewed in 2019. As reported in our 2020/21 report, the policy does not set a minimum reserves balance. We continue to recommend that the reserves policy is reviewed on a regular basis.

The IJB holds three types of reserves:

- **Free Reserves** – can be used in line with the Strategic Plan and IJB Reserves policy
- **Earmarked Reserves** for specific Scottish Government initiatives. These must be used in the manner prescribed by Government to deliver specific outcomes

In approving the 2022/23 budget, the IJB also approved two applications for the use of the Free Reserves

The reserves position at 31 March 2022 is illustrated below. This significant increase is largely as a result of the COVID-19 funding from the Scottish Government discussed further on page 16. It is important that clear plans are developed and monitored to demonstrate how these funds will be used to help transform services.



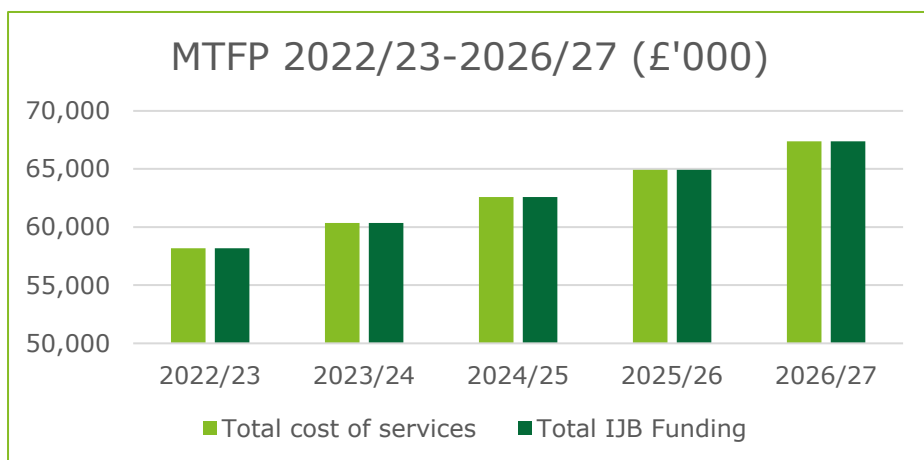
Financial sustainability (continued)

Medium-to-long term financial planning

In previous years audits, we have continued to recommend that the IJB update its medium-term financial plan to ensure that the IJB is prepared to deliver financially sustainable services for the future.

We are pleased to note that the IJB has approved an updated Medium-Term Financial Plan (MTFP) covering the period 2022/23 to 2026/27 in February 2022.

As illustrated below, the IJB is projecting a balanced position over the term of the plan, as it has based this on the assumption that full balanced funding will be received from both partner bodies. While this is a reasonable assumption given this has been the case since the IJB was established in 2015, the partner bodies are facing a challenging financial position, therefore it is important that the IJB is looking to alternative delivery models and associated savings plans to drive forward this change.



Given the assumed funding position, the MTFP is at a very high level and does not set out the key assumptions in developing the cost base, however, the following assumptions have been made:

- An assumption that the £1.444m “additionality” funding from the Scottish Government to support service redesign and improve outcomes will continue to be received.
- Future year costs are based on the latest Scottish Government’s Medium-Term Health and Social Care Framework which includes growth in health services at 3.5% and social care at 4%.

The MTFP recognises that the Scottish Government’s Financial Framework is due to be updated later in 2022 and therefore the next iteration of the MTFP will take into account the updated assumptions.

It is important that the IJB works closely with its partner bodies to identify areas of service redesign and build the financial impact into future plans. These can then be monitored to assess whether they are achieving the expected benefit (both financially and operationally).

Financial sustainability (continued)

Transformational change

In previous years we have highlighted that the IJB remains reliant on the transformation programmes of the Council and NHS and there continues to be a lack of reporting to the Board in relation to the sufficiency of the plans for transformational change for the IJB.

This continues to be the case and has been highlighted in Audit Scotland's BVAR of Shetland Islands Council.

“There is a lack of ownership from the IJB in directing health and social care service redesign and transformation”

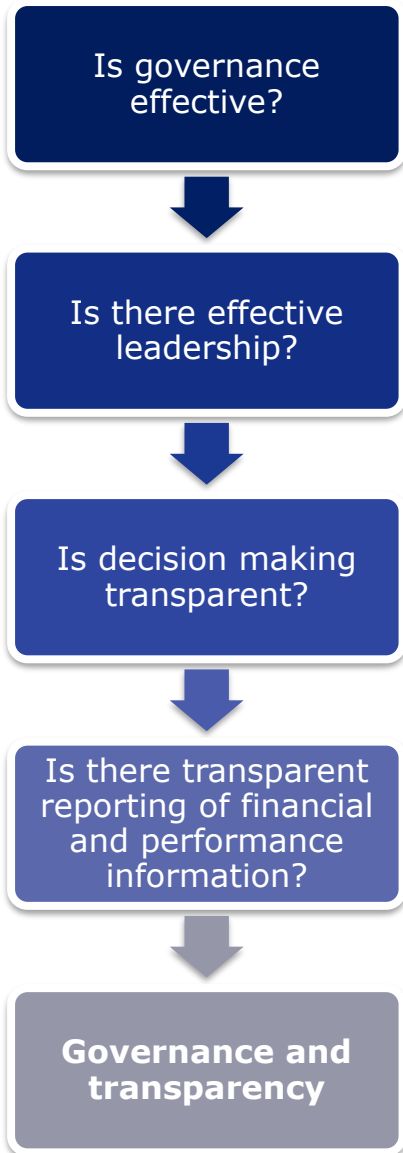
The IJB recently approved its refreshed Strategic Commissioning Plan covering the period 2022-2025, which includes a strategic priority to shift the balance of care towards people being supported within and by their communities. This is expected to improve the IJB's focus on providing strategic direction, with clear and specific direction to partner bodies for the services that it is commissioning.

Deloitte view – Financial sustainability

The IJB has set a balanced budget for 2022/23 and is therefore financially sustainable in the short term. The medium-term position is also projecting to be balanced, suggesting that the IJB is financially sustainable over the medium term. However, this is on the assumption that full funding will be provided by the partner bodies, who themselves have significant financial challenges. The IJB should therefore monitor this closely. Further work is also required to enhance the community engagement of the budget setting process.

In line with previous years, the IJB remains reliance on the transformation programmes of the partner bodies. The absence of savings targets within the IJBs budget and MTFP reduces the incentive for the IJB to drive forward these strategic changes. It is important that the IJB works closely with its partner bodies to identify areas of service redesign and build the financial impact into future plans. These can then be monitored to assess whether they are achieving the expected benefit (both financially and operationally).

Governance and transparency



Significant risks identified in Audit Plan

In previous years we have concluded that the IJB has strong leadership in place and continued to demonstrate its commitment to remain open and transparent, and that the governance arrangements continued to work effectively. We did, however, identify a significant risk highlighting further improvements were required in ensuring that Board members development and self-assessment was embedded and that an enhanced understanding of governance arrangements across the IJB, Council and NHS was achieved. We have therefore reviewed the work of the IJB and its Committees, specifically following up on the progress made to address the recommendations in our previous audit reports, as summarised on the following pages.

Leadership

The Partnership Senior Management Team has remained largely consistent with previous year, and has continued to demonstrate strong leadership, working closely with partners. The Chief Officer appointment was made permanent from 1 August 2021 having been in the post previously on an interim basis. The interim Depute Chief Officer has remained in post throughout 2021/22 to continue to provide additional support to the Chief Officer in responding to the COVID-19 pandemic.

There have been two changes to the Voting Members of the Board during 2021/22, with further changes post-year end largely as a result of the outcome of the local government election in May 2022. Induction has taken place for all new Council members and Training Needs Analysis is planned to be carried out in December 2022. Management has also recognised that the NCS will impact on future sessions therefore there are plans to incorporate NCS into future seminars and training events and will shape the ongoing approach to training and development.

We have previously recommended that the IJB implement an annual self-assessment of its governance arrangements, committees and Board's performance. The Audit Committee agreed that any formal assessment should be delayed until at least a year after the formation of the new IJB membership in May 2022. This therefore remains to be implemented.

Governance and transparency

Governance and scrutiny arrangements

We have reviewed meetings attendance from the past year and confirm that there has been adequate attendance. In addition, from attendance at meetings we can confirm that there is sufficient scrutiny and challenge exercised by members during the meetings.

As a result of COVID-19 and associated restrictions, meetings of the IJB and its committees have taken place on a wholly remote basis via MS Teams. As part of its commitment to openness and transparency, the Board is able to share meeting accommodation with Shetland Islands Council in its new Council Chamber. This enables greater accessibility for public attendance in person and has the facilities for live broadcasting and recording of meetings.

The Audit Committee continues to be a key element of the governance arrangements in place, including providing oversight and scrutiny of the Strategic Risks. An updated Risk Management Strategy was approved in November 2021 and an updated Strategic Risk Register was approved by the Committee in March 2022, with updates on the actions required to manage and control the risks. We are also pleased to note that, in line with our recommendation, the Audit Committee now receives quarterly financial monitoring reports, which has helped free up time in Board meetings and improve the scrutiny of financial performance.

Following the Standards Commission review of the Model Code of Conduct for Devolved Public Bodies, the IJB has updated its own Code, which was approved in March 2022. This helps ensure that the standards applied to Shetland IJB members are consistent with other IJBs across Scotland, and also in line with those applied by the two partner bodies.

Openness and transparency

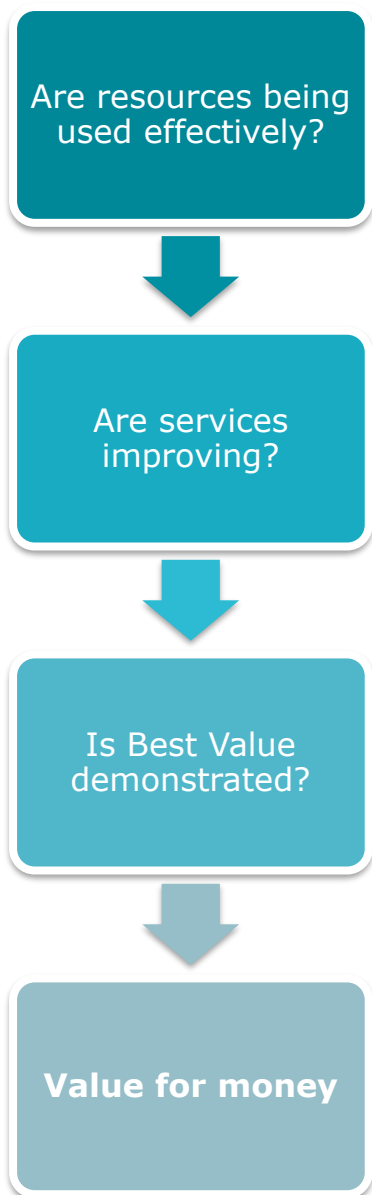
All IJB meetings continue to be open to the public and all meeting agendas and minutes published on its website, thereby continues to demonstrate openness and transparency of decision making and performance information (which is considered further on page 24). As discussed on page 22, this is being enhanced with the sharing of meeting accommodation with Shetland Islands Council.

In developing the updated Strategic Plan (discussed further on page 25), the IJB carried out stakeholder engagement to get the views from the wider community on the work of the IJB.

Deloitte view – Governance and transparency

The IJB continues to have strong leadership, with robust governance arrangements in place and recent induction training for new members. It also demonstrates a commitment to remain open and transparent around its decision making and performance. Further work remain to implement a formal self-assessment process.

Value for money



Significant risks identified in Audit Plan

In previous years we have concluded that the IJB had an embedded performance management culture. Whilst the IJB's performance was improving in some areas in 2020/21, prioritisation of COVID-19 continued to impact on a number of areas. Given the ongoing pressures across the health and care system, there remained a risk that performance reporting has not been timely, reliable, balanced and transparent. We have therefore reviewed the performance reports presented at the IJB to assess the extent of openness and transparency during the year, as summarised on the following pages.

Performance management framework

The Board continues to have a well-established performance management framework in place with quarterly reports taken to the Board. This is a joint framework between the IJB, NHS Shetland and Shetland Islands Council designed to provide a consistent "Once for Shetland" approach and a clear focus on improvement outcomes. Quarterly reporting is provided to the IJB of the performance against key targets within the Strategic Commissioning Plan.

The framework has been considered in the recent BVAR for Shetland Islands Council. This concluded that:

"The council's own performance management and reporting systems and arrangements are not well developed and inconsistent, with a lack of performance indicators and targets. There have been some recent signs of improvement".

It is important that the IJB consider the findings and recommendations from the BVAR and agree any changes required to its own framework.

Performance data

Elements of the IJBs and its Health and Social Care Partnership (HSCP) performance have also been considered within the BVAR therefore we have not duplicated our work, with the key conclusions as follows:

- Operationally, there is a long-standing, good working relationship between the council, the NHS and the HSCP. There are good examples of the partners working together to transform services, for example the nursing models for Islands with Small Populations.

Value for money

Performance data (continued)

- The HSCP reports strong performance in delayed discharges, unlike many other HSCPs across Scotland. This has been achieved through focussed daily monitoring as part of the partnership working, with dedicated social work input to support the hospital and the development of an Intermediate Care Team. This has allowed the HSCP to focus on early intervention and prevention work.
- Responding to the Covid-19 pandemic has delayed progress in the HSCP's development and improvement programme, however in some ways it has accelerated change, for example the use of technology-based solutions and working in multi-disciplinary teams. Despite these challenges, Shetland's performance in 2020/21, as reported in its Annual Performance Report, is showing improving performance and performance above the Scottish average, although some of the data is only available from 2017/18.
- Access to adult mental health psychological therapies continues to be significantly below target due to long-standing recruitment difficulties. As part of the recovery plan, the psychological therapies team has recruited additional staff, and the service is embedding new technologies. The IJB is regularly monitoring the implementation of the recruitment, staff development and community-based support model that was developed by the HSCP.

The IJB approved its updated Strategic Commissioning Plan 2022-2025 in March 2022. This recognises the progression of the integration agenda in Shetland up to 2022 and reflects the impact the COVID-19 pandemic has had on the community and services in the last 2 years.

Deloitte view – Value for money

The IJB continues to have a joint performance management framework with the NHS and the Council. Regular reporting on performance is provided to Audit Committee and the IJB, with a focus on continuous improvement. The IJB should take on board the recommendations raised within the Council's BVAR in relation to the performance management framework and consider any implications for IJB specific reporting.

Best value

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

Duty to secure Best Value

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

Our BV audit work is integrated into our audit approach, including our work on the audit dimensions discussed on pages 16 to 25. Through our annual audit work, discussed further within this report, the IJB continues to have a number of arrangements in place to secure best value, including an established governance framework, strong leadership, and a performance management framework through the Strategic Commissioning Plan. There are a number of good examples of partners working together to transform services, as highlighted in the Shetland Islands Council BVAR published in August 2022.

The IJB recognises that it must commission services within the financial resources available and, as noted elsewhere in this report, and in common with other IJBs, continued work will be required to deliver long-term financial sustainability. There however continues to be a lack of ownership from the IJB in directing health and social care service redesign and transformation. It is positive to see the updated Strategic Commissioning Plan with a clear focus on continuous improvement.

Deloitte view – Best Value

The IJB has sufficient arrangements in place to secure best value and has a clear understanding of areas which require further development.

Purpose of our Report and Responsibility Statement

Our report is designed to help you meet your governance duties

What we report

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

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

The scope of our work

Our observations are developed in the context of our audit of the annual accounts.

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

Use of this report

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

What we don't report

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

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

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

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



Pat Kenny, CPFA

For and on behalf of Deloitte LLP

Glasgow | 7 September 2022

Sector developments



Local government in Scotland

Financial overview 2020/21

Background and overview

The Accounts Commission published its Local government in Scotland financial overview 2020/21 in March 2022. This covers the first full year that makes clear the impact of COVID-19. It also looks ahead to the medium-to-longer term financial outlooks for Councils. While specifically referring to Councils, a number of the key messages are equally relevant for IJBs.

Key messages

Local government finances 2020/21

- The COVID-19 pandemic persisted throughout 2020/21, with the Scottish Government increasing funding to councils by £1.5 billion to support them in dealing with the impacts of the pandemic.
- When COVID-19 funding is excluded, there has been a real terms underlying reduction of 4.2 per cent in local government funding since 2013/14.
- The underlying increase in Scottish Government funding of £358 million in 2020/21 was 1.1 per cent in real terms. But, over half of this increase is due to specific grants. Ring-fenced funding helps support delivery of key Scottish Government policies but constrains a proportion of the total funding and resources and removes any local discretion over how councils can use these funds.
- Councils' income from customers and clients was affected by Covid-19 restrictions and fell by £0.5 billion.
- In 2020/21, all councils reported surpluses and increased their usable reserves. The total increase in reserves was £1.2 billion (46 per cent). This increase was mainly due to late Covid-19 funding, which was unspent at 31 March 2021.
- Councils administered a further £1.4 billion of Covid-19 grants on behalf of the Scottish Government in 2020/21, putting additional pressure on finance staff across councils.

Medium and longer-term outlook for local government finances

- Scottish Government capital funding to councils is expected to fall again in 2021/22.
 - Uncertainty over the amount of funding available for Covid-19 recovery at the end of 2020/21 led to difficulties in setting budgets, and many councils established updated Covid-19 budgets in autumn 2021.
 - COVID-19 resulted in revised medium-term financial plans, but longer-term planning will need to be updated as COVID-19 uncertainty diminishes.
-

Local government in Scotland (continued)

Financial overview 2020/21 (continued)

Key observations

Reserves – Most of the increase in the general fund is committed to COVID-19 recovery.

Financial management and transparency - Management commentaries in councils accounts have improved, but many are still not complying with previous recommendations on transparency

Budgets for 2021/22 - The uncertainty over the funding position for COVID-19 at the end of 2020/21 led to issues in budget setting and many councils established COVID-19 budgets in autumn 2021

Medium and long-term financial planning - COVID-19 resulted in revised medium-term financial plans, but longer-term planning will need to be updated as COVID-19 uncertainty diminishes.

Audit Scotland Recommendations

Elements of COVID-19 funding that are being carried forward in general earmarked and unearmarked reserves in the accounts should be clearly identified.

We recommend again that councils review and improve how they comply with these key expectations of transparency, in particular:

- Is the outturn against budget position for the year clearly shown, and are the reasons for significant variances obvious?
- Is the outturn reported in the narrative reconciled to the movement in the general fund contained in the financial statements, and are major differences explained?
- Is progress against agreed savings reported?

We expect councils to agree spending plans and timescales for COVID-19 recovery reserves with the relevant decision making committee.

All councils will now need to revise medium-term financial plans to reflect additional financial pressures and updated funding arrangements and to account for updated savings requirements and financial assumptions. Councils should also review longer-term planning as COVID-19 uncertainty diminishes.

Next steps

The IJB should consider each of the above recommendations (where they equally apply to IJBs and Councils) and incorporate into plans where not already considered. The full report is available through the following link: [Local government in Scotland: Financial overview 2020/21 | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/local-government-in-scotland-financial-overview-2020-21)

Reimagining social care – recasting the social safety net

Deloitte insights

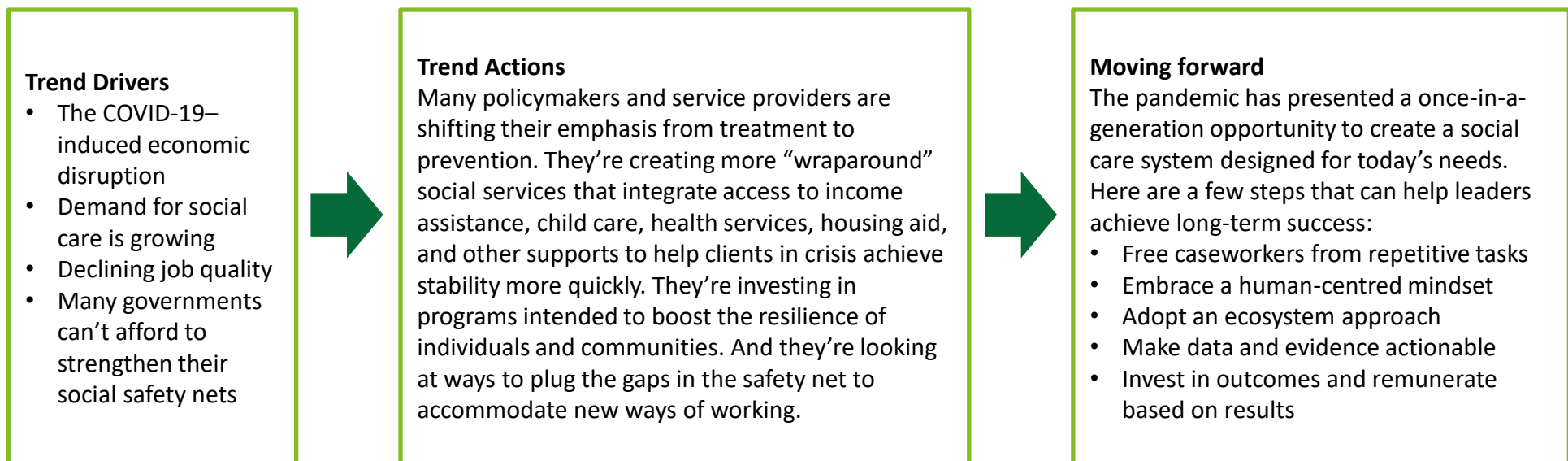
Background and overview

Rising costs, limited growth of government revenues, and increasing client expectations are compelling governments to not just repair, but to reweave, the social safety net in order to provide equitable, seamless, and effective services.

Governments rely on income assistance and social care services to protect their most vulnerable citizens. But around the globe, many social safety nets are fraying. The COVID-19 pandemic exacerbated homelessness and other economic disparities in many countries.

In the face of rising costs and client expectations, agencies are re-examining how they and their partners can provide equitable, seamless, and effective social services. They're shifting their focus to prevention—attacking problems at their root, intervening early to keep small issues from growing, and creating pathways to greater self-sufficiency and resilience. The goal is less to patch up the safety net than to reweave it entirely.

The full article available here [Recasting the social safety net | Deloitte Insights](#), with some key highlights summarised below.



Appendices



Action Plan

We have followed up the recommendations made in our previous years audits. We are pleased to note that four recommendations have been fully implemented, four are partially implemented and two not yet implemented, with a revised target dates agreed.

Recommendation	Management Response	Priority	Management update 2021/22
<p>1.1 Financial Management</p> <p>In order to ensure future financial sustainability, it is critical that as the Board starts to look to remobilise and recover from COVID-19, realistic savings targets are set in the budget with clear plans in place to achieve these. There needs to be effective reporting against these targets throughout the year to enable appropriate scrutiny.</p>	<p>This will be addressed via the planning and performance process approved by the IJB on 25 March 2021 (min ref 08/21)</p> <p>Responsible Person: Chief Officer Target Date: 31 March 2022</p>	High	<p>The current IJB MTFP is fully funded to 2026/27 as there is no indication from funding partners that savings targets will be allocated to the IJB over this period. The IJB as a separate legal entity is projecting a fully funded budget from its partners over the medium-term.</p> <p>Fully implemented</p>
<p>1.2 Financial Management</p> <p>The IJB should consider how it can enhance its budget setting process to more clearly link the use of resources in the budget with the delivery of outcomes, aligned with the IJB's priorities.</p>	<p>This will be addressed via the planning and performance process approved by the IJB on 25 March 2021 (min ref 08/21)</p> <p>Responsible Person: Chief Officer Target Date: 31 March 2022</p>	Medium	<p>Service Managers conduct needs assessments and develop their service plans and associated budgets to meet their requirements. Service plans and budgets then inform the Directions to the Council and NHS. Directions contain links to strategic plan actions and outcomes, IJB key priorities, national health & wellbeing outcomes and national planning and delivery principles. This clearly links the budget, contained in the Direction, to the delivery of outcomes.</p> <p>Fully implemented</p>

Action Plan (continued)

Recommendation	Management Response	Priority	Management update 2021/22
<p>1.3 Financial Management</p> <p>The IJB should assess whether the model used in Shetland provides sufficient financial capacity to embed effective financial management across the organisation, particularly in light of the CIPFA Financial Management Code and the additional responsibilities this will place on the organisation.</p>	<p>Chief Financial Officer with support of the Local Partnership Finance Team (LPFT) will review the financial capacity of the IJB.</p> <p>Responsible Person: Chief Financial Officer Target Date: 31 March 2022</p>	Medium	<p>Formal review yet to be carried out but there is no indication that financial capacity is an issue. Satisfactory audit reports and timely production of reports and annual accounts support this opinion. NCS may bring further challenges but these will be reviewed as the NCS model is finalised.</p> <p>Fully implemented</p>
<p>1.4 Financial Management</p> <p>The IJB should delegate authority to a committee to review and report to the Board on financial performance to better spread workload, free up time in Board meetings, improve the scrutiny of financial performance and enhance the importance attached to committees by the IJB.</p>	<p>The formation of Performance Monitoring Group (PMG) will look at areas of performance and link across any recovery activity to the NHS and Council's respective PMO's, with the IJB Chief Officer and the Council's Director of Corporate Services facilitating the link between both.</p> <p>The PMG will focus on 4 areas: Quality, Performance and Financial Performance and Risk. The outputs of this group will therefore facilitate scrutiny in these areas. Currently this group is meeting on a fortnightly occurrence.</p> <p>Responsible Person: Chief Officer Target Date: 31 March 2022</p>	Medium	<p>IJB Quarterly Financial Monitoring Reports now presented to IJB Audit Committee to address this recommendation.</p> <p>Fully implemented</p>

Action Plan (continued)

Recommendation	Management Response	Priority	Management update 2021/22
<p>2.1 Financial Sustainability</p> <p>The IJB should consider the options available to it to enhance community engagement in the budget setting process, to ensure that community views are taken into account when allocating resources to drive improvement in outcomes.</p>	<p>To be included in wider engagement on the Strategic Plan.</p> <p>Responsible Person: Chief Officer Target Date: 31 December 2021</p>	Medium	<p>The need for community engagement has been raised in the Best Value Audit Report for the Council. The response and subsequent actions will include the IJB and NHS in a whole system approach.</p> <p>Not implemented Revised Target date: 31 March 2023</p>
<p>2.2 Financial Sustainability</p> <p>The IJB should ensure it is involved in the reviews of the Council and NHS workforce plans and receives reporting on how these workforce plans will meet the IJB's needs.</p>	<p>A draft joint workforce strategy has been drafted by the Human Resource teams within both Shetland Islands Council and NHS Shetland. This is currently going through the staff governance processes before being presented to the IJB in September for approval.</p> <p>Responsible Person: Chief Officer Target Date: 30 September 2021</p>	High	<p>Workforce plans for both NHS and the Council will be presented to the IJB annually. Workforce plans are incorporated into the IJB annual planning cycle. Needs assessments identifies the workforce and budget required to deliver desired outcomes. The IJB can be assured that the final service plans and Directions will incorporate the workforce and budget which can deliver the IJB's needs.</p> <p>HSCP has been linked into the development of the 3 year workforce plan which will be presented to IJB in due course</p> <p>Partially implemented Revised Target date: 31 March 2023</p>

Action Plan (continued)

Recommendation	Management Response	Priority	Management update 2021/22
<p>3.1 Governance and Transparency</p> <p>The IJB should invite the Council and NHS to have a joint training session in order to ensure there is clarity over roles and responsibilities within the IJB, Council and NHS, and how to embed this across their respective bodies.</p>	<p>Programme of work to be established which will include the implementation of the recommendations from the Independent Review of Adult Social Care in Scotland.</p> <p>Responsible Person: Chief Officer Target Date: 31 August 2021</p>	Medium	<p>NCS programme of work will include thorough communication and engagement across all parties with governance being a major aspect.</p> <p>Partially implemented Revised Target date: 31 March 2023</p>
<p>3.2 Governance and Transparency</p> <p>As part of the development of an Engagement and Community Strategy, the IJB should seek the views of the local community and other stakeholders as to how open and transparent it is perceived to be and any improvements which would be welcome in that area.</p>	<p>To be included in wider engagement on the Strategic Plan.</p> <p>Responsible Person: Chief Officer Target Date: 31 July 2022</p>	Medium	<p>NCS programme of work will include consultation with a range of stakeholders. Information gathered will help inform the ongoing development of the Strategic Commissioning Plan.</p> <p>IJB updated Participation and Engagement strategy approved by IJB in March 2022 which will underpin engagement activity and act as a framework for collaborative working and stakeholder involvement.</p> <p>Partially implemented Revised Target date: 31 March 2023</p>

Action Plan (continued)

Recommendation

3.3 Governance and Transparency

The IJB needs to have annual self-assessments of governance arrangements, committee and Board performance. The IJB should agree a structured self-assessment and review programme.

Management Response

Internal audit this year have suggested field work/review of committee functionality within IJB. There has been discussion with Internal Audit in relation to the timing of this audit bearing in mind a scheme of integration review is taking place.

Responsible Person: Chief Officer

Target Date: 31 December 2021

Priority

High

Management update 2021/22

Immediate issues will be addressed as a priority by March 2023. Longer-term approach will be shaped by the NCS programme of work and associated governance arrangements.

Internal Audit have reviewed Governance procedures for IJB during COVID-19 and actions will be added to the IJB Audit Action tracker

Discussion in IJB AC was to delay any formal self-assessment re: governance until at least a year after the formation of the new IJB membership in May 2022

Not implemented

Revised Target date: 31 May 2023

Action Plan (continued)

Recommendation	Management Response	Priority	Management update 2021/22
<p>3.4 Governance and Transparency The IJB needs to adopt a formal, ongoing approach to development. The IJB needs to carry out a skills gap analysis as part of the annual self assessment of committees and the IJB, work in conjunction with the Board to develop training plans for them (specific to committees/Members' needs), assess the effectiveness of all training provided and track and report attendance at training by the Board. The IJB should specifically consider a joint development programme with the NHS and Council to improve understanding and integration.</p>	<p>The Chief Officer will engage with Staff/Workforce Development (NHS/SIC) to undertake a Training Needs Analysis (TNA) for IJB Members to allow them input into their perceived training needs.</p> <p>TNA will form the backbone of a training plan for IJB members. To include induction as well as core competencies for roles within the Board.</p> <p>A significant number of seminar and information sharing events have been undertaken in year.</p> <p>Development of a training plan going forward will be undertaken as part of the governance review</p> <p>Responsible Person: Chief Officer Target Date: 31 March 2022</p>	<p>Medium</p>	<p>IJB induction for new Council members has taken place with TNA to be carried out by December 2022. Implication of NCS will feature in future seminar/training events and will shape the ongoing approach to training and development.</p> <p>IJB Member self-assessment was undertaken in April/May 22 to inform induction training needs.</p> <p>CO undertook a presentation in Elected Member Induction regarding integration to enhance understanding around the integrated environment.</p> <p>A further assessment has been undertaken re: the quality and learning around IJB Member induction programme in June 22.</p> <p>IJB hosted seminar involving NHSS and the Council to be held in August 2022 re: Shifting the Balance of Care and Integrated services.</p>
			<p>Partially implemented Revised Target date: 31 March 2023</p>

Our Other Responsibilities Explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

As auditor, we obtain reasonable, but not absolute, assurance that the Annual Accounts as a whole are free from material misstatement, whether caused by fraud or error.



Required representations:

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

We have also asked the Board to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.



Audit work performed:

In our planning we identified the risk of fraud in relation to completeness of income and management override of controls as a key audit risk for your organisation.

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

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

Deloitte view

No issues have been identified from our audit work.

Independence and Fees

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

Independence confirmation

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

Fees

The audit fee for 2021/22, in line with the expected fee range provided by Audit Scotland, is £27,960, as analysed below:

	£
Auditor remuneration	19,250
Audit Scotland fixed charges:	
Pooled costs	2,010
Contribution to PABV	5,670
Audit support costs	1,030
Total fee	27,960

No non-audit services fees have been charged for the period.

Non-audit services

In our opinion there are no inconsistencies between the FRC's Ethical Standard and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships

We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its board and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence.

We are not aware of any relationships which are required to be disclosed.



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