

Dumfries and Galloway Integration Joint Board

2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Dumfries and Galloway Integration Joint Board and the Controller of Audit

September 2023

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Key messages

2022/23 annual accounts

- 1 Our audit opinions on the annual accounts of the Dumfries and Galloway Integration Joint Board (the IJB) are unmodified. The financial statements give a true and fair view and were prepared in accordance with the financial reporting framework.

Financial management and sustainability

- 2 The IJB's financial management and reporting arrangements are well established.
- 3 The IJB delivered a balanced financial position in 2022/23 but only after receiving additional funding of £11.547 million from NHS Dumfries and Galloway. The £3.730 million recurring savings target was not achieved. Despite this the IJB reserves balance at 31 March 2023 is £15.5 million.
- 4 The 2023/24 financial plan indicates a deficit of £25.128 million as well as the challenge of £9.160 million of recurring savings required.
- 5 The IJB needs to demonstrate how it will secure the financial sustainability of its services. A medium term financial plan should be developed to set out how the 3 year strategic commissioning plan will be delivered.
- 6 The IJB has produced an annual climate change report in line with Scottish Government guidance.

Vision, leadership and governance

- 7 The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board and operated effectively.
- 8 An updated Integration Scheme is due to be completed later in 2023.

Use of resources to improve outcomes

- 9 Performance management arrangements are effective with indicators and targets kept under review, but the annual performance report is still to be published.
- 10 The number of national core performance indicators meeting or exceeding target has declined compared to the previous year, and those outwith acceptable standards have increased.

- 11** An annual assessment of Best Value should be reflected in the Annual Governance Statement.

Introduction

1. This report summarises the findings arising from our 2022/23 audit of Dumfries and Galloway Integration Joint Board (the IJB). The scope of the audit was set out in our 2022/23 Annual Audit Plan issued in March 2023 and presented to the Audit, Risk and Governance Committee on 8 June 2023. This Annual Audit Report comprises:

- significant matters arising from an audit of the IJB’s annual accounts
- conclusions on the following wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#):
 - Financial Management
 - Financial Sustainability
 - Vision, Leadership, and Governance
 - Use of Resources to Improve Outcomes.
- a review of the arrangements put in place by the IJB to secure Best Value.

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

Audit appointment from 2022/23

3. I, Fiona Mitchell-Knight, have been appointed by the Accounts Commission as auditor of the IJB for the period from 2022/23 until 2026/27. The 2022/23 financial year was the first of my five-year appointment. My appointment coincides with the new [Code of Audit Practice](#) which was introduced for financial years commencing on or after 1 April 2022.

4. My team and I would like to thank Audit, Risk and Governance Committee members, senior management, and other staff, particularly those in finance, for their cooperation and assistance this year and we look forward to working together constructively over the course of the five-year appointment.

Responsibilities and reporting

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

6. The responsibilities of the independent auditor are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice 2021](#), and supplementary guidance and International Standards on Auditing in the UK.

7. 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 of the IJB from its responsibility to address the issues we raise and to maintain adequate systems of control.

8. This report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, the responsible officers, and dates for implementation.

Auditor Independence

9. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services, therefore the 2022/23 audit fee of £31,470 as set out in our 2022/23 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

10. We add value to the IJB by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, arrangements to ensure the best use of resources and financial sustainability
- sharing intelligence and good practice identified.

1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

Main judgements

Our audit opinions on the annual accounts of the IJB are unmodified.

Audit opinions on the annual accounts are unmodified

11. The IJB's annual accounts for the year ended 31 March 2023 were approved by the IJB Board on 27 September 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report was prepared in accordance with the financial reporting framework
- the management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

Overall materiality was assessed as £9.334 million

12. Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the financial statements, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

13. Our initial assessment of materiality was carried out during the risk assessment and planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#) overleaf.

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality: This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements.	£9.334 million
Performance materiality: This acts as a trigger point. If the aggregate of errors identified during the financial statements' audit exceeds performance materiality this would indicate that further audit procedures should be considered.	£7.001 million
Reporting threshold: We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount.	£250 thousand

Source: Audit Scotland

14. The overall materiality threshold for the audit of the annual accounts of the IJB was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

15. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75 per cent of overall materiality, reflecting the fact there were no significant issues identified in the prior year audit impacting our audit approach and no significant history of errors being communicated to us by the former audit team.

16. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

Significant findings and key audit matters

17. Under International Standard on Auditing (UK) 260 we communicate significant findings from the audit to the IJB, including our view about the qualitative aspects of the body's accounting practices.

18. The Code of Audit Practice also requires all audits to communicate key audit matters within the annual audit report under International Standard on Auditing (UK) 701. These are matters that we judged to be of most significance in our audit of the financial statements.

19. We have no issues to report from the audit.

There were a small number of disclosure errors identified which were corrected in the audited accounts

20. Our audit work identified that the amounts disclosed in the unaudited accounts in respect of the funding contributions to and from NHS Dumfries and Galloway for 2022/23 were incorrectly stated and did not agree to the NHS Dumfries and Galloway 2022/23 audited accounts. These were corrected in the audited accounts but these corrections had no impact on the deficit on the provision of services of £15.258 million in 2022/23.

Our audit work responded to the risks of material misstatement we identified in the annual accounts

21. We have obtained audit assurances over the identified significant risks of material misstatement in the annual accounts. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2

Significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>We obtained assurances from the auditors of NHS Dumfries and Galloway and Dumfries and Galloway Council over the completeness, accuracy and allocation of income and expenditure.</p> <p>We evaluated any significant unusual transactions outside the normal course of business.</p>	<p>Results: We did not identify any incidents of management override of controls through our audit testing.</p> <p>No significant unusual transactions were identified.</p> <p>Conclusion: There was no evidence of management override of controls from the work performed.</p>

Source: Audit Scotland

22. In addition, we identified an “area of audit focus” in our 2022/23 Annual Audit Plan relating to the IJB reserves. The IJB holds an earmarked reserve balance for Covid-19 funding carried-forward from 2021/22 totalling £16.346 million. The Scottish Government outlined arrangements for Covid-19 reserve balances to be returned through NHS Board allocations back to the Scottish Government. We reviewed the accounting treatment for the return of £5.064 million of Covid-19 reserve balances to the Scottish Government and the disclosures in the annual accounts in relation to this. The remaining earmarked

Covid-19 reserve of £11.282 million was used during 2022/23 leaving a nil balance at 31 March 2023.

The unaudited annual accounts were received in line with the agreed audit timetable

23. The unaudited annual accounts were received in line with our agreed audit timetable by 30 June 2023.

Performance reporting in the management commentary of the Annual Accounts was of a good standard

24. Management commentaries included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements.

25. The Management Commentary is of a good standard and clearly explains the IJB's strategy, finances and links to the financial statements. The statutory requirements relating to non-financial performance have been met.

The prior year recommendation to develop a longer term financial plan is still outstanding

26. The IJB is still to progress the audit recommendation identified by Grant Thornton, the IJB's previous external auditor to develop longer term financial plans. A revised response and timescale has been agreed with management and is set out in [Appendix 1](#).

2. Financial management and sustainability

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively. Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Main judgements

The IJB's financial management and reporting arrangements are well established.

The IJB delivered a balanced financial position in 2022/23 but only after receiving additional funding of £11.547 million from NHS Dumfries and Galloway. The £3.730 million recurring savings target was not achieved.

The IJB reserves balance at 31 March 2023 is £15.5 million.

The 2023/24 financial plan indicates a deficit of £25.128 million as well as the challenge of £9.160 million of recurring savings required.

The IJB needs to demonstrate how it will secure the financial sustainability of its services. A medium term financial plan should be developed to set out how the 3 year strategic commissioning plan will be delivered.

The IJB has produced an annual climate change report in line with Scottish Government guidance.

Financial management and reporting arrangements are well established and allow members and officers to scrutinise the budget effectively

27. Comprehensive budget monitoring reports are presented to the IJB Board and the Finance, Performance and Quality Committee. These contain detail on the year to date financial position, forecast outturn for the year and, progress in delivering savings and update on financial risks of the in-year financial plan.

28. Detailed finance performance updates are presented quarterly. The updates provide detail on progress of recurring savings targets; in year directorate

overspends and Covid-19 costs. No further Covid-19 funding for future years is anticipated.

The IJB delivered a balanced financial position in 2022/23 but only after receipt of an additional £11.547 million from NHS Dumfries and Galloway

29. The IJB Financial Plan for 2022/23 was presented to the IJB Board on 23 June 2022, following revisions a financial gap of £15.191 million was estimated.

30. The annual accounts show a balanced financial position in 2022/23. The financial outturn was only achieved due to additional non-returnable funding of £11.547 million provided by NHS Dumfries and Galloway to support the overspend in the health delegated budget, primarily through additional resources provided by the Scottish Government

31. Reserves of £30.8 million were brought forward from 2021/22, with the reserves balance at 31 March 2023 of £15.5 million taking account of the return of the balance of £5.064 million of Covid-19 reserves balances to the Scottish Government as required. The remaining earmarked Covid-19 reserve of £11.282 million was used during 2022/23 leaving a nil balance at 31 March 2023.

The IJB did not achieve its recurring savings target of £3.730 million in 2022/23

32. In order to balance planned expenditure with the resources delegated to it, the IJB has consistently set ambitious savings targets in recent years. In 2021/22, there was a shortfall in savings delivery of £1.1 million which was covered in full by Scottish Government Covid-19 support. A savings target of £9.730 million was set for 2022/23, being £3.730 million recurring and £6 million non-recurring. £2.197 million of recurring savings and £12.579 million of non-recurring savings were achieved in 2022/23.

33. The Chief Finance Officer advised that the year-end delivery of savings was not reported to the IJB Board as the focus was on the year-end outturn position overall in the final report presented to the IJB Board on 22 June 2023. In addition, since the start of 2023 the Chief Finance Officer was focussed on setting the 2023/24 budget.

34. Management have recognised that slippage within the savings programme is contributing to the forecast overspend against budget. It is crucial that efforts to deliver the agreed savings are continued.

IJB Financial Plan 2023/24

35. The 2023/24 financial plan was presented to the IJB Board on 26 April 2023. The draft financial plan was considered by the IJB Performance, Finance and Quality Committee on 13 April 2023. The plan identified a forecast deficit of £25.128 million, as well as savings proposals of £11.730 million to be achieved over more than one year. £9.160 million of recurring savings are planned for 2023/24.

36. The financial plan for 2023/24 approved by the IJB Board delegates budget of £365.044 million to NHS Dumfries and Galloway and £107.191 million to Dumfries and Galloway Council, to be spent in line with the IJB's Strategic Plan and savings and cost reductions identified.

To support the 3 year strategic commissioning plan and demonstrate the financial sustainability of services, medium term financial planning should be developed

37. In our annual audit plan we identified financial sustainability of the IJB as a wider scope audit risk for focus as part of our audit. We note the challenging position for 2023/24. The IJB is also yet to develop a medium term financial plan to underpin its 3 year strategic commissioning plan. The Chief Finance Officer highlighted in the agreed management action to this recommendation in the 2021/22 Annual Audit Report that the development of a longer term financial plan for the IJB remains challenging given the one year nature of financial settlements, the volatility of spend and the uncertainty of funding. Work has focussed on development of the Financial Recovery Plan and a full rebasing of costs and pressures was carried out as part of the development of the 2023/24 budget.

Recommendation 1

A medium term financial plan should be prepared for the IJB to support the strategic commissioning plan.

Financial systems of internal control operated effectively

38. The IJB is reliant on the systems of its partner bodies, NHS Dumfries and Galloway, and Dumfries and Galloway Council, for its key financial systems, including ledger and payroll. All IJB transactions are processed through the respective partners' systems and all controls over those systems are within the partner bodies rather than the IJB.

39. As part of our audit approach, we sought assurances from the external auditors of NHS Dumfries and Galloway and Dumfries and Galloway Council (in accordance with ISA 402) and confirmed there were no weaknesses in the systems of internal control for either the health board or the council.

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

40. The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at NHS Dumfries and Galloway and Dumfries and Galloway Council through consideration of the work by partner body auditors and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the websites of the partner bodies.

41. Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

The IJB has produced an annual climate change report in line with Scottish Government guidance

42. The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 came into force in November 2015, as secondary legislation made under the Climate Change (Scotland) Act 2009. This requires bodies to prepare reports on compliance with climate change duties. This includes Integration Joint Boards established by order under section 9(2) of the Public Bodies (Joint Working) (Scotland) Act 2014.

43. Scottish Government guidance was issued to IJBs in May 2017, setting out detail of the new duty to produce an annual climate change report. The report requires to be approved by the IJB Board, with returns to be submitted on the Sustainable Scotland Network (SSN) online portal by 30 November each year. The [2021/22 Climate Change Report](#) for the IJB has been submitted to SSN.

3. Vision, leadership and governance

Public sector bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Main Judgements

The IJB has appropriate governance arrangements in place that support the scrutiny of decisions by the Board and operated effectively.

An updated Integration Scheme is due to be completed later in 2023.

The Strategic Commissioning Plan (SCP) 2022-25 sets out the IJB's priorities

44. The IJB's SCP 2022-25 outlines the IJB's aims for delivering transformational change and sets out its:

- Vision and strategic direction
- Model of Health and Social Care and Support (Model of Care)
- Strategic Commissioning Intentions (SCIs)
- Tactical Priorities (TPs)
- Legislative tools available to the IJB for delivery of the SCP
- Partnership's approach to move from strategy to delivery
- Risks and challenges to delivery.

45. During 2022/23, the IJB focussed on delivering the SCP by mapping the actions from its Annual Delivery Plan (ADP) to the SCIs, Directions and the local Tactical Priorities. This approach aims to ensure the activities of the operational directorates within the IJB are aligned to the strategic direction agreed by the IJB Board. In addition, through a facilitated workshop and subsequent targeted development and support, the IJB worked with colleagues from the third sector and independent provider partners to identify, develop and begin to deliver their innovative ideas to help the IJB realise a new agreed model of care. The IJB will

draw learning from both of these approaches as it plans and implements the methods for delivery of the SCP in 2023/24 and beyond.

The Integration Scheme is currently being reviewed

46. The Public Bodies (Joint Working) (Scotland) Act 2014, places a legal duty on councils and health boards to review the Integration Schemes at least every 5 years to consider whether any changes are necessary or desirable. The Integration Scheme for the IJB was last updated in 2018.

47. In March 2020, the Scottish Government instructed that health boards and councils should ensure that, if their scheme was due for review, they should jointly carry out the minimum requirement of a review, and that this is acknowledged jointly and formally. This review can note anything that requires further work between partners and set out plans for the completion of that work at a later date, including the production of a successor scheme.

48. The light touch review undertaken for the IJB in 2020 detailed what it wanted to change but was not a fully consulted-on replacement scheme. That being the case, the review was sufficient to meet the requirements set out above. However, the task at that point was to develop those changes, consult on them, and submit the new scheme to Scottish Government for approval. In September 2020, a revised Integration Scheme following the light touch review was submitted. However, as this review did not include the necessary consultation laid out in legislation, formal approval was not granted.

49. Therefore, over the last few months of 2022/23, a review of the Integration Scheme has taken place between the IJB, health board and council. A refreshed Integration Scheme is in the process of being drafted based on the workshops that have taken place and will be completed later in 2023.

Governance arrangements are appropriate and operate effectively

50. The IJB has established governance arrangements in place. The IJB has previously agreed to undertake a review of the Scheme of Delegation to committees and officers during this year and a Short Life Working Group was formed to progress this looking at the IJB and committee structure. This work was concluded during 2022/23 with the new committees established from October 2022 as follows:

- Finance, Performance and Quality Committee
- Strategic Planning Delivery and Commissioning Committee
- Transformation and Innovation Futures Committee
- Audit, Risk and Governance Committee.

51. All IJB Board meetings and committees took place via remote conferencing in 2022/23. Members of the public were able to attend open meetings where

requested, and recordings of meetings are available on the website along with relevant papers and minutes.

52. We consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making. Meetings continue to be held in a virtual environment in line with Scottish Government guidance.

Changes to the IJB Board

53. The Chair of the IJB stood down on at the meeting of the IJB Board on 23 March 2023 and a new Chair was appointed from the Dumfries and Galloway Council membership and assumed the position from 1 April 2023.

54. Following the changes in the Administration at Dumfries and Galloway Council and Revised Membership of Outside Bodies changes were made to the elected members appointed to the IJB.

4. Use of resources to improve outcomes

Public sector bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.

Main Judgements

Performance management arrangements are effective with indicators and targets kept under review, but the annual performance report is still to be published.

An annual assessment of Best Value should be reflected in the Annual Governance Statement.

The number of national core performance indicators meeting or exceeding target has declined compared to the previous year, and those outwith acceptable standards have increased.

Performance management arrangements are effective with indicators and targets kept under review

56. The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

57. The [Annual Performance Report for 2022/23](#) was presented to the IJB Finance, Performance and Quality Committee meeting of 5 July 2023 in draft as some national indicators have not been published. The report focusses on the 3 mechanisms by which the IJB influences health and social care:

- developing strategy, plans and frameworks (strategic planning and commissioning)
- deciding how to use the integrated budget and
- agreeing with the NHS board and council what to commission and how to use the integrated budget to deliver the Strategic Commissioning Plan (issuing Directions)

58. The IJB has effective arrangements in place for managing and reviewing performance. The Finance, Performance and Quality Committee maintains oversight of the following at their quarterly meetings:

- Finance/Delegated Budget, Financial Plan
- Performance and Business Intelligence
- Quality Assurance Reports
- Annual Performance Report.

59. The IJB has appropriate arrangements in place for considering and reviewing national reports including any locally agreed actions.

The IJB's annual performance report for 2022/23 has yet to be finalised

60. Integration authorities are required to publish an Annual Performance Report by the end of July each year. As noted above, the IJB's Annual Performance Report for 2022/23 is currently in draft and is the first report relating to the new Strategic Commissioning Plan (SCP). The Performance Management Framework developed to support the SCP takes a broader, population health and longer term population outcomes approach. Some national indicators have not yet been published and the report will be published in final version as soon as all information is available.

The number of national core performance indicators meeting or exceeding target has declined compared to the previous year, and those outwith acceptable standards have increased

61. The draft Annual Performance Report for 2022/23 provides year on year trend analysis data for national core performance indicators. The report shows for the 20 national core indicators where data is published annually, 2022/23 data for 5 indicators has not yet been published. For the 15 indicators where 2022/23 has been published, 7 indicators are shown as meeting or exceeding the target, 1 indicator is shown as being within 3 per cent of meeting the target and 7 indicators are shown as being more than 3 per cent away from meeting the target. The performance of the 15 indicators where 2022/23 data has been published is included at [Exhibit 3](#) overleaf, alongside the performance of the same 15 indicators in 2021/22.

Exhibit 3 National core performance indicators



Source: Dumfries and Galloway IJB Draft 2022/23 Annual Performance Report

Arrangements are in place to secure Best Value, however these should be reported to IJB Board members more regularly

62. Integration authorities have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards the strategic objectives and holding partners to account.

63. The 2021/22 Annual Audit Report from Grant Thornton, the IJB's previous external auditor, highlighted that they had followed up a recommendation made in 2020/21 for the IJB to develop a Best Value assurance framework, by mapping our Best Value assurances across the IJB as well as the partner organisations. Grant Thornton highlighted that, although assurances were in place from both partner organisations in respect of Best Value, the IJB was continuing to develop its reporting on how it evidences the achievement of Best Value.

64. In June 2021 a report was presented to the Audit, Risk and Governance Committee which included the IJB's Best Value Assurance Statement. There is a section in the IJB's 2022/23 draft Annual Performance Report in relation to Best Value which includes a link to this Best Value Assurance Statement. The IJB's 2022/23 Best Value Assurance Statement was presented to the Audit, Risk and Governance Committee on 14 September 2023 as part of a governance update report. However, this assurance statement needs to be reflected in the Annual Governance Statement included in the IJB's Annual Accounts to demonstrate how the IJB is achieving Best Value across the eight Best Value themes.

Recommendation 2

The IJB should complete the Best Value Assessment Statement on an annual basis to confirm that the IJB arrangements for Best Value remain fit for purpose and include details in the Annual Governance Statement.

Appendix 1. Action Plan 2022/23

2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Financial Sustainability</p> <p>The IJB has yet to develop a medium-term financial plan to demonstrate how services will be sustained in the future.</p>	<p>A medium term financial plan should be prepared for the IJB to support the strategic commissioning plan.</p> <p>Paragraph 37</p>	<p>This will be reviewed and developed as part of the 2024/25 budget process.</p> <p>Chief Finance Officer</p> <p>June 2024</p>
<p>2. Achievement of Best Value</p> <p>Although a Best Value Assurance Statement was produced for 2022/23, the details have not been included in the Annual Governance Statement in the IJB’s Annual Accounts in order to demonstrate how the IJB achieves Best Value across the eight key themes.</p>	<p>The IJB should complete the Best Value Assessment Statement on an annual basis to confirm that the IJB arrangements for Best Value remain fit for purpose and include details in the Annual Governance Statement.</p> <p>Paragraph 64</p>	<p>We will bring forward our timescales for reviewing our Best Value Assurance Statement and incorporate earlier into our processes for assurance and review.</p> <p>Chief Officer</p> <p>June 2024</p>

Follow-up of prior year recommendations made by Grant Thornton in the 2021/ 22 External Audit Report

Issue/risk	Agreed management action/timing
<p>b/f 1. Longer term financial planning</p> <p>The IJB's strategic commissioning plan (2022-2025) sets out the IJB priorities for the next 3 years. It is the intention of the Chief Finance Officer to produce a medium term financial strategy, which underpins the commissioning plan. However, it is recognised that funding, to the IJB continues to be on an annual basis, and due to Covid, with additional monies being received, at times later on, in the financial year, this has made forecasting over a longer period difficult.</p>	<p>Management response in 2021/22: The development of a longer term financial plan for the IJB remains challenging given the one year nature of financial settlements, the volatility of spend and the uncertainty of funding. Work has progressed around the development of the Financial Recovery Plan and a full rebasing of cost and pressures are planned as part of the development of the budget for 2023/24.</p> <p>Progress update: this has not been progressed, see 2022/23 Action Plan point 1 above.</p>

Dumfries and Galloway Integration Joint Board

2022/23 Annual Audit Report

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