

# North Lanarkshire Integration Joint Board

2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for North Lanarkshire Integration Joint Board and the Controller of Audit  
October 2023

# Contents

---

Key messages	3
Introduction	5
1. Audit of 2022/23 annual accounts	7
2. Financial management	11
3. Financial sustainability	14
4. Vision, leadership and governance	17
5. Use of resources to improve outcomes	19
Appendix 1. Action plan 2022/23	21

---

# Key messages

---

## 2022/23 annual accounts

- 1 Audit opinions on the annual accounts of the North Lanarkshire Integration Joint Board are unmodified. The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

## Financial management and sustainability

- 2 North Lanarkshire IJB report a deficit on the provision of services of £21.506 million in 2022/23. The outturn position includes planned use of reserves in year. The underlying operational performance was an underspend of £35.495 million primarily driven through underspends in employee costs and funding earmarked for initiatives in future years.
- 3 The IJB has appropriate and effective financial management arrangements in place. However, there are opportunities to further enhance financial management reports to provide an overarching position of the IJB.
- 4 The IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2022/23 General Fund Reserves decreased by £21.5 million to £97.4 million – this included the transfer of the underspend into reserves, as well as drawdown of reserves and the Scottish Government's "reclaim" of unspent Covid-19 funding.

## Vision, leadership and governance, and use of resources to improve outcome

- 5 The governance arrangements are appropriate and operate effectively. There is effective scrutiny, challenge and informed decision making
- 6 The Integration Scheme which outlines the services which North Lanarkshire IJB will deliver and the roles and responsibilities for the partnership was revised in October 2023.

## Use of resources to improve outcome

- 7 North Lanarkshire IJB has appropriate arrangements in place for securing Best Value and these continue to be developed reflecting the financial and operational challenges faced.

- 8 IJB performance has been mixed with an increase in unscheduled bed days and delayed discharge in 2022/23, while A&E attendance has decreased.

---

# Introduction

---

**1.** This report summarises the findings from the 2022/23 annual audit of North Lanarkshire Integration Joint Board (North Lanarkshire IJB). The scope of the audit was set out in an annual audit plan presented to the 22 March 2023 meeting of the Board. This Annual Audit Report comprises:

- significant matters arising from an audit of North Lanarkshire 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.
- conclusions on North Lanarkshire IJB's arrangements for meeting its Best Value duties

**2.** This report is addressed to the board of North Lanarkshire IJB and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Audit appointment from 2022/23

**3.** I, John Boyd, have been appointed by the Accounts Commission as auditor of North Lanarkshire 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 board 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.** North Lanarkshire 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. North Lanarkshire 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 North Lanarkshire 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 and 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 North Lanarkshire 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

Audit opinions on the annual accounts of the IJB are unmodified.

The unaudited accounts were of a good quality and there were no material changes to the accounts.

---

## Audit opinions on the annual accounts are unmodified

**11.** The Performance, Finance and Audit Committee approved the annual accounts for North Lanarkshire IJB for the year ended 31 March 2023 on 21 June 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 £14.7 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](#).

---

## Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£14.7 million
Performance materiality	£11.0 million
Reporting threshold	£250 thousand

---

**14.** The overall materiality threshold for the audit of the annual accounts of North Lanarkshire 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% of overall materiality, reflecting a history of minimal errors and no significant issues noted during planning or from the previous 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 board, 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.

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

**20.** 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><b>1. Risk of management override of controls</b></p> <p>International Auditing Standards require that audits are planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<ul style="list-style-type: none"> <li>Agreement of balances and transactions of North Lanarkshire Council and NHS Lanarkshire financial reports / ledger / correspondence.</li> <li>Assurances will be obtained from the auditors of NHS Lanarkshire and North Lanarkshire Council over the completeness, accuracy and allocation of income and expenditure.</li> <li>Review of significant adjustments at year-end where we consider there to be greatest risk of material misstatement through management override of controls.</li> <li>Review of financial monitoring reports during the year.</li> </ul>	<p>We undertook agreement of balances and transactions.</p> <p>We obtained assurances from the auditors of NHS Lanarkshire and North Lanarkshire Council.</p> <p>We also reviewed significant adjustments of year-end and financial monitoring reports during the year.</p> <p><b>Conclusion: We did not identify any incidents of management override of controls or indications of fraud or error.</b></p>

Source: Audit Scotland

**21.** In addition, we identified “areas of audit focus” in our 2022/23 Annual Audit Plan where we considered there to be risks of material misstatement to the financial statements. These areas of specific audit focus were:

- IJB funding** – The Scottish Government wrote to all IJBs in September 2022 indicating that, due to changes in public health policy, it intended to reclaim and re-distribute some IJB reserves which relate to Covid-19 funding to meet current Covid-19 priorities. It is anticipated that this will be achieved through a reduction in NHS funding allocations, ultimately reducing NHS Lanarkshire’s funding contribution to the IJB.

**22.** We reviewed the disclosures relating to Covid-19 funding as part of our audit. Based on the findings of the audit procedures performed, there are no matters which we need to bring to your attention.

### **There were no identified misstatements to the primary financial statements**

**23.** Our audit identified no misstatements to the primary financial statements above our reporting threshold. We identified a number of presentational adjustments to the accounts including related party disclosures and amendments to the notes to the accounts to enhance disclosures.

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

**24.** The unaudited annual accounts were received in line with our agreed audit timetable on 22 June 2023. The accounts and supporting working papers were of a good quality.

### **Good progress was made on prior year recommendations**

**25.** North Lanarkshire IJB has made good progress in implementing the audit recommendations identified by Audit Scotland, their previous external auditor. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

---

## 2. Financial management

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively.

---

### Conclusion

North Lanarkshire IJB report a deficit on the provision of services of £21.506 million in 2022/23. The outturn position includes planned use of reserves in year. The underlying operational performance was an underspend of £35.495 million primarily driven through underspends in employee costs and funding earmarked for initiatives in future years.

The IJB has appropriate and effective financial management arrangements in place. However, there are opportunities to further enhance financial management reports to provide an overarching position of the IJB.

The IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2022/23 General Fund Reserves decreased by £21.5 million to £97.4 million – this included the transfer of the underspend into reserves, as well as drawdown of reserves and the Scottish Government's "reclaim" of unspent Covid-19 funding.

---

**North Lanarkshire IJB report a deficit on the provision of services of £21.506 million in 2022/23. The outturn position includes planned use of reserves in year. The underlying operational performance was an underspend of £35.495 million primarily driven through underspends in employee costs and funding earmarked for initiatives in future years.**

**26.** The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records.

**27.** The IJB have reported a deficit on the provision of services of £21.506 million. The IJB original budget had included planned use of reserves of £31.193 million. However, the outturn position reflected an underlying operational underspend of £35.495 million against budget. This was primarily

through underspends of £17.377 million in employee costs due to ongoing recruitment and retention challenges across all service areas. There was also additional funding for Mental Health, Alcohol and Drug Partnership, and HSCP Planning, which will be carried forward to 2023/24 and allocated against new spending plans.

**28.** North Lanarkshire IJB's underlying financial position is reflected in the movement in General Fund Reserves. During 2022/23 General Fund Reserves decreased by £21.5 million to £97.4 million. This movement included the transfer of the underspend into reserves, the Scottish Government's "reclaim" of unspent Covid-19 funding of £25.9 million which was transferred through a reduction in IJB contributions from NHS Lanarkshire. Reserves have been allocated to meet future ring-fenced commitments, including those in the strategic commissioning plan and support the IJB in addressing future forecast funding gaps.

### **Budget monitoring arrangements are appropriate but there is scope to improve the reports to provide greater clarity over the overarching financial position of the IJB**

**29.** Detailed budget monitoring reports were submitted to the IJB Board throughout the year. The outturn to date and projected year-end outturn position were stated in these reports while the actual year-end outturn position was in line with expectations. There is considerable detail in the reports, including operational details provided by the partners NHS Lanarkshire and North Lanarkshire Council. There is an opportunity to provide a summary position for the overall IJB to provide greater linkage between the detailed budget information, the overall holistic position of the IJB and how this aligns to the IJB's financial strategy and reserves strategy. We are satisfied that the information provided is complete and accurate however a summary of the information as described would provide greater clarity for the IJB and other stakeholders.

---

## **Recommendation 1**

The IJB performance monitoring reports provide detailed operational financial performance information over IJB activity at North Lanarkshire Council and NHS Lanarkshire. However, there is an opportunity to enhance the current financial reporting to provide an overview of the overarching IJB performance.

---

**30.** We observed that senior management and members receive regular and accurate financial information on the IJB's financial position and have concluded the IJB has appropriate budget monitoring arrangements.

## **North Lanarkshire IJB has appropriate financial control arrangements in place**

**31.** North Lanarkshire IJB does not have its own financial systems and instead relies on partner bodies' financial systems. All financial transactions are therefore processed under the partner bodies' internal controls.

**32.** As part of our audit approach, we sought assurances from the external auditor of NHS Lanarkshire and North Lanarkshire Council. Neither the health board nor council auditors reported any significant weaknesses that could result in a risk to the annual accounts of the IJB.

## **Informed by work carried out by internal audit throughout the year, the IJB have concluded that they can place a reasonable level of assurance over the adequacy and effectiveness of the partnership's framework of governance, risk management and internal control arrangements for the year ending 31 March 2023.**

**33.** Internal audit provides the Joint Board with independent assurance on risk management, internal control and corporate governance processes. North Lanarkshire IJB's internal audit function is carried out on a joint basis by the Chief Auditors of NHS Lanarkshire and North Lanarkshire Council, who have now completed their 2022/23 audit work.

**34.** Based on the audit work undertaken directly on behalf of the IJB and being informed by internal audit, work undertaken independently by each respective internal audit function with North Lanarkshire Council and NHS Lanarkshire, the NHS Lanarkshire Chief Internal Auditor and the North Lanarkshire Council Chief Officer of Audit and Risk are able to conclude that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the North Lanarkshire IJB's framework of governance, risk management and internal controls.

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

**35.** In the public sector there are specific fraud risks, including those relating to tax receipts, welfare benefits, grants and other claims made by individuals and organisations. Public sector bodies are responsible for implementing effective systems of internal control, including internal audit, which safeguard public assets and prevent and detect fraud, error and irregularities, bribery and corruption.

**36.** North Lanarkshire IJB has adequate arrangements in place to prevent and detect fraud or other irregularities.

**37.** 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.

---

# 3. Financial sustainability

Financial Sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

---

---

## Conclusion

The IJB has established a reserves strategy. However, the IJB should develop longer term financial plans to demonstrate the longer term sustainability of the IJB and the delivery of services.

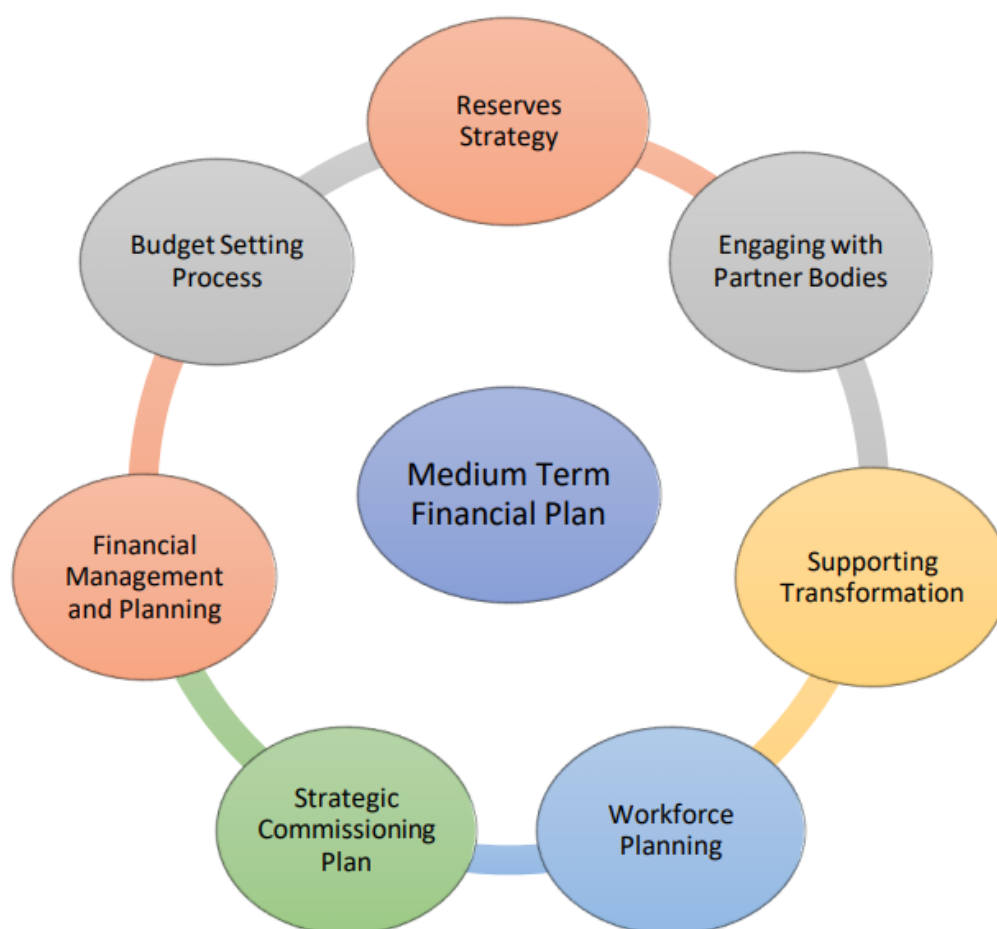
---

**38.** The IJB's medium term plan is aligned to the Strategic Commissioning Plan 2023/26. The plan reflects the impact of recovery from Covid-19 and the wider challenges facing the entity. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

**39.** North Lanarkshire IJB approved the Medium-Term Financial Plan 2023-2026 and the Reserves Strategy at the Joint Board meeting on 22 March 2023.

**40.** It was important for the IJB to prioritise having a refreshed Medium Term Financial Plan in place which takes account of the impact of Covid-19 and other challenging factors including cost pressures and service demands. The plan is aligned to wider strategies and plans as defined in [Exhibit 3](#) below to ensure that financial and operational plans are aligned.

### Exhibit 3 Medium Term Financial Plan and wider financial and operational plans



Source: 2021/22 North Lanarkshire IJB Annual Accounts

**The IJB has established a reserves strategy. However, the IJB should develop longer term financial plans to demonstrate the longer term sustainability of the IJB and the delivery of services.**

**41.** The IJB has developed a reserves strategy to demonstrate how the entity protects against unexpected costs pressures and to aid financial sustainability. The Reserves Strategy aims at holding contingency reserves of 3% of annual budget.

**42.** As at 31 March 2022/23 the IJB held contingency reserves of £7.885 million, representing 3% of budget and in accordance with this strategy. The IJB has committed actions attached to the Strategic Commissioning plan and reserves are held that are earmarked to these commitments.

**43.** The IJB recognises that it faces significant financial challenges over the coming years. This includes the impact of inflationary pressures on pay and non-pay costs, demographic growth and demand pressures and uncertainty around future funding. The IJB recognises that transformational change is

required to allow the IJB to deliver health and social care services in a sustainable way.

**44.** The IJB has developed a medium-term financial plan into a three-year plan as opposed to a longer term strategy. This reflected the pending formation of the National Care Service and the continued uncertainty surrounding future funding.

**45.** While we recognise the uncertainty facing the IJB, it is important that there is a clear strategic focus to ensure that transformational activity and decision making is taken in the context of the IJB's longer term financial outlook so that health and social care services are financially sustainable over the longer term.

---

## **Recommendation 2**

A medium term financial plan has been developed which reflects the impact of Covid-19 and the Strategic Commissioning Plan 2023/26. However, a longer term financial strategy should be developed to demonstrate the IJBs longer-term financial sustainability and resilience.

---



---

# 4. 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.

---

## Conclusion

The governance arrangements are appropriate and operate effectively. There is effective scrutiny, challenge and informed decision making

The Integration Scheme which outlines the services which North Lanarkshire IJB will deliver and the roles and responsibilities for the partnership was revised in October 2023.

---

## **Governance arrangements are appropriate and operate effectively and there is effective scrutiny, challenge and informed decision making**

**46.** The IJB has well established governance arrangements with the IJB Board supported through the Performance, Finance and Audit Committee.

From review of committee and Board papers and through attendance at committee meetings throughout the year we have found that these are conducted in a professional manner and there is a good degree of scrutiny and challenge by members.

**47.** We consider that governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

The IJB's Strategic Plan defines its vision and the Strategic Commissioning Plan clearly outlines its priorities and strategy for delivering this over the next three years.

**48.** The long-term vision for North Lanarkshire HSCP was set out in the original Strategic Plan 2016/2026. While this remains relevant, the IJB's Strategic Commissioning Plan 2023/26 compliments this, setting out the IJB's commitment to achieve long-term ambitions. The Strategic Commissioning

Plan recognising the importance of partnership working to support the transformational change to improve health and wellbeing in the area.

**49.** The Strategic Commissioning Plan is underpinned by the IJB's Medium Term Financial Plan 2023-2026. These form the basis of annual planning process and budgets.

### **Finance capacity has been increased with the appointment of a new Chief Finance Officer for the IJB**

**50.** There was a change in senior officers in year as a Chief Finance Officer (CFO) was appointed to be the full-time CFO for North Lanarkshire IJB. The previous CFO had responsibility for North and South Lanarkshire IJBs until a decision was taken by the Joint Boards to create a full-time CFO position for each of the IJBs.

### **Climate change arrangements**

**51.** The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75% reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in ensuring these targets are met and in adapting to the impacts of climate change.

**52.** North Lanarkshire IJB is required to comply with the Climate Change (Scotland) Act 2009. Climate change is considered through key decision making as being a standard item for consideration on documents to the IJB Board committees to ensure climate change implications are subject to evaluation. As part of our audit work over NHS Lanarkshire and North Lanarkshire Council we consider the arrangements in place over climate change.

**53.** The Auditor General and Accounts Commission are developing a programme of work on climate change. This involves a blend of climate change-specific outputs that focus on key issues and challenges as well as moving towards integrating climate change considerations into all aspects of audit work.

---

# 5. 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.

---

---

## Conclusion

North Lanarkshire IJB has appropriate arrangements in place for securing Best Value

---

### Performance reporting was of an acceptable standard

**54.** 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.

**55.** The management commentary reported the financial performance of the IJB including the financial outturn and the impact on reserves.

### North Lanarkshire IJB has appropriate arrangements in place for securing Best Value

**56.** Integration Joint Boards 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 their strategic objectives and holding partners to account.

**57.** North Lanarkshire IJB carried out a self-assessment exercise in 2021, with the results reported to the Joint Board on 31 August 2022. While good practice areas were identified by the exercise, it also identified three areas for improvement:

- Evidencing how health and social care spending contribute to prevention and early intervention
- Embedding learning and new ways of working in the IJB from the response to the pandemic to ensure plans and governance are fit for purpose

- Reviewing how performance information is used by the IJB to ensure it is timely, relevant and provides a good measure of progress.

**58.** There has been ongoing monitoring of each of these three areas against an improvement plan throughout 2022/23. All proposed improvement actions were deemed to be complete as at the Performance, Finance and Audit Committee meeting on 19 April 2023.

**IJB performance has been mixed with an increase in unscheduled bed days and delayed discharge in 2022/23, while A&E attendance has decreased.**

**59.** 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.

**60.** The Board has continued to monitor key performance targets throughout the year, with the 2022/23 Annual Performance Report having been taken to the October meeting of the Performance, Finance and Audit Committee.

**61.** Performance reports cover the six ministerial steering group performance measures. Performance in 2022/23 against these measures has been mixed. There was a reduction in the number of A&E attendances, however there was a deterioration in the number of unscheduled hospital bed days and acute bed days lost to delayed discharges.

# Appendix 1. Action plan 2022/23

## 2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Financial performance reports</b></p> <p>The IJB performance monitoring reports provide detailed operational financial performance information over IJB activity at North Lanarkshire Council and NHS Lanarkshire. However, there is an opportunity to enhance the current financial reporting to provide an overview of the overarching IJB performance.</p> <p>Risk – There is a risk that budget monitoring reports focus on operational financial challenges and lose focus on wider overarching financial performance of the IJB.</p>	<p>As a Strategic commissioning body the IJB should ensure that its financial performance reports retain a holistic view of the IJBs financial performance as a whole and continue to align to the reserves strategy and financial strategy.</p> <p><a href="#">Paragraph 30</a></p>	<p>The financial reports will be further defined to give an overview in the delivery of services against the overall funding aligned to the Strategic Commissioning Plan and Medium Term Financial Plan/Long Term Financial Plan including earmarked reserves. It will also include progress in respect of any future saving plans. Individual detailed reports including priorities and outcomes will also be presented to the IJB as agreed within the programme of works.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2024</p>
<p><b>2. Longer Term Financial Plan</b></p> <p>A medium term financial plan has been developed which reflects the impact of Covid-19 and the Strategic Commissioning Plan 2023/26. However, the IJB does not have a longer term financial plan in place.</p> <p>Risk – There is a risk that as the IJB faces significant</p>	<p>The IJB should develop a longer term financial plan to demonstrate the longer term financial sustainability and help support longer term strategic planning and decision making.</p> <p><a href="#">Paragraph 46</a></p>	<p>Chief Finance Officer will work towards producing a longer term financial plan which will be reflective of the information known to date.</p> <p>Future amendments will be necessary to align the long term plan to the pending formation of the National Care Service and the continuing uncertainty around future funding.</p>

Issue/risk	Recommendation	Agreed management action/timing
financial and operational challenges and services are transformed, that decisions around these are not aligned to longer term financial plans to support financial sustainability.		Responsible officer: Chief Finance Officer Agreed date: March 2024

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>PY1. Accounts inspection advert</b></p> <p>The notice of inspection should state the objection end date and the advert should be posted on the IJB website in addition to the North Lanarkshire Council website.</p>	<p>The IJB should ensure it has procedures in place to ensure the accounts inspection advert is published in line with criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.</p>	<p><b>Complete</b></p> <p>The advert and timing of the notice of publication of the unaudited accounts for 22/23 were reviewed, and they were worded and published in line with the criteria set out in the Local Authority Accounts (Scotland) Regulations 2014.</p>
<p><b>PY2. Reserves Strategy</b></p> <p>There are significant reserves held at 31 March 2022. A reserves strategy for 2022/23 which sets out how and when monies will be spent, has not yet been developed.</p>	<p>The IJB should develop a reserves strategy for 2022/23 which sets out how and when monies will be spent.</p>	<p><b>Complete</b></p> <p>The 2022/23 Reserves Strategy was approved by the Board on 22 March 2023.</p>
<p><b>PY3. Review of Financial Regulations</b></p> <p>The financial regulations were approved on 8 March 2016. They require to be updated to reflect the budget disaggregation of Children, Families and Justice Services and to also note the arrangements for the management of financial resources for hosted services.</p>	<p>The financial regulations should be reviewed to ensure they remain up-to-date and fit for purpose.</p>	<p><b>Complete</b></p> <p>The financial regulations have been updated in line with recommendations, and were approved by the Performance, Finance and Audit Committee on 15 February 2023.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p><b>PY4. Website refresh (b/f from 2020/21)</b></p> <p>Sections of the North Lanarkshire IJB website are outdated. Children’s, families and justice social work services are still noted as being devolved services. There is scope for improved transparency through the website.</p>	<p>It should be clear who has ownership for the website and responsibility for maintaining it.</p> <p>The website should be refreshed to reflect the IJB’s current operating model.</p>	<p><b>Complete</b></p> <p>The refreshed website was launched at the end of February 2023.</p>
<p><b>PY5. Medium to long term financial plan (b/f from 2019/20)</b></p> <p>The IJB has a medium to long term financial plan that spans the period 2020/21 to 2029/30 but this will need to be updated to reflect the impact of Covid-19 and EU withdrawal.</p>	<p>The IJB’s medium to long term financial plan should be reviewed due to the impact of Covid-19 and EU withdrawal.</p>	<p><b>Complete</b></p> <p>The IJB now have a Medium Term Financial Plan 2023-2026 which was approved by the Board on 22 March 2023.</p>

# North Lanarkshire Integration Joint Board

## 2022/23 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

For the latest news follow us on social media or

[subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)