

# Dundee City Integration Joint Board

## 2021/22 Annual Audit Report



 AUDIT SCOTLAND

Prepared for Dundee City Integration Joint Board and the Controller of Audit  
23 November 2022

---

# Contents

---

Key messages	3
Introduction	5
1. Audit of 2021/22 annual accounts	8
2. Financial management and sustainability	12
3. Governance, transparency and Best Value	19
Appendix 1. Action plan 2021/22	28
Appendix 2. Wider audit dimension risks	32
Appendix 3. National performance reports	34

---

# Key messages

---

## 2021/22 annual accounts

- 1 Our audit opinions on the annual accounts of the Dundee City 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.
- 2 The 2021/22 annual accounts were submitted for audit in line with the agreed timetable, and signed off following completion of the audit in November 2022.

## Financial management and sustainability

- 3 Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The Dundee City Integration Joint Board had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges that impacted on its capacity to progress its planned service developments.
- 4 The Joint Board has appropriate and effective financial management arrangements in place and financial systems of internal control operated effectively. Budget monitoring arrangements are appropriate and some improvements have been made to the reporting of expenditure against Covid-19 and Scottish Government funding streams.
- 5 Covid-19 had a significant impact on the 2021/22 year-end budget position. The Joint Board received £17.4 million of Covid-19 related funding in 2021/22 and utilised £7.9 million. This £9.5 million of unspent Covid-19 funding, and lower than anticipated activity, contributed to an overall underspend of £25.2 million for 2021/22.
- 6 £29.1 million of the Joint Board's general fund balance at 31 March 2022 has been earmarked to fund expenditure in future years. However, the availability of these funds may be impacted if the Scottish Government look to recover prior year unspent Covid-19 funding from IJBs during 2022/23.
- 7 In June 2022 the Joint Board approved its second five-year financial framework covering the period 2022/23 to 2026/27. This projects a potential funding gap of £25.2 million up to the end of 2026/27. Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans.

- 8 Staff pay awards are expected to be higher than those currently included in the framework. This will add to the Joint Board's budgetary pressures.

## **Governance, Transparency and Best Value**

- 9 The Joint Board had appropriate governance arrangements in place to support scrutiny of decision-making during 2021/22 and conducted its business in an open and transparent manner.
- 10 Members training and development should be supported on an ongoing basis.
- 11 Arrangements are in place to demonstrate Best Value, but a formal reporting cycle is still to be introduced.
- 12 The Joint Board has effective arrangements in place for managing and scrutinising performance and publishing an annual performance report. The performance data in the annual performance report shows a mixed picture, with performance against 8 of the national indicators better than last year and 8 worse than last year. Longer-term performance data highlights the extent of the challenges facing the Joint Board in restoring performance to pre-pandemic levels with performance against 13 of the national indicators worse than in 2015/16.
- 13 The Scottish Government's proposals for a new National Care Service have the potential to significantly change the way that social care services are structured and operate.

---

# Introduction

---

## Scope of our audit

1. This report summarises the findings arising from the 2021/22 audit of Dundee City Integration Joint Board (the Joint Board). The scope of the audit was set out in our Annual Audit Plan presented to the April 2022 meeting of the Integration Joint Board. This report comprises the findings from:

- our audit of the Dundee City Integration Joint Board's annual accounts
- our consideration of the wider dimensions of public sector audit (financial management, financial sustainability, governance and transparency, and value for money) as set out in the [Code of Audit Practice 2016](#).

## Continuing impact of Covid-19

2. As highlighted in our Annual Audit Plan, in common with all public bodies, the Joint Board continues to deal with the operational and financial impact of the Covid-19 pandemic. Known risks related to the pandemic were included in our plan, and we have adapted our audit work during the year to address any new risks that have emerged.

## Adding value through the audit

3. We aim to add value to the Joint Board and help promote improved standards of governance, better management and decision-making, and more effective use of resources, by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvement that are accepted by management
- providing clear and focussed conclusions on the appropriateness effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports and briefing papers as outlined at [Appendix 3](#).

## Auditor independence

4. Auditors appointed by the Accounts Commission must comply with the [Code of Audit Practice 2016](#) and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by

the Financial Reporting Council and those of the professional accountancy bodies.

**5.** 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 2021/22 audit fee of £27,960, as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

## Responsibilities

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

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

**8.** As public sector auditors we give independent opinions on the annual accounts. We also review and provide conclusions on the effectiveness of the Joint Board's performance management arrangements, suitability and effectiveness of corporate governance arrangements, its financial position and financial sustainability, and the arrangements in place for securing Best Value.

**9.** Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

## Audit reporting

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

**11.** An agreed action plan setting our specific recommendations, responsible officers and dates for implementation is included at [Appendix 1](#).

**12.** This report is addressed to both the members of the Joint Board 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).

## External audit appointment for 2022/23 to 2026/27

**13.** The Accounts Commission is responsible for the appointment of external auditors for local government bodies. External auditors are appointed from either Audit Scotland's Audit Services Group or private firms of accountants. The financial year 2021/22 is the last year of the current audit appointment round.

**14.** The procurement process for the new round of audit appointments covering 2022/23 to 2026/27 was completed in May 2022 and Audit Scotland has again been appointed as the external auditor for Dundee City Integration Joint Board. Although Audit Scotland remain the board's external auditors, to maintain the independence and objectivity of the audit team, the engagement lead and other staff working on the audit will be changed for the 2022/23 audit. The outgoing audit team will work with officers and the new audit team to ensure a smooth transition.

**15.** The new auditors will follow a new [Code of Audit Practice](#) which applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

## **Acknowledgment**

**16.** The audit team would like to thank all management and staff of Dundee City Integration Joint Board for their cooperation and assistance over the period of the audit appointment.

---

# 1. Audit of 2021/22 annual accounts

The annual accounts are the principal means of an organisation accounting for the stewardship of resources and its performance in using those resources.

---

## Main judgements

Our audit opinions on the annual accounts of the Dundee City 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.

The 2021/22 annual accounts were submitted for audit in line with the agreed timetable, and signed off following completion of the audit in November 2022.

---

## Our audit opinions on the annual accounts are unmodified

**17.** The annual accounts for the year ended 31 March 2022 were approved by the Performance and Audit Committee on 23 November 2022. We reported in the independent auditor's report that:

- 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, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with relevant regulations and guidance.

## The 2021/22 annual accounts were submitted for audit in line with the agreed timetable and signed off in November 2022

**18.** We received the unaudited annual accounts on 24 June 2022 in line with the agreed audit timetable. The annual accounts submitted for audit, and supporting working papers, were of a good standard. Finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

**19.** The original audit timetable set a target date for the certification of the 2021/22 annual accounts of 31 October 2022. However, due to pressure on audit resources we agreed with management in September that we would delay the sign off of the annual accounts by the end of November 2022.



## Our audit approach and testing reflected the overall materiality level of £3.0 million

**20.** Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the financial statements. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law). In forming our opinion on the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

**21.** Our initial assessment of materiality was carried out during the planning phase of the audit and was based on the financial results reported in the 2020/21 audited Annual Accounts. These materiality levels were reported in our Annual Audit Plan presented to the Integration Joint Board in April 2022.

**22.** On receipt of the unaudited 2021/22 Annual Accounts, we recalculated our materiality levels based on the financial results reported for the year ended 31 March 2022. Our audit approach and testing were adapted to reflect the recalculated materiality levels and our final materiality levels are detailed in [Exhibit 1](#).

---

### Exhibit 1 Materiality values

Materiality level	Amount
<b>Overall materiality:</b> This is the figure we use in assessing the overall impact of potential adjustments on the financial statements. It has been set at 1% of net expenditure for the year ended 31 March 2022.	£3.003 million
<b>Performance materiality:</b> 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. Using our professional judgement, we calculated performance materiality at 60% of overall materiality.	£1.802 million
<b>Reporting threshold:</b> We are required to report to those charged with governance on all unadjusted misstatements more than our 'reporting threshold' amount. This has been calculated at 4 per cent of overall materiality.	£0.120 million

Source: Audit Scotland

---

## Our audit identified and addressed the significant risks of material misstatement

**23.** The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit, we identified one significant risk of

material misstatement which could impact on the annual accounts. [Exhibit 2](#) details the work we undertook to address this risk and our conclusions from this work. We also identified three wider audit dimension risks for this year's audit as part of our responsibilities under the [Code of Audit Practice 2016](#). The audit findings on these risks are included within the relevant sections of this report and are summarised at [Appendix 2](#). These risks influenced our overall audit strategy and the allocation of staff resources to the audit.

## Exhibit 2

### Significant risk of material misstatement reported in the 2021/22 Annual Audit Plan

Audit risk	Audit response to risk	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by the management override of controls</b></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>Assurances were obtained from the auditors of Dundee City Council and NHS Tayside over the completeness, accuracy and allocation of income and expenditure.</p> <p>Consideration was also given as to whether any unusual material transactions were identified through our audit testing for any evidence of management override of controls.</p>	<p><b>Results:</b> Assurances were provided and reviewed by us. No issues were reported related to the completeness, accuracy and allocation of income and expenditure which would have an impact on the processing of IJB transactions or our audit approach.</p> <p>We did not identify any unusual material transactions during the course of the audit.</p> <p><b>Conclusion:</b> No evidence of management override of controls was identified through our audit procedures.</p>

Source: Audit Scotland

## We reported one significant finding from the audit to those charged with governance prior to the annual accounts being approved and certified

**24.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices, to those charged with governance prior to the annual accounts being approved and certified.

**25.** The significant finding from the 2021/22 financial statements audit is summarised in [Exhibit 3](#). Our audit also identified some other presentation and disclosure issues which were discussed with management. These were all adjusted in the annual accounts and none of these were significant enough to require to be separately reported under ISA 260.

---

### Exhibit 3

Significant findings from the audit of the annual accounts in line with ISA 260

Issue	Resolution
<p><b>1. Significant increase in reserves</b></p> <p>IJBs across Scotland have recorded large increases to their reserves position in 2021/22.</p> <p>The balance held in reserves for future spending increased by £25.169 million during the year, from £13.829 million at 31 March 2021 to £38.998 million at 31 March 2022.</p> <p>This significant increase is mainly due to a combination of funding received from the Scottish Government in the year, some of which was late, which has been carried forward for use in 2022/23, and the release of funding previously withheld by the Scottish Government until reserve balances were used. This funding is included as an underspend against budget for the partner bodies in the annual accounts as the funding is paid to the Joint Board through the partner bodies.</p>	<p><b>For information only</b></p> <p>Further comment on the reserves position is detailed in paragraphs <a href="#">44.</a> to <a href="#">47.</a></p>

Source: Audit Scotland

---

### We have no unadjusted errors to report

**26.** It is our responsibility to request that all misstatements above the reporting threshold are corrected. There were no misstatements above our reporting threshold identified during the audit and therefore we have no unadjusted errors to report.

### Some progress was made on prior year recommendations

**27.** The Joint Board has made some progress in implementing our prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

---

## 2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. Financial sustainability looks forward to the medium and long term to consider whether the Board is planning effectively to continue to deliver its services into the future.

---

### Main judgements

Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The Dundee City Integration Joint Board had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges that impacted on its capacity to progress its planned service developments.

The Joint Board has appropriate and effective financial management arrangements in place and financial systems of internal control operated effectively. Budget monitoring arrangements are appropriate, and some improvements have been made to the reporting of expenditure against Covid-19 and Scottish Government funding streams.

Covid-19 had a significant impact on the 2021/22 year-end budget position. The Joint Board received £17.4 million of Covid-19 related funding in 2021/22 and utilised £7.9 million. This £9.5 million of unspent Covid-19 funding, and lower than anticipated activity, contributed to an overall underspend of £25.2 million for 2021/22.

£29.1 million of the Joint Board's general fund balance at 31 March 2022 has been earmarked to fund expenditure in future years. However, the availability of these funds may be impacted if the Scottish Government look to recover prior year unspent Covid-19 funding from IJBs during 2022/23.

In June 2022 the Joint Board approved its second five-year financial framework covering the period 2022/23 to 2026/27. This projects a potential funding gap of £25.2 million up to the end of 2026/27. Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans.

Staff pay awards are expected to be higher than those currently included in the framework. This will add to the Joint Board's future budgetary pressures.

---

**Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The Dundee City Integration Joint Board had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges that impacted on its capacity to progress its planned service developments.**

**28.** The impact on public finances of the Covid 19 pandemic has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses, and the economy.

**29.** Joint Board's across Scotland were operating in a volatile and challenging environment in 2021/22. The Dundee City Integration Joint Board had to prioritise its health and social care response to the Covid-19 pandemic against the backdrop of workforce and financial challenges that impacted on its capacity to progress its planned service developments.

**30.** It is likely that the financial and service pressures created by the pandemic will be felt well into the future. Additionally, the impact of the cost of living crisis on public sector budgets is likely to lead to a reduction in the levels of funding and support in coming years. This will present a major challenge for Joint Board's in delivering sustainable health and social care services in line with their Strategic and Commissioning Plan.

**Budget monitoring arrangements are appropriate and improvements have been made to the reporting of expenditure against Covid-19 and Scottish Government funding streams**

**31.** The Joint Board 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 Joint Board is incurred by partner bodies and processed in their accounting records.

**32.** Financial monitoring reports are submitted to each meeting of the Joint Board. These include the forecast year-end outturn against the council, health, and partnership total. The financial monitoring reports also provide information on the projected costs and funding related to Covid-19 and the associated mobilisation plan financial returns, and information on other Scottish Government funding initiatives such as the primary care improvement fund.

**33.** We highlighted in our 2020/21 Annual Audit Report that the final financial monitoring report for the year could have more clearly detailed Dundee City Integration Joint Board's specific Covid-19 and other funding streams, associated expenditure, and unused elements that have subsequently been transferred to the IJBs reserves. We therefore recommended that the format of

the year-end financial monitoring report to the Board should be updated for 2021/22 to improve the clarity of reporting of earmarked funding initiatives.

**34.** From review of the final financial monitoring report for 2021/22 we noted that the spend against earmarked additional funding for Covid-19 and in-year additional funding from the Scottish Government is reported. Further developments to financial reporting should be considered going forward to ensure the reports are providing members with a full picture of the Joint Board's financial position and financial challenges, ensuring reports remain relevant and reflective of emerging scenarios.

### **Financial systems of internal control operated effectively during 2021/22**

**35.** The Joint Board does not have its own financial systems and instead relies on Dundee City Council and NHS Tayside for its key financial systems such as the ledger and payroll, and the financial information used for budget setting and financial monitoring purposes.

**36.** As part of our audit approach, we sought assurances from the external auditor of Dundee City Council and NHS Tayside and confirmed there were no weaknesses in the systems of internal controls for either the council or the health board that impact on the 2021/22 Joint Board audit.

### **Internal Audit concluded that reliance could be placed on the Joint Board governance arrangements and systems of internal controls for 2021/22**

**37.** Internal audit provides the Board and the Chief Officer with independent assurance on the Joint Board's overall risk management, internal control, and corporate governance processes. Internal audit is provided by FTF Audit and Management Services (FTF), supported by Dundee City Council's internal audit section. The audit is overseen by FTF's Chief Internal Auditor (CIA).

**38.** In our Annual Audit Plan we noted that we did not intend to place formal reliance on internal audit's work for our financial statements' responsibilities during 2021/22, but that we would consider aspects of internal audit's work in respect of our wider audit dimension responsibilities.

**39.** The Internal Audit Annual Report was considered by the Joint Board in June 2022 and provided the opinion that reliance could be placed on the Joint Board governance arrangements and systems of internal controls for 2021/22. We confirmed as part of the audit that internal audit's opinion was accurately reflected in the Annual Governance Statement in the 2021/22 Annual Accounts.

**40.** Whilst sufficient internal audit work has been undertaken related to 2021/22, we note that similar to previous years, there has been some slippage in the delivery of the internal audit plan. We will continue to monitor progress in the delivery of internal audit plan as part of the 2022/23 external audit.

**Covid-19 had a significant impact on the 2021/22 year-end budget position. The Joint Board received £17.4 million of Covid-19 related funding in 2021/22 and utilised £7.9 million. This £9.5 million of unspent Covid-19 funding, and lower than anticipated activity, contributed to an overall underspend of £25.2 million for 2021/22.**

41. The Joint Board incurred net expenditure of £300.261 million in 2021/22 against its final budget of £325.430 million (representing partner funding contributions of £228.944 million from NHS Tayside and £96.486 million from Dundee City Council), resulting in a reported underspend of £25.169 million for the year. This reflected a £7.839 million net operational underspend, £9.511 million of unspent Covid-19 funding, and £7.819 million of unspent earmarked funding.

42. The net operational underspend of £7.839 million comprised a £5.969 million underspend on social care services and a £1.870 million underspend on health services. The social care services underspend was attributable to lower activity within community based social care services during the year due to the impact of the pandemic, including underspends of £0.393 million on learning disability services, £0.567 million on older people care home placements, and £3.400 million of underspends due to reduced activity and related staff costs savings across all social care services. The health services underspend was due to underspends totalling £2.089 million against the overall GP and other prescribing budget, partly offset by overspends against other health services budgets.

43. During 2021/22 the Joint Board received £17.433 million of Covid-19 related funding. This was allocated by the Scottish Government to fully fund all known additional pandemic response costs, and to provide financial cover for unanticipated costs. £7.922 million of this funding was spent during 2021/22 (£2.950 million on social care services and £4.972 million on health services), with the remaining £9.511 million carried forward in reserves to be spent in 2022/23.

**£29.1 million of the Joint Board's general fund balance at 31 March 2022 has been earmarked to fund expenditure in future years. However, the availability of these funds may be impacted if the Scottish Government look to recover unspent Covid-19 funding from IJBs during 2022/23.**

44. The Joint Board holds a general fund reserve, which is used to smooth financial variations over the years. The 2021/22 underspend resulted in the general fund balance increasing by £25.169 million during the year, from £13.829 million at 31 March 2021 to £38.998 million at 31 March 2022.

45. At 31 March 2022 the Joint Board has earmarked £29.065 million (£11.735 million at 31 March 2021) of the general fund balance to be used to fund expenditure in future years, leaving an uncommitted general fund balance of £9.933 million (£2.904 million at 31 March 2021).

**46.** In September 2022, the Scottish Government commenced discussions with IJBs regarding the possible clawback of ring fenced Covid-19 reserves to meet 2022/23 national health and social care Covid-19 expenditure pressures. These discussions are at an early stage so further information will be required to support the Joint Board in making informed decisions on the use of reserves.

**47.** There are ongoing sustainability challenges of using reserves to fund recurring expenditure, exacerbated by recovery and renewal from the pandemic. In this regard, members will need to take difficult decisions in the future, recognising that a clear plan and effective management of the Joint Board's reserves will be key to maintaining financial sustainability.

### **The Joint Board has not identified any savings requirement to deliver a balanced budget of £279.6 million for 2022/23**

**48.** The budget for 2021/22 showed that £2.042 million of savings needed to be achieved to balance the budget. In June 2022 it was reported to the Board that all of these savings had been delivered in full during the year.

**49.** The Joint Board approved its 2022/23 budget in March 2022. This set out an overall budget of £279.6 million, comprising funding contributions of £181.2 million from NHS Tayside and £98.4 million from Dundee City Council. Due to the Joint Board's healthy funding and reserves position for 2022/23 it did not need to identify additional savings for 2022/23 to provide a balanced budget.

**50.** Similar to previous years, the annual budget excluded the figures for large hospital set aside and hosted services, which are traditionally confirmed at a later stage in the financial year. The financial monitoring report at August 2022 sets out an updated overall budget of £288.5 million, comprising funding contributions of £189.2 million from NHS Tayside and £99.3 million from Dundee City Council.

### **In June 2022 the Joint Board approved its second five-year financial framework covering the period 2022/23 to 2026/27. This projects a potential funding gap of £25.2 million up to the end of 2026/27.**

**51.** In June 2022 the Joint Board approved its second five-year financial framework covering the period 2022/23 to 2026/27. This projected an estimated funding gap of £25.189 million over the five years. It also highlighted that the current financial uncertainty means these estimates will require to be revisited when there is more clarity over future demand and funding, including any clawback of unspent Covid-19 funding by the Scottish Government (paragraph [46.](#)).

**52.** Staff pay awards are expected to be higher than those currently included in the framework. This will add to the Joint Board's future budgetary pressures.



## Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, future savings plans and reserves

53. As detailed at paragraph 51. above, the Joint Board are projecting an estimated funding gap of £25.189 million over the next five years. The five-year financial framework highlighted the scale of this financial challenge and the importance of the Joint Board focusing on the need to change and transform services and not rely on short term measures to balance the budget. It also recommended a range of principles, set within an overarching financial framework, to be adopted which will support the Joint Board in balancing demand and improving health and social care outcomes for Dundee citizens while delivering a balanced budget.

54. Internal audit reported in the financial governance section of its 2021/22 Annual Report that: “*There was no detailed monitoring of the position of individual savings initiatives to clearly show identified versus realised savings*” during 2021/22. Internal audit was informed that this was due to the fact that the initiatives in 2021/22 were mainly considered low risk (and non-recurrent) savings where outcomes are already known. However, given the scale of the savings required in future years, we would reiterate internal audit’s recommendation that: “*Reporting should be clarified to ensure a distinction between realised savings to date and a best estimate of the full year amount, allow savings to date to be compared against trajectory, clarify the amounts achieved recurrently or non-recurrently and the source of the savings.*” It will also be vital to ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models and the use of reserves.

---

### Recommendation 1

Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans. This should be undertaken alongside developing a reserves strategy which sets out how and when monies will be spent, taking cognisance of any Scottish Government clawback arrangements if clarified.

---

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

55. 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 considered the arrangements in place at Dundee City Council and NHS Tayside and found them to be adequate. The Joint Board has a Code of Conduct in place which members are required to adhere to, and the members’ registers of interest are publicly available on the Joint Board’s website. We note

however that the Joint Boards website does not always hold the current and updated member's register.

**56.** 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. Governance, transparency and Best Value

Governance and transparency relate to the effectiveness of scrutiny and oversight, and transparent reporting of information. Best Value is about using resources effectively and continually improving services.

---

### Main Judgements

The Joint Board had appropriate governance arrangements in place to support scrutiny of decision-making during 2021/22 and conducted its business in an open and transparent manner.

Members training and development should be supported on an ongoing basis.

Arrangements are in place to demonstrate Best Value, but a formal reporting cycle is still to be introduced.

The Joint Board has effective arrangements in place for managing and scrutinising performance and publishing an annual performance report. The performance data in the annual performance report shows a mixed picture, with performance against 8 of the national indicators better than last year and 8 worse than last year. Longer-term performance data highlights the extent of the challenges facing the Joint Board in restoring performance to pre-pandemic levels with performance against 13 of the national indicators worse than in 2015/16.

The Scottish Government's proposals for a new National Care Service have the potential to significantly change the way that social care services are structured and operate.

---

### The Joint Board had appropriate governance arrangements in place to support scrutiny of decision-making during 2021/22

**57.** Board members and management are responsible for establishing arrangements to ensure that the Joint Board's business is conducted in accordance with the law and proper standards, that public money is safeguarded, and for monitoring the adequacy and effectiveness of these arrangements.

**58.** We have reviewed and monitored the operation of the governance arrangements during the course of the audit appointment and concluded that they are appropriate to support good governance and transparency.

**59.** Due to the ongoing impact of Covid-19 pandemic all meetings of the Joint Board and Performance and Audit Committee were held remotely via Microsoft Teams throughout 2021/22. We have not noted any adverse impact on the level of scrutiny due to these meetings being held remotely.

### **The Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with relevant regulations and guidance**

**60.** As part of our financial statements audit, we are required to provide an opinion as to whether the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with relevant regulations and guidance.

**61.** Our review of the Annual Governance Statement in the Joint Board's 2021/22 Annual Accounts assessed the assurances which are provided to the Chief Finance Officer regarding the adequacy and effectiveness of the Joint Board's system of internal control which operated in the financial year, and the accuracy and completeness of the other information included in the statement.

**62.** We are content that the Annual Governance Statement in the audited 2021/22 annual accounts accurately reflects the operation of the Joint Board's governance arrangements during the year.

### **Management should support members training and development on an ongoing basis**

**63.** There have been a number of changes in membership of the Joint Board during 2022/23, with some resulting from the local government elections in May 2022. Following their appointment to the Joint Board, new members received an induction programme to explain their key roles and responsibilities as a board member, with some briefing sessions also being provided.

**64.** Management should support members training and development on an ongoing basis. This will enable management to support new and continuing board members in undertaking their important role and responsibilities, and to assist members in staying abreast of developments impacting on health and social care services. We will continue to monitor developments in this area.

### **The Performance and Audit Committee should review its terms of reference to reflect best practice guidance for audit committees**

**65.** As part of our planning work for the 2021/22 audit we reviewed the terms of reference and operation of the Performance and Audit Committee (PAC) against the *CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018)* best practice guidance and noted three areas for improvement:

- the terms of reference do not cover the core area of "counter fraud and corruption" and the PAC's role in relation to these
- the committee does not undertake an annual evaluation to assess whether it has undertaken its duties in accordance with the terms of reference
- there is no formal training programme in place to support board members (see commentary and recommendation at paragraphs [63.](#) and [64.](#)).

---

## Recommendation 2

The Performance and Audit Committee should review its terms of reference to ensure it is operating in accordance with best practice guidance for audit committees.

---

### The Joint Board conducts its business in an open and transparent manner

**66.** Transparency means that the public have access to understandable, relevant and timely information about how the Joint Board is taking decisions and how it is using resources such as money, people and assets.

**67.** There is evidence from several sources which demonstrate the Joint Board's commitment to openness and transparency:

- Members of the public can attend the virtual meetings of the Joint Board. Recordings of these meetings, and the minutes and supporting papers, are also available on the Joint Board's website.
- The Joint Board's website allows the public access to a wide range of information including the registers of board members interests, and details of current projects and initiatives. In addition, the home page provides links to Covid-19 information, service information, and performance information.
- The Joint Board makes its annual accounts available on its website. These include a management commentary which adequately explains the Joint Board's financial performance for the year.

**68.** Overall, we concluded that the Joint Board continues to conduct its business in an open and transparent manner.

### The registers of interests on the Joint Board's website require to be updated to reflect the current board membership

**69.** As highlighted in our 2021/22 Annual Audit Plan, the register of interests included on the Dundee City Integration Joint Board website does not reflect the current board membership. We noted that registers of interests for the voting board members are available on their employers' websites (i.e. Dundee City

Council or NHS Tayside) but these require to be uploaded to the Joint Board's website, along with the registers of interests for non-voting board members.

### **Work is progressing to strengthen the Joint Board's risk management arrangements**

**70.** We previously reported that progress had been slow to implement the improvement actions related to risk management identified by internal audit in September 2018. However, we reported in our 2020/21 Annual Audit Report that risk management arrangements had matured, and further improvements were planned.

**71.** We note that work is progressing to develop the risk management policy and the Joint Board's risk appetite, both of which have been informed by IJB development sessions and associated feedback. It is intended that a risk appetite will be set for the Joint Board by winter 2022.

### **Arrangements are in place to demonstrate Best Value, but a formal reporting cycle is still to be introduced**

**72.** Best Value is about using resources effectively and continually improving services and Integration Joint Boards have a statutory duty to put arrangements in place 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.

**73.** We reported in our 2020/21 Annual Audit Report that arrangements are in place to demonstrate Best Value. However, we also recommended that the Best Value reporting frequency and intervals should be clarified, and arrangements should be established to obtain formal assurances from the Council and the Health Board for the Joint Board's future Best Value assessments.

**74.** Management determined an annual Best Value reporting cycle would be introduced in 2021/22, forming part of the annual accounts process. It was also intended that a 2021/22 Best Value review report would be presented to the Performance and Audit Committee. However, we note that this is still to be put in place.

---

## **Recommendation 3**

Management should progress its Best Value plans during 2022/23 to ensure reporting mechanisms are in place to demonstrate and report on the Joint Boards arrangements to secure Best Value.

---

## **The risk share arrangement in the new Integration Scheme is intended to provide greater accountability for IJBs in delivering health and social care services within budget**

**75.** The Dundee City Integration Joint Board's Integration Scheme requires to be updated every five years, i.e. by September 2020. A review of the scheme was concluded in September 2020 in line with the legislative requirements. The review identified that revisions to the Integration Scheme were required and that a more comprehensive review and consultation process was required to support the creation of the new Integration Scheme. The production of the revised integration scheme was completed during 2021/22 and was submitted for ministerial approval by the end of June 2022. Whilst ministerial approval is awaited, it is anticipated that the revised scheme will be approved.

**76.** The revised integration scheme includes a risk share arrangement that requires Dundee City Council and NHS Tayside to absorb a share of any Joint Board overspends in proportion to their respective budget contributions for the year. This is consistent with the risk share arrangement included in the previous integration scheme, but the new scheme also includes an additional condition stating that:

*“Where the parties make additional payments to cover an overspend then the parties will discuss whether recovery of those additional payments in future years from the IJB should be pursued. In the event that the parties agree that the recovery of additional payments is to be pursued this will be over a maximum period of 3 years on a basis and repayment profile to be agreed between the parties, in consultation with the IJB. Consideration of whether to recover additional payments made by the parties will be informed by an assessment of the reasons for these payments and the implications for the parties and IJB of doing so.”*

**77.** This new arrangement is intended to provide greater accountability for IJBs in delivering health and social care services within budget. Dundee City Integration Joint Board, Dundee City Council and NHS Tayside should continue to work together to deliver health and social care services as efficiently and effectively as possible.

## **Management should ensure improvement actions, including new and those carried forward from prior years are considered for their continued relevance, actioned and concluded**

**78.** The Joint Board over recent years has made improvements to its governance action plan process. However, the Joint Board has experienced delays, some of which are significant in progressing its improvement and governance actions. This remains to be the case.

**79.** Related to the ministerial approval of the Joint Board's revised integration scheme, the Joint Board's supporting governance documents and processes, including its: standing orders; scheme of delegation; and financial regulations

should be reviewed against the revised integration scheme and updated as necessary. These should then be made available on the Joint Board's website.

---

## Recommendation 4

Management should identify the governance changes needed following ministerial approval of the Joints Boards revised integration scheme, alongside its existing governance action plan's outstanding actions. As part of this process management should review actions: for their currency; against strategic priorities and risk profile; and against its capacity to deliver.

---

### The Joint Board has effective arrangements in place for managing and scrutinising performance and publishing an annual performance report

**80.** The Performance and Audit Committee (PAC) consider performance monitoring at each meeting. Reports are split between national performance indicators and local performance indicators. The committee also routinely consider more detailed reports on specific areas of concern such as readmissions, complex delayed discharges, and falls, to support an improved understanding of underlying challenges and the development of more detailed improvement plans.

**81.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the Joint Board 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.

**82.** The Joint Board published a high level public facing annual performance report for 2021/22 on the 29<sup>th</sup> of July to meet the statutory deadline of 31 July. This reflected agreement by the Joint Board in April 2022 that the principal purpose of the annual performance report should be to evidence to the public in an open, transparent and accessible way how resources have been used to meet the health and care needs of the population and to improve outcomes. The Board noted the performance report at the August 2022 Board meeting. The annual performance report provides information on the National Health and Wellbeing Outcomes and information at Partnership and locality level in relation to financial planning and performance, best value and scrutiny and inspection.

**83.** The report provides a comprehensive and balanced overview of the year under review, and the direction of travel. Similar to previous years, the Joint Board has effective arrangements in place for managing and scrutinising performance. It is reflective of where improvements in reporting can be made and intend to implement improvements where possible, subject to the limitations and competing demands.



**The performance data in the annual performance report shows a mixed picture, with performance against 8 of the national indicators better than last year and 8 worse than last year. Longer-term performance data highlights the extent of the challenges facing the Joint Board in restoring performance to pre-pandemic levels with performance against 13 of the national indicators worse than in 2015/16.**

**84.** The 2021/22 annual performance report includes performance data for the national indicators and details the Joint Board's performance against each indicator in terms of its performance in comparison to the 2015/16 base year, its performance in comparison to the prior year, and its performance in comparison to the Scottish average.

**85.** Review of the national indicators' performance data reported identified that:

- performance against 8 of the indicators was better than last year, 8 worse than last year, 1 at the same level, and 1 not reported
- performance against 6 of the indicators was better than the Scottish average, 10 worse than last year, 1 at the same level, and 1 not reported.

**86.** The longer-term performance data in the annual performance report highlights that performance against 13 of the national indicators is worse than in the 2015/16 base year, with only 4 reporting better performance than in the base year. This highlights the extent of the challenges facing the Joint Board in restoring performance to pre-pandemic levels.

**The Scottish Government's proposals for a new National Care Service have the potential to significantly change the way that social care services are structured and operate**

**87.** Following the publication of the [Independent Review of Adult Social Care](#) in February 2021, work is currently under way nationally to develop and implement a new National Care Service (NCS). The Scottish Government expects the new NCS to be operational by 2026. These proposals have the potential to significantly change the way that social care services are structured and operate.

**88.** In its January 2022 [Social Care](#) briefing Audit Scotland noted stakeholders concerns about the extent of the proposals for reform and the time it will take to implement them. Many of the current issues experienced by the social care sector, for example workforce pressures, cannot wait for the Scottish Government to implement a new NCS.

**89.** The Joint Board continues to monitor developments as a result of the review and has engaged in discussions around the implementation of the review with partners and stakeholders, in the context of its assessment that the recent NCS legislation is one of its three highest scoring strategic risks. Further

updates will be provided to members as the proposals develop over the coming year.

## **The Dundee Partnership is committed to improving mental health services across Tayside**

**90.** The Independent Inquiry into Mental Health Services in Tayside published its final report, titled [Trust and Respect](#), in February 2020.

**91.** In response to the findings in the report, Dundee City Integration Joint Board and its partners developed a Living Life Well strategy for mental health and wellbeing in Tayside. It set out collective ambitions across Tayside for mental health services.

**92.** In July 2021 a [Progress Report](#) by the Independent Inquiry Review Team was published. This reported on some positive progress and the commitment and dedication of staff, partner organisations and others seeking to make a difference for patients and the wider community in Tayside. Areas where further progress is needed were also reported.

**93.** In October 2021, the Minister for Mental Wellbeing and Social Care appointed an independent group to provide oversight and assurance on the implementation of the Trust and Respect recommendations. The Oversight and Assurance Group (OAG) is working with the Tayside Executive Partnership (TEP) (consisting of the Chief Executives of NHS Tayside and the three local councils, and the Divisional Commander of Police Scotland) to support progress and ensure that the recommendations from the independent inquiry are fully implemented.

**94.** The OAG is a time-limited group established for a 12-month period. It is providing quarterly reports to the Minister for Mental Wellbeing and Social Care. In February 2022 it published its first [Quarterly Report](#) covering the period from November 2021 to January 2022. The update highlighted some disparity between the assessments of the OAG and the TEP of the progress made in addressing the recommendations of the Trust and Respect report. However, it also noted that the OAG were encouraged by the openness shown by partners and by the time they have devoted to how they can better work together to deliver the changes required. It also noted that it is assured that colleagues in Tayside are committed to working with it to better understand each other's perspectives with a shared interest in improving mental health services and outcomes for communities in Tayside.

**95.** Since the first quarterly report was published, the TEP has had the opportunity to present further evidence to the Oversight Group as part of the next phase of the group's review to gain further understanding of the work which has been done by the partners across Tayside. The OAG has also met with community and inpatient mental health teams across Tayside, as well as visiting third sector organisations and meeting people with lived experience.

**96.** The Dundee Partnership, including the Joint Board is committed to progressing actions on delivering improved outcomes for citizens impacted by

poor mental health with this being included as a top priority in the new Dundee City Plan 2022-2032.

**97.** Reflective of its place in the Dundee Partnership and service delivery challenges around this area, the Integration Joint Board's strategic risk register continues to include the Dundee Drug and Alcohol Recovery Service as one of its highest scoring strategic risks, and a further strategic risk related to wider Mental Health Services. We will continue to monitor this area.

### **National performance audit reports**

**98.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 a number of reports were published which may be of interest to the Joint Board. These are detailed in [Appendix 3](#).

**99.** The IJB should continue to consider and review relevant reports published by Audit Scotland, and develop locally agreed actions, where appropriate.

# Appendix 1. Action plan 2021/22

## 2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Transformational change and related reporting</b></p> <p>Reporting arrangements on the progress and impact of transformational changes on service delivery models requires to be developed. A reserves strategy should be developed to set out how and when monies will be spent.</p> <p><b>Risk:</b> Temporary solutions are relied upon to bridge funding gaps and service changes are unsuccessful, which do not address the longer-term financial pressures of the Joint Board.</p>	<p>Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans. This should be undertaken alongside developing a reserves strategy which sets out how and when monies will be spent, taking cognisance of any Scottish Government clawback arrangements if clarified.</p> <p>Paragraph <a href="#">54</a>.</p>	<p>As part of the 2023/24 IJB Budget development process transformational change will be a main feature in achieving financial balance and monitoring of progress and impact of change will be developed further to ensure the IJB assurance of the effectiveness of its transformation plan. A reserves strategy will be incorporated as part of the IJB's Budget and an updated 5 Year Financial Framework to be agreed at the March IJB meeting.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: August 2023</p>
<p><b>2. Performance and Audit Committee</b></p> <p>The Performance and Audit Committee's terms of reference does not fully accord with best practice guidance for audit committees.</p> <p><b>Risk:</b> The Performance and Audit Committee fails to discharge its remit fully.</p>	<p>The Performance and Audit Committee should review its terms of reference to ensure it is operating in accordance with best practice guidance for audit committees.</p> <p>Paragraph <a href="#">65</a>.</p>	<p>Terms of reference to be reviewed accordingly.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>
<p><b>3. Best Value</b></p> <p>Management determined an annual Best Value reporting cycle would be introduced in 2021/22, forming part of the</p>	<p>Management should progress its Best Value plans during 2022/23 to ensure reporting mechanisms are in place to demonstrate and report on the Joint Boards</p>	<p>Best Value reporting to be developed and presented to the IJB before the end of the 2022/23 financial year.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>annual accounts process. It was also intended that a 2021/22 Best Value review report would be presented to the Performance and Audit Committee. However, we note that this is still be put in place.</p> <p><b>Risk:</b> The Joint Board is unable to demonstrate it is meeting its Best Value duty.</p>	<p>arrangements to secure Best Value.</p> <p>Paragraph <a href="#">74</a>.</p>	<p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>
<p><b>4. Governance and improvement actions</b></p> <p>Following ministerial approval of the revised integration scheme, the Joint Boards governance arrangements will require to be reviewed alongside its existing governance action plan outstanding actions.</p> <p><b>Risk:</b> Governance arrangements do not support effective decision making.</p>	<p>Management should identify the governance changes needed following ministerial approval of the Joints Boards revised integration scheme, alongside its existing governance action plan's outstanding actions. As part of this process management should review actions: for their currency; against strategic priorities and risk profile; and against its capacity to deliver.</p> <p>Paragraph <a href="#">79</a>.</p>	<p>Once Integration Scheme has ministerial approval any required changes to the IJB's Standing Orders, financial regulations and scheme of delegation will be presented to the IJB. Work continues with the support of Internal Audit to review the existing governance action plan.</p> <p>Responsible officer: Chief Finance Officer</p> <p>Agreed date: March 2023</p>

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>PY 1. Financial monitoring reports</b></p> <p>Financial monitoring reports to the Board provide some information related to earmarked funding initiatives. However, for each of the specific funding streams the report (in particular the year end report) does not detail the associated expenditure and unused elements</p>	<p>The year end financial monitoring report to the Board should be updated to improve the clarity of reporting of earmarked funding initiatives.</p>	<p><b>Closed</b> - financial reporting to the Joint Board was enhanced during 2021/22. The year end monitoring report noted the spend against earmarked additional funding for Covid19 and in-year additional funding from the Scottish Government. Further developments should continue to be considered.</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>subsequently transferred to the Joint Boards reserves.</p> <p><b>Risk:</b> Members may not be able to fully scrutinise the financial information and future spending plans associated with specific funding streams and strategic priorities.</p>		
<p><b>PY 2. Five year financial framework</b></p> <p>The IJBs five year financial framework is yet to be updated to reflect the impact of the Covid-19 pandemic.</p> <p><b>Risk:</b> The IJB does not have accurate financial information to support long-term budget and strategic priorities.</p>	<p>The IJB should review its five year financial framework. Service delivery models need to support the IJBs Covid-19 recovery plans and ensure financial sustainability for its services.</p>	<p><b>In progress</b> – in June 2022 the Joint Board approved its second five year financial framework (2022/23 to 2026/27). It indicated an estimated funding gap of £25.189 million over the five years. The framework partly addresses the estimate of the increased demand for health and social care services because of Covid-19 as distinct from underlying increases in demographic demand.</p> <p>Refer to point <a href="#">1</a>.</p>
<p><b>PY 3. Governance and improvement actions</b></p> <p>From its inception the IJB has experienced significant delays in progressing its improvement and governance actions. Outstanding governance and improvement actions have been reviewed and consolidated for their continued relevance.</p> <p><b>Risk:</b> Slippage in implementation may lead to governance arrangements not supporting effective decision making.</p>	<p>The PAC and Board as necessary, should continue to be updated on implementation progress across all governance and improvement areas. This should include keeping improvement actions under review for their continued relevance and priority.</p>	<p><b>In progress</b> – the Joint Board over recent years has made improvements to its governance action plan process. Also, that since its inception the Joint Board has experienced significant delays in progressing its improvement and governance actions. This remains to be the case.</p> <p>Refer to point <a href="#">4</a>.</p>
<p><b>PY 4. Risk management</b></p> <p>Further improvement actions remain to be progressed</p>	<p>The Board and PAC should continue to be updated on progress on the delivery</p>	<p><b>Closed</b> - work is progressing to develop the risk management policy and the</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>associated with the IJBs risk management arrangements, including reviewing the IJB's risk management policy and developing further an understanding of the IJBs risk appetite.</p> <p><b>Risk:</b> Until risk management arrangements have matured further there is a risk that exposure to risks may not be fully understood, highlighted, appropriately mitigated through management controls, and scrutinised.</p>	<p>against the remaining risk management improvement actions and updates to the Strategic Risk Register.</p>	<p>Joint Board's risk appetite, both of which has been informed by Joint Board development sessions. There is an intention to set a risk appetite for the Joint Board by autumn / winter 2022.</p>
<p><b>PY 5. Best value</b></p> <p>The IJB put in place arrangements to demonstrate Best Value however the reporting frequency and arrangement to obtain formal assurances from the Council and the Health Board have not been clarified.</p> <p><b>Risk:</b> The IJB is unable to demonstrate it is meeting its Best Value duty.</p>	<p>The Best Value reporting frequency and interval should be clarified, and arrangements established to obtain formal assurances from the Council and the Health Board for the IJBs future Best Value assessments.</p>	<p><b>In progress</b> – management had intended to introduce an annual best value reporting cycle, forming part of the 2021/22 annual accounts process. It was intended that a 2021/22 Best Value review report would be presented to the PAC.</p> <p>Refer to point <a href="#">3</a>.</p>

## Appendix 2. Wider audit dimension risks

The table below sets out the risks we identified for the 2021/22 audit relating to our wider responsibility under the Code of Audit Practice 2016 and how we addressed each risk in arriving at our conclusion.

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Covid-19 recovery and transformation</b></p> <p>The Joint Board continues to deal with the operational and financial impact of the Covid-19 pandemic, alongside its ongoing service pressures. Major challenges include:</p> <ul style="list-style-type: none"> <li>• financial sustainability of services</li> <li>• capacity to deliver services</li> <li>• recruitment, wellbeing and retention of staff.</li> </ul> <p>The Joint Board's longer-term plans to transform services are key to sustainability of the services. Links between the recovery plans and the board's financial planning, its Strategic and Commissioning Plan, and workforce planning are essential.</p> <p><b>Risk:</b> The Joint Board does not deliver against its Strategic and Commissioning Plan priorities.</p>	<p>Monitor progress with the development and reporting against the Joint Board's updated Five-Year Financial Framework.</p> <p>Monitor reporting against accumulated reserves and earmarked funding.</p> <p>Review progress against strategic objectives within the Joint Board's 2021/22 Annual Performance Report.</p>	<p><b>Results:</b> In June 2022 the Joint Board approved its second five-year financial framework covering the period 2022/23 to 2026/27. 2022/23 reflects a balanced budget, with the remaining four years projecting a potential funding gap of £25.2 million up to the end of 2026/27. The Joint Board continues to recognise staff resourcing as one of its three highest scoring strategic risks.</p> <p><b>Conclusion:</b> Management should ensure that appropriate arrangements are in place to monitor and report to the Joint Board on the achievement and impact of transformational changes to service delivery models, and future savings plans.</p> <p>Refer to Appendix 1, point <a href="#">1.</a></p>
<p><b>2. Integration scheme</b></p> <p>Work by the partners to progress the production of a revised Integration Scheme has progressed more slowly than planned in part due to pandemic pressures.</p> <p>A draft of the proposed revised integration scheme for the Joint Board has been submitted to the Tayside Chief Executives Group for</p>	<p>Monitor progress in the approval and implementation of the revised Integration Scheme.</p> <p>Review updated governance documents and assess whether they accurately reflect</p>	<p><b>Results:</b> A revised Integration Scheme for the Joint Board was submitted for approval to the Scottish Ministers by the end of June 2022, and Ministerial approval is awaited.</p> <p><b>Conclusion:</b> Upon approval the Joint Board's supporting governance documents such as its:</p>



Audit risk	Assurance procedure	Results and conclusions
<p>consideration, prior to public consultation, preceding submission to Scottish Ministers for approval by the end of June 2022.</p> <p>When the revised integration scheme is approved by the partner bodies, changes to the Integration Scheme will need to be reflected in the Joint Board's supporting governance documents such as its: standing orders; scheme of delegation; and financial regulations.</p> <p><b>Risk:</b> The Integration Scheme and supporting governance documents do not reflect the current operation of the Joint Board.</p>	<p>the terms of the revised Integration Scheme.</p>	<p>standing orders; scheme of delegation; and financial regulations should be reviewed and updated as necessary.</p> <p>Refer to Appendix 1, point <a href="#">4</a>.</p>
<p><b>3. Board membership changes and development</b></p> <p>The membership of the Joint Board will be changing during 2022 due to routine membership changes and the local government elections in May.</p> <p>This makes the development of an effective induction and ongoing development programme for all Joint Board members more urgent. Previous plans to develop a programme of development and training opportunities have not progressed as planned. This has been a recognised priority for a number of years.</p> <p><b>Risk:</b> There is a risk that leadership and governance arrangements are not effective if members are not sufficiently trained and supported.</p>	<p>Monitor progress with the establishment of an induction and development programme for Joint Board members.</p>	<p><b>Results:</b> There have been a number of changes in Joint Board membership during 2022/23. Following their appointment new members received an induction programme, with some other briefing sessions also being provided.</p> <p><b>Conclusion:</b> Management should support members training and development on an ongoing basis. This will enable management to support new and continuing board members in undertaking their important role and responsibilities, and to assist members in staying abreast of developments impacting on health and social care services.</p> <p>Refer to paragraphs <a href="#">63</a>. to <a href="#">64</a>.</p>

---

# Appendix 3. National performance reports

---

## May

[Local government in Scotland Overview 2021](#)

## June

[Covid 19: Personal protective equipment](#)

## July

[Community justice: Sustainable alternatives to custody](#)

## September

[Covid 19: Vaccination programme](#)

## January

[Planning for skills](#)

[Social care briefing](#)

## February

[NHS in Scotland 2021](#)

## March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# Dundee City Integration Joint Board

## 2021/22 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)