



Edinburgh Integration Joint Board

2021/22 Annual Audit Report to the Members
of Edinburgh Integration Joint Board and the
Controller of Audit

September 2022



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Key messages



This report concludes our audit of the Edinburgh Integration Joint Board (“the IJB”) for 2021/22.

This section summarises the key findings and conclusions from our audit.

Financial statements audit

<p>Audit opinion</p>	<p>The IJB’s annual accounts for the year ended 31 March 2022 were considered by the Audit & Assurance Committee on 20 September 2022 and approved by the Board on 27 September 2022.</p> <p>We report unqualified opinions within our independent auditor’s report.</p>
<p>Key findings on audit risks and other matters</p>	<p>We have obtained adequate evidence in relation to the key audit risks identified in our audit plan.</p> <p>We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements.</p> <p>The accounting policies used to prepare the financial statements are in line with the Code of Practice on Local Government Accounting and are considered appropriate.</p> <p>All material disclosures required by relevant legislation and applicable accounting standards have been made appropriately.</p> <p>The IJB had appropriate administrative processes in place to prepare the annual accounts and the required supporting working papers.</p>
<p>Audit adjustments</p>	<p>Adjustments made to the financial statements are noted at Appendix 2. The overall impact on the financial statements was nil.</p> <p>We identified some disclosure and presentational adjustments during our audit. These have been reflected in the final set of financial statements.</p>
<p>Accounting systems and internal controls</p>	<p>We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess the IJB’s processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have included these in this report. No material weaknesses or significant deficiencies were noted.</p>

Wider scope audit

Auditor judgement



Financial Sustainability

The IJB continues to face significant financial pressures, both immediately and over the medium to longer term, with latest projections suggesting a funding gap of £70.0 million by 2025/26. Recognising the need for a more strategic approach to financial planning, management has established the Innovation and Sustainability Portfolio, with a clear focus of delivering strategic change programmes and initiatives that look to achieve long-term financial and operational sustainability. High level financial projections have been updated but work remains ongoing to develop a medium term financial strategy and Edinburgh is now one of three integration authorities that have not yet developed a strategy.

The IJB's medium term workforce strategy 'Working Together' was approved by the Board in February 2022, accompanied by short term action plans and details of the governance arrangements. The IJB recognises the need to attract, recruit and retain staff to build the next generation of its workforce and explore the ways in which it can achieve this through the strategy.

Auditor judgement



Whilst the IJB started 2021/22 with an unbalanced budget, it reported an accounting surplus of £57 million at 31 March 2022. This has arisen from funding received in 2021/22 to be spent in future years, with the full surplus being committed or ring fenced for specific purposes. This level of additional funding was not anticipated and is £33.8 million in excess of the amount requested through the Local Mobilisation Plans.



Financial Management

The IJB has recognised that the reserves position as at 31 March 2022 is significant at £82.2 million, with the majority of funding in reserves being ring fenced for specific purposes. Of this balance, £44.9 million is earmarked to address costs arising from the COVID-19 pandemic. The IJB are actively in discussion with partners and the Scottish Government to determine the extent of flexibility in the application of these monies going forward.

The Board approved the 2022/23 financial plan in March 2021 and a savings and recovery programme of £5.74million. Further actions (totalling £12.8million) have been identified to mitigate the position, reducing the budget gap to £10.8 million. The IJB and partners have agreed that the remaining budget gap is at a level where it is feasible to identify mitigating actions as the year progresses.

Auditor judgement



Governance & Transparency

The Board and Committees have continued to meet virtually throughout 2021/22. Meetings were suspended in December 2021/January 2022 in response to significant pressures in the social care system, and in June/July 2022 following the Local Government elections. There have been significant changes in Board and Committee membership following turnover within the NHS Lothian Board and the Local Government elections.

Further work is required to commission an independent assessment of the leadership and managerial capacity. Given the level of significant change the IJB has committed to over the next three years, this work should be completed as an area of priority in 2022/23.

Auditor judgement



Further work is required to develop a robust performance management framework that is aligned to the new Strategic Plan. The IJB has committed to producing drafts of both documents by October 2022, having paused their development between December 2021 and May 2022 to focus on addressing system pressures.



Value for Money

Performance continues to be mixed, with the IJB performing worse than the national average in nine of the 19 indicators. The IJB continues to perform poorly against a number of key indicators and is the lowest ranked integrated authority for delayed discharges. Areas of underperformance have been recognised and reflected on by the Innovation and Sustainability Portfolio.

The pandemic, EU withdrawal and Edinburgh's growing population have exacerbated the significant pressures faced by the IJB. The focus has now shifted from reacting to the pandemic to support sustainability over the medium to long-term. The transformation programme has transitioned to the Innovation and Sustainability Portfolio and work is ongoing to identify, scope and deliver the next phase of major change and innovation in how the IJB commissions services.

Definition

Our wider scope audit involves consideration of the IJB's arrangements as they relate to financial sustainability, financial management, governance and transparency, and value for money. We have used the following grading to provide an overall assessment of the arrangements in place in each of the four dimensions.



Introduction



We carried out our audit in accordance with Audit Scotland's Code of Audit Practice and maintained auditor independence



Scope

1. We outlined the scope of our audit in our External Audit Plan, which we presented to the Audit and Assurance Committee at the outset of our audit. The core elements of our work include:
 - an audit of the 2021/22 annual accounts and related matters;
 - consideration of the wider dimensions of public audit work, as set out in Exhibit 1; and
 - any other work requested by Audit Scotland.

Exhibit 1: Audit dimensions within the Code of Audit Practice



Responsibilities

2. The IJB is responsible for preparing a set of annual accounts which show a true and fair view and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.
3. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
4. We would like to thank all members of the IJB's management and staff from the Partnership, City of Edinburgh Council and NHS Lothian for their co-operation and assistance during our 2021/22 audit and throughout our six year appointment.

Auditor independence

5. International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.
6. We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remained independent and our objectivity has not been compromised in any way.
7. We set out in Appendix 1 our assessment and confirmation of independence.

Openness and transparency

10. This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Adding value through the audit

8. All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the IJB through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the IJB promote improved standards of governance, better management and decision making and more effective use of resources.


Feedback

9. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

Financial statements audit

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The IJB's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

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Overall conclusion

11. The annual accounts were approved by the Board on 27 September 2022.

We report unqualified opinions within our independent auditor's report.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>We issue an unqualified audit opinion on the 2021/22 financial statements.</p>
Going concern basis of accounting	<p>In the public sector when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of the services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>We assess whether there are plans to discontinue or privatise the IJB's functions.</p> <p>Our wider scope audit work considers the financial sustainability of the IJB.</p>	<p>We reviewed the financial forecasts for 2022/23. Our understanding of the legislative framework and activities undertaken provided us with sufficient assurance that the IJB will continue to operate for at least 12 months from the signing date.</p> <p>Our audit opinion is unqualified in this respect.</p>

<p>Matters prescribed by the Accounts Commission</p>	<p>We read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.</p>	<p>The annual report contains no material misstatements or inconsistencies with the financial statements.</p>
<ul style="list-style-type: none"> • Management Commentary • Annual Governance Statement • Remuneration Report 	<p>We plan and perform audit procedures to gain assurance that the statutory other information has been prepared in accordance with relevant legislation and regulations.</p>	<p>We have concluded that:</p> <ul style="list-style-type: none"> • The management commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003. • The information given in the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance framework. • The audited part of the Remuneration Report has been properly prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014.
<p>Matters reported by exception</p>	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept; or • the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or • we have not received all the information and explanations we require for our audit. 	<p>We have no matters to report.</p>

An overview of the scope of our audit

12. The scope of our audit was detailed in our External Audit Plan, which was presented to the Audit and Assurance Committee in February 2022. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the IJB. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.
13. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.
14. In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas

15. Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.
16. The significant risk areas described in the table below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual accounts is not modified with respect to any of the risks described below.

Significant risk areas

1. Management override

Significant risk description

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - The auditor's responsibilities relating to fraud in an audit of financial statements.

How the scope of our audit responded to the significant risk

Key judgement

There is the potential for management to use their judgement to influence the financial statements as well as the potential to override the IJB's controls for specific transactions.

Audit procedures

- Review of the IJB's accounting records and audit testing on transactions.
- Review of judgements and assumptions made in determining accounting estimates as set out in the financial statements to determine whether they are indicative of potential bias. This included a retrospective review of the prior year estimates against the current year estimates.

Key observations

We have not identified any indication of management override in the year. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.

2. Revenue recognition

Significant risk description

Under ISA (UK) 240 - The auditor's responsibilities relating to fraud, in an audit of financial statements there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the IJB could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector, there is an inherent fraud risk associated with the recording of income around the year end. However, we do not deem this risk to be present for contributions received from the IJB's funding partners due to a lack of incentive and opportunity to manipulate transactions.

Audit procedures

- As the IJB does not undertake any income generating activity and funding from partners is its only source of income, no further audit procedures were deemed necessary.

Key observations

We revisited our conclusion to rebut the risk of revenue recognition throughout the audit and our conclusion did not change.

3. Expenditure recognition

Significant risk description

As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud of risk associated with the recording of accruals around the year end.

Audit procedures

- Evaluate the significant expenditure streams and review the controls in place over accounting for expenditure.
- Consideration of the IJB's key areas of expenditure and obtain evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.

Key observations

We have evaluated each type of expenditure transaction and documented our conclusions. We gained reasonable assurance over the completeness and occurrence of expenditure and are satisfied that expenditure is fairly stated in the annual accounts. To inform our conclusion we carried out testing to confirm that the IJB's policy for recognising expenditure is appropriate and has been applied consistently throughout the year.

4. Charges for services provided by NHS Lothian (significant accounting estimate)

Significant risk description

NHS Lothian is partnered with four integration authorities and is responsible for delivering integration functions across the entire Lothian region. Some services are delivered specifically for one integration authority (disclosed as core services) and the charge for delivering this service can be easily determined. Some services however are delivered on a pan-Lothian basis, utilised by one or more integration authority, in which case the charge for delivering these services is allocated across the relevant integration authorities based on demographics and population data.

We therefore deem the charge recognised by the IJB for services provided by NHS Lothian to be a significant accounting estimate and this represents an increased risk of misstatement in the financial statements.

How the scope of our audit responded to the significant risk

Key judgements

NHS Lothian developed a model, in agreement with partners, to determine how costs related to integration services were allocated between the four integration authorities. The proportion allocated to Edinburgh IJB represents 100% of costs related to core services and a percentage of hosted and set aside services based on demographics and population data.

Audit procedures

- Consider the basis for costs allocated to the IJB and ensure this is reasonable.
- Obtain assurances from the audit of NHS Lothian that the information provided to the IJB is arithmetically correct, consistent with underlying data and free from material misstatement.

Key observations

We deem the basis for cost allocation to be reasonable given the nature of data available to NHS Lothian. We obtained assurances that the information used to prepare the IJB's annual accounts is arithmetically correct and was consistent with underlying data.

A manual adjustment to the transactions with NHS Lothian was included in the IJB unaudited accounts. The IJB clarified the treatment with NHS Lothian and determined this was not required. We have noted this as an audit adjustment (Appendix 2).

We are satisfied that the amounts recognised in the audited annual accounts in respect to NHS Lothian are appropriate.

Other risk factors

Other impacts of COVID-19 on the annual accounts

17. COVID-19 continues to present unprecedented challenges to the operation, financial management and

governance of organisations, including public sector bodies. In response to the pandemic we identified potential areas of increased risk of material misstatement to the financial statements and/or our audit opinion. Our conclusions are set out in the table below.

Area considered	Description	Conclusion
Access to audit evidence	Our audit this year has been carried out remotely. As a consequence, we identified a risk that access to and provision of sufficient, appropriate audit evidence in support of our audit opinion may be impacted by the inherent nature of carrying out our audit remotely.	<p>We have employed a greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.</p> <p>We stayed in close contact with IJB colleagues right up until the point of accounts signing, to ensure all relevant issues were satisfactorily addressed.</p>

Estimates and judgements

18. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements.
19. As part of the planning and fieldwork stages of the audit we identified all accounting estimates made by management and determined which of those were key to the overall financial statements. Consideration was given to income, expenditure, accruals and provisions for legal obligations. Other

than charges for services provided by NHS Lothian, we have not determined the other accounting estimates to be significant. We revisited our assessment during the completion stages of our audit and concluded that our assessment remained appropriate.

20. Our audit work consisted of reviewing these key areas for any indication of bias and assessing whether the judgements used by management are reasonable. We have summarised our assessment of this below, categorised between Prudent, Balanced and Optimistic.

Estimates and judgements

Charges for services provided by NHS Lothian

Balanced

We reviewed the reasonableness of the assumptions used in the calculation of the IJB's liability for services provided by NHS Lothian and deemed this to be reasonable. Management have identified this as a key area of estimation and judgement within the IJB's accounting policies.

Materiality

21. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the organisation and the needs of users. We review our assessment of materiality throughout the audit.
22. Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the IJB and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.
23. Our initial assessments of materiality for the IJB's financial statement was £11.250million. On receipt of the unaudited annual accounts, we reassessed materiality and updated it to £12.936million. We consider that our updated assessment has remained appropriate throughout our audit.

Materiality

Overall materiality

£12.936million



100%

Accounts materially misstated where total errors exceed this value

Performance materiality

£9.702million



75%

Work performed to capture individual errors at this level

Trivial threshold

£250,000



Audit Scotland threshold

All errors greater than this level are reported

Materiality

Our assessment is made with reference to the IJB's cost of delegated services. We consider the cost of delegated services to be the principal consideration for the users of the accounts when assessing the performance of the IJB

Our assessment of materiality equates to approximately 1.5% of the IJB's cost of delegated services as disclosed in the 2021/22 unaudited annual accounts.

In performing our audit we do apply a lower level of materiality to the audit of the Remuneration and Staff Report. Our materiality is set at £5,000.

Performance materiality

Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.

Trivial misstatements

Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Audit differences

- 24. Audit differences we identified during the audit are detailed at Appendix 2.
- 25. We identified disclosure and presentational adjustments during our audit which have been detailed in Appendix 2.

Internal controls

- 26. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the IJB. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

Area	Assessment	Comment
Control and process environment	Satisfactory	We consider the control environment within the entity to be satisfactory.
Quality of supporting schedules	Satisfactory	The supporting schedules received during the course of the fieldwork were sufficient for our audit purposes.
Responses to audit queries	Satisfactory	Management's responses to our audit queries were appropriate and received on a timely basis.

Follow up of prior year recommendations

- 27. We followed up on progress in implementing actions raised in the prior year as they relate to the audit of the financial statements. Full details of our findings are included in Appendix 3.

Other communications

Accounting policies, presentation and disclosures

- 28. Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the IJB.
- 29. The accounting policies, which are disclosed in the annual accounts, are in line with the Code and are considered appropriate.

30. There are no significant financial statements disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.

31. Overall we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

32. We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

33. Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

34. As part of our standard audit testing, we have reviewed the laws and regulations impacting the IJB. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations that would necessitate a provision or contingent liability.

The Local Authority Accounts (Scotland) Regulations 2014

35. As part of our audit we reviewed the IJB's compliance with the Local Authority Accounts (Scotland) Regulations 2014, in particular in respect of the regulations 8 to 11 as they relate to the annual accounts.

36. Overall we concluded that appropriate arrangements are in place to comply with these regulations.

Written representations

37. We presented the final letter of representation to the Chief Finance Officer to sign at the same time as the financial statements were approved.

Related parties

38. We are not aware of any related party transactions which have not been disclosed.

Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the IJB is planning effectively to continue to deliver its services and the way in which they should be delivered.



Auditor judgement



The IJB continues to face significant financial pressures, both immediately and over the medium to longer term, with latest projections suggesting a funding gap of £70.0 million by 2025/26. Recognising the need for a more strategic approach to financial planning, management has established the Innovation and Sustainability Portfolio, with a clear focus of delivering strategic change programmes and initiatives that look to achieve long-term financial and operational sustainability. High level financial projections have been updated but work remains ongoing to develop a medium term financial strategy and Edinburgh is now one of three integration authorities that have not yet developed a strategy.

The IJB's medium term workforce strategy 'Working Together' was approved by the Board in February 2022, accompanied by short term action plans and details of the governance arrangements. The IJB recognises the need to attract, recruit and retain staff to build the next generation of its workforce and explore the ways in which it can achieve this through the strategy.

Significant audit risk

39. Our audit plan identified one significant risk in relation to financial sustainability:


Financial sustainability

The IJB has been able to demonstrate arrangements for short term planning. However, as we first reported in our 2016/17 Annual Audit Report, the IJB has not developed a medium or long-term financial plan or strategy.

As we reported in 2020/21, a Financial Framework 2021-2024 was considered by the Board in December 2020, recognising a gap of £63.5 million in 2023/24. The Financial Framework was intended to form the basis of medium-term financial strategy, however further development of this has been halted. Recognising the need for a more strategic approach to identifying savings, the IJB proposed outlining a more long-term approach within an Integration and Sustainability Framework, which they intend to discuss at the Board development session in January 2022.

The health and social care sector continues to face unprecedented challenges to the sustainability of the system, some of which have been exacerbated by the COVID-19 pandemic. In an environment of heightened financial pressures, increasing demand and the growing need to redesign services, robust and timely financial planning is essential in supporting the sustainability of the IJB in the medium to long-term.

Noted in the 2021/22 External Audit Plan

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40. Work is ongoing to develop a medium term financial strategy, however this remains at the early stages of development. Further work is required to reflect on the outcome of the Scottish Government's Resource Spending Review and to ensure alignment with the IJB's Strategic Plan which is also under development. The IJB has committed to drafting a Strategic Plan by October 2022 and expect to progress the development of the medium term financial strategy once this has been approved.
 41. The health and social care sector continues to face unprecedented challenges to the sustainability of the system. Increases in demand and in the complexity of services delivered are needing to be balanced against heightened financial pressures and challenging staffing levels. Robust medium term planning is key to effectively managing this environment and the IJB should therefore develop a medium-term financial strategy in 2022/23 as an area of priority. As reported in Audit Scotland's Integration Joint Boards: Financial Analysis 2020/21 (June 2022), Edinburgh IJB is now one of only three integration authorities that do not have a medium term financial plan in place.

Innovation and Sustainability Portfolio

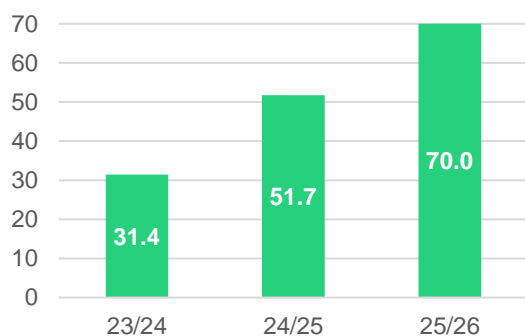
42. Previously referred to as the Integration and Sustainability Framework, the IJB has looked to establish an Innovation and Sustainability programme with the aim of providing a more strategic approach to addressing financial and system pressures.
43. The portfolio has a clear focus of delivering strategic change programmes and initiatives that look to achieve long-term financial and operational sustainability. The IJB recognises the need to balance the redesign of services, with statutory and functional service requirements, whilst working within the limitations of the resources available.
44. A list of potential pipeline proposals has been identified and the IJB continues to engage with key stakeholders to further refine and develop these. Dedicated resource is now in place to support the development of these change proposals and the first is expected to be considered by the Board in September 2022. The Budget Working Group will further reflect on the financial implications of this portfolio at its next meeting in August 2022.
45. Given the nature of the ambitions of the Innovation and Sustainability Portfolio, the IJB recognises that this will be a long-term programme that will require a phased approach in order to manage the numerous complexities. Appropriate governance arrangements are in place to oversee and manage this programme of work, as detailed in paragraph 168.
46. There is now an urgent need for major changes to service delivery to address the longer term sustainability of the health and social care sector. The Innovation and Sustainability Portfolio recognises this and we strongly encourage the IJB to continue embedding the principles of this programme across its core business.

Financial Strategy

47. The IJB's Financial Framework, first developed in October 2019 and last updated in December 2020, was intended to form the basis of a medium term financial strategy and presents an initial outlook over the medium term based on partner's planning assumptions.
48. The Framework takes cognisance of the IJB's authority to direct the totality of resources across both NHS Lothian and City of Edinburgh Council in a manner that best serves the people of Edinburgh.
49. High level projections have been developed for the period 2023 to 2026 and were considered by the Budget Working Group in August 2022, as summarised in exhibit 2. This highlights that even with the commitments around redesign and the initiatives outlined in the transformation

programme and the subsequent Innovation and Sustainability programme, the medium-term financial outlook remains extremely challenging. Further work is required to update the Financial Framework for this information.

Exhibit 2: Cumulative Future Financial Gap (£m)



Source: Budget Working Group (August 2022)

- 50. A Savings and Recovery Programme has been developed for 2022/23. However, further work is required to address the £70.0million funding gap identified for 2025/26 and quantify the forecasted position over the medium term.

Resource Spending Review

- 51. The Scottish Government published its Resource Spending Review in May 2022, covering the period from 2022/23 to 2026/27. Covering both revenue and capital, this outlines broad priorities and spending plans for the medium term which will be used to inform annual budget negotiations and allocations.
- 52. The Scottish Government recognises a need for reform to meet the most pressing issues facing Scotland over the medium term. As a result, it does not set any uniform budget increases

across portfolios, and instead priorities the delivery of Scottish Government commitments.

- 53. The key message set by Scottish Government is a requirement of savings of 3% per annum from all public sector bodies. With budgets already set for 2022/23, further detail on how this will impact the IJB is not expected until the Scottish Government set the 2023/24 budget. The IJB is reflecting on this with partnership organisations to ensure plans are aligned, as well as sharing ideas, however they recognise that current plans are likely to fall short of the Scottish Government’s requirements.

Workforce Planning

- 54. The IJB’s inaugural workforce strategy, ‘Working Together’, was approved by the Board in February 2022, accompanied by action plans and details of the governance arrangements. A detailed workforce plan was submitted to the Scottish Government in March 2022, in line with set deadlines, and the IJB expect to receive feedback on this in September 2022.
- 55. The strategy recognises the challenges currently faced within the workforce and the impact of arising risks to the IJB. Edinburgh’s population is projected to increase faster than any other area of the country over the next ten years and demand for services will increase with it.
- 56. The Partnership consists of just under 5,000 colleagues, of which 48% are aged 50 and above and only 8.6% are below the age of 30. The IJB therefore faces the risk of losing essential

knowledge and experience from the organisation and acknowledges the further challenges presented by national demographic projections which indicate a reduced capacity within working age groups over the medium term.

57. The IJB recognises the need to attract, recruit and retain skilled staff to build the next generation of its workforce and explore the ways in which it can achieve this through the strategy.
58. Key stakeholder groups, including current employees, have been involved throughout the development of the strategy. The IJB has also recognised the importance of services delivered by colleagues from the third and voluntary sectors, and has ensured their views have also been reflected.
59. Building a workforce capable of meeting the health and social care needs of Edinburgh's citizens is a long term process and the objectives set reflect this. Recognising the need for further discussion and collaboration to inform this process however, the strategy focusses on actions required over the next three years.
60. The strategy outlines the IJB's vision and priorities for its workforce and considers the actions needed to deliver a high quality, skilled and sustainable workforce. The strategy takes cognisance of the IJB's overarching Strategic Plan and is structured under four strategic workforce priorities;
 - Health & Wellbeing;
 - Culture & Identity;
 - Workforce Capacity & Transformation; and

- Leadership & Development.

61. For each workforce priority, the IJB has identified several key commitments and a series of specific actions. Three delivery groups have been established to take forward the action plan for each priority (one group will consider both Health & Wellbeing, and Culture & Identity).
62. The first task of each delivery group will be to determine performance indicators for each commitment. Progress in delivering the short term delivery plans will be reported to the Innovation & Sustainability Portfolio Board, and shared with the IJB as required.
63. We are satisfied that appropriate arrangements are in place to oversee the delivery of 'Working Together' and encourage the IJB to set key performance indicators for each workforce priority to support the quantitative assessment and scrutiny of progress.

National Care Service (Scotland)

64. In February 2021, Derek Feeley's report on the Independent Review of Adult Social Care in Scotland was published as part of the 2020/21 Programme for Government. This outlined 53 recommendations, including the establishment of a National Care Service for Scotland, created on an equal footing with NHS Scotland, and a call for integration authorities to be funded directly by the Scottish Government.
65. The Scottish Government's response to the report and proposals to improve the way social care is delivered were published for consultation between

- August and November 2021. The key aims of these proposals were to ensure that high quality care and support is consistently delivered to every single person who needs them across Scotland, including better support for unpaid carers, and ensuring that care workers are respected and valued.
66. The proposed reforms to achieve this represent one of the most significant pieces of public service reform to be proposed by the Scottish Government. An analysis of the consultation responses was published in February 2022 and seen as a key step in shaping the primary legislation required.
67. The National Care Service (Scotland) Bill was introduced to Parliament on 20 June 2022. The Bill is currently at stage one of approval where it is being examined by the Health, Social Care and Sport Committee.
68. The Bill allows Scottish Ministers to transfer responsibility for social care from local authorities and certain healthcare functions from the NHS to a new National Care Service. The Scottish Government has committed to establishing a functioning National Care Service by the end of the parliamentary term in 2026.
69. The Bill makes provision for the Scottish Ministers to establish and fund new bodies, called “care boards”, to plan and deliver services locally. The relationship between the Scottish Ministers and the care boards is expected to work in a similar way to the current approach taken by IJBs and their partner bodies.
70. The Bill sets out an initial framework for how the new bodies will be constituted, and how they will operate and deliver services. The Scottish Government have recognised that further detailed policy, including the provisions which impact on the IJB, will be set out in secondary legislation. This includes;
- The number of care boards and the geographic areas they will cover;
 - The membership of the boards and their relationship with the National Care Service structures;
 - The duties, functions and services they will provide, both directly and commissioned from other bodies;
 - Workforce, employment and contractual arrangements (including transfer of staff from local authorities); and
 - Maximising opportunities for collaboration and co-operation between care boards and other bodies, including local authorities, NHS boards and independent and third sector bodies.
71. Due to recognition of the significant impact which the Bill will have on the IJB once it has been passed in parliament, the IJB Chief Officers continue to have regular communication with the Scottish Government. Given the level of uncertainty that remains regarding the impact on IJBs, the implementation of the National Care Service has not been reflected in the IJB’s financial, strategic or operational planning to date, in line with the rest of the sector.

Financial management

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



Auditor judgement



Whilst the IJB started 2021/22 with an unbalanced budget, it reported an accounting surplus of £57 million at 31 March 2022. This has arisen from funding received in 2021/22 to be spent in future years, with the full surplus being committed or ring fenced for specific purposes. This level of additional funding was not anticipated and is £33.8 million received was in excess of the amount requested through the Local Mobilisation Plans.

The IJB has recognised that the reserves position as at 31 March 2022 is significant at £82.2 million, with the majority of funding in reserves being ring fenced for specific purposes. Of this balance, £44.9 million is earmarked to address costs arising from the COVID-19 pandemic. The IJB are actively in discussion with partners and the Scottish Government to determine the extent of flexibility in the application of these monies going forward.

The Board approved the 2022/23 financial plan in March 2021 and a savings and recovery programme of £5.74million. Further actions (totalling £12.8million) have been identified to mitigate the position, reducing the budget gap to £10.8 million. The IJB and partners have agreed that the remaining budget gap is at a level where it is feasible to identify mitigating actions as the year progresses.

Significant audit risk


72. Our audit plan identified one significant risk in relation to financial management:

Management of the forecasted year end position

In March 2021, the Board approved the 2021/22 financial plan and the savings and recovery plan. At this stage, the plan identified a deficit of £9.3 million which was subsequently reduced to £5.5 million.

The latest forecast (December 2021) projected a deficit of £13.1 million, resulting from the existing deficit and slippage on the savings and recovery programme. The Scottish Government has committed to supporting Integration Authorities to break even in 2021/22, providing that IJBs take appropriate steps to reduce this requirement as far as possible. Whilst this supports the 2021/22 financial position, it is important to note that the IJB continues to run with a material underlying financial deficit which is likely to increase further in 2022/23.

Noted in the 2021/22 External Audit Plan

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73. Whilst the IJB started 2021/22 with an unbalanced budget, it reported an accounting surplus of £57 million at 31 March 2022, largely as a result of additional funding made available by the Scottish Government. Of this surplus, £53.8 million is ring fenced for specific purposes and the remaining £3.2 million represents a surplus on delivering delegated services which has been committed to address the 2022/23 funding gap.
74. The Board approved the 2022/23 financial plan in March 2022 and received an update in August 2022. Even after assuming full delivery of the 2022/23 savings and recovery programme of £5.7 million, the plan recognises a funding gap of £10.8 million. The IJB has agreed with partners that opportunities to identify savings that do not impact on service delivery have been exhausted, but believe there is sufficient flexibility in the financial framework to mitigate this funding gap in year. The IJB holds significant reserves of £82.2 million and discussions with Scottish Government are ongoing to determine how these can be utilised to address the remaining gap.
75. Of this reserves balance, £44.9 million is earmarked to address the cost arising from the COVID-19 pandemic. The Scottish Government has advised that no further COVID-19 funding will be provided in 2022/23 or beyond. The IJB has forecasted costs of £26.8 million which will be met by this reserve. The IJB is continuing to liaise with partners and the Scottish Government to manage and minimise these

costs where possible, recognising the now non-recurring nature of this funding.

Financial Performance in 2021/22

76. The IJB started 2021/22 with an initial funding gap of £31.3 million. The financial plan identified two mitigating actions totalling £2.8 million and a savings and recovery programme was developed to address £19.2 million of the remaining savings requirement. The IJB and partners agreed that the remaining budget gap of £9.3 million was at a level where it is feasible to identify mitigating actions as the year progressed.
77. The IJB spent £881 million delivering health and social care services to the people of Edinburgh in 2021/22 (2020/21: £850 million). For 2021/22 the Board is reporting a surplus of £57 million (2020/21: surplus of £22

million), largely as a result of additional funding made available by the Scottish Government. This is the third year that the IJB has not needed to rely on additional contributions from partners to manage their financial position.

78. Of this surplus, £53.8 million is ring fenced for specific purposes, representing funding received in 2021/22 but not yet spent. The remaining £3.2 million represents a surplus on delegated services for 2021/22 and an unallocated general reserve balance, which has been committed to addressing the 2022/23 funding gap. The surplus has been transferred to usable reserves bringing the total balance to £82.2 million as at 31 March 2022 (31 March 2021: £25.4 million).

Exhibit 3: Financial Performance in 2021/22

	Budget £000	Actual £000	Variance £000
Health services	677,165	604,871	72,114
Council services	260,926	276,258	(15,332)
Total Outturn	938,092	881,310	56,749

Source: Finance Update- August 2022

Impact of COVID-19

79. Of the £926 million costs incurred in 2021/22, net costs of £42.4 million are directly attributable to COVID-19. Additional costs incurred by the IJB as a result of the COVID-19 response include;
- Sustainability payments made to support providers during the pandemic;
 - Purchase of additional capacity relieve the strain on acute medical services;
 - Reimbursement of independent contractors;
 - Increased prescribing costs; and
 - Slippage in the delivery of the savings and recovery programme.
80. The impact of the pandemic on the IJB's finances has been closely monitored throughout the year. NHS Lothian has continued to submit regular and timely information to the Scottish Government through Local Mobilisation Plans, reflecting the impact on both their own services and those of the Health and Social Care Partnership. These returns provided the necessary information to determine the additional cost and funding required to support the COVID-19 response.
81. In line with the Scottish Government's commitment to fully fund the financial consequences of the pandemic, the IJB received funding of £42.4 million to meet the additional costs identified within Local Mobilisation Plans. In addition, the Scottish Government committed a further £619 million of funding to integrated authorities in February 2022. The IJB's share of this funding amounted to £33.8 million.

82. Scottish Government has set the expectation that no new funding will be made available from 2022/23 to support integrated authorities and health bodies response to COVID-19. As a result, permission has been given for any associated funding not fully utilised in 2021/22 to be carried forward to 2022/23.
83. As outlined in exhibit 4, the IJB currently holds an earmarked reserve of £44.9 million to address the additional and ongoing costs of COVID-19.

Exhibit 4: Funding Allocations received from Scottish Government to support the IJB's response to the COVID-19 pandemic in 2021/22

	£'m
Funding	
Carried forward from 20/23	11.634
Funding allocated in year	75.675
Total funding available	87.309
Costs	
Costs incurred in NHS delegated services	10.910
Costs incurred in Council delegated services	31.462
Total additional Covid costs	42.372
Balance carried forward	44.937

Source: Finance Update - August 2022

84. Recognising the significant levels of reserves held for specific purposes, the IJB are actively in discussion with partners and the Scottish Government to determine the extent of flexibility in the application of these monies going forward.

Partnership working

85. The IJB has continued to work closely with both partner organisations to determine the financial impact of the pandemic and update projections for the year.
86. Internal audit completed a review in 2021/22 of the key controls established to ensure that complete and accurate Partnership financial information was included in the mobilisation plans provided to Scottish Government.
87. Reporting their findings to the Audit and Assurance Committee in May 2021, internal audit concluded that the control environment had been adequately designed and is operating effectively, providing assurance that risks are being effectively managed. The IJB completed a lessons learned exercise in August 2021, as recommended by the internal audit, in collaboration with partner organisations. From this exercise, a set of actions was developed to further strengthen the financial arrangements between the IJB and partner organisations going forward.

Financial Plans for 2022/23

88. The 2022/23 budget was considered and approved by the Board in March 2022. Whilst the budget was unbalanced by £16.9 million, the IJB and partner organisations were comfortable that there is sufficient flexibility in the system to deliver financial balance by the year end, but note that some risk remains as not all mitigating actions could be quantified at this stage.
89. Delegated budgets from partners total £749.5 million for 2022/23 (2021/22:

£692.2 million). For NHS Lothian this represents a 2% uplift (£7.3 million) from the 2021/22 budget.

90. The Scottish Government 2022/23 budget provided for an additional £553.9 million to be transferred from the health portfolio for investment in adult social care and integration. Local authorities were required to pass this additional funding to integration bodies in full, and hence the uplift in budget allocation from City of Edinburgh Council totals £47.3 million and consists of the following:
 - £16.3 million balance for prioritisation by the IJB;
 - £14.2 million to support the living wage uplift;
 - £12.8 million of winter funding
 - £2.4 million for the uprating of free personal and nursing care; and
 - £1.7 million to support continued implementation of the Carers Act.
91. In addition, the Scottish Government has subsequently announced funding for additional social workers (£1.9 million) and to support mental health recovery (£0.5 million).
92. Set against this, the projected cost of delegated services for 2022/23 is £778.8 million (2021/22: £723.5 million), excluding the financial impact of COVID-19. Modelling suggests that the cost of delivering delegated services will rise by £68.3 million compared to the prior year, with the most significant increases arising from:
 - Purchasing inflation (£29.0 million)
 - Provisions (£11.0 million)
 - Demographic growth (£9.0 million)

- Pay inflation (£8.5 million)

93. Comparing partner’s initial budget offers with projected costs of delegated services results in a savings requirement of £29.3 million.

Savings and Recovery Programme 2022/23

94. The Board considered and approved the 2022/23 savings and recovery programme in March 2022 which aimed at addressing the funding gap. The IJB has tried to ensure proposals aligned to the strategic plan and demonstrate a commitment to continually strive to improve outcomes for people and maintain the quality of services. However, the savings and recovery programme recognises that given the magnitude of the 2022/23 savings requirement, changes will need to be made that may impact services, people and staff.

95. As part of the programme, the Board approved 10 savings projects totalling £5.74 million, as outlined in exhibit 5.

96. The savings and recovery programme is insufficient to balance the 2022/23 financial plan. However, the IJB concludes that it has exhausted any further opportunities to deliver efficiencies whilst maintaining performance and improvement outcomes.

Delivering financial balance

97. The financial plan identified two further mitigating actions totalling £6.7 million. These relate to utilising £5.5 million of funding made available by Scottish Government to address cost pressures of demographic growth, and reducing cost pressures through the introduction of an overnight responder service to adults within their own homes (£1.2 million).

98. In addition, the Board received an updated 2022/23 budget in August 2022 which reflected final budget offers from partner organisations and the latest information available from the Scottish Government. This reduced the budget shortfall to £10.8 million as a result of additional funding of £2.9 million from NHS Lothian following the finalisation of their financial plan and a general reserve of £3.2 million given the surplus position in 2021/22.

Exhibit 5: Funding gap for 2022/23

	£'m
Total delegated budget (March)	749.5
Total expenditure	(778.8)
Savings requirement	(29.3)
Savings & recovery programme	5.7
Mitigating actions:	
<i>Winter funding (capacity)</i>	5.5
<i>Responder service</i>	1.2
Remaining gap (March 2022)	(16.9)
Update per August budget	
Improvement in NHS Lothian financial plan	2.9
Utilisation of 2021/22 surplus	3.2
Remaining gap for 2022/23	(10.8)

Source: 2022/23 Financial Plan (March 2022 and August 2022)

99. The IJB started 2022/23 with reserves of £82.2 million, of which £44.9 million has been earmarked to cover COVID-19 costs, as considered below. Plans to use the remaining earmarked balance are being progressed by the IJB. The application of these reserves

to address the remaining gap will need to be agreed with Scottish Government and the IJB is continuing to progress these discussions.

recognising that there remains a degree of risk around the use of earmarked reserves.

Financial impact of COVID-19

100. As outlined as exhibit 4, the IJB currently holds a reserve of £44.9 million to meet the ongoing costs of the pandemic.
101. The Scottish Government has confirmed that no further COVID-19 funding is anticipated in 2022/23 or in future years. Whilst there is still a requirement for investment in 2022/23, the sector recognises that these costs need to be managed down where possible. As a result, the Scottish Government is taking forward a number of actions through its Covid Cost Improvement Programme.
102. The IJB is working to ensure that activity in 2022/23 is fully aligned with this work. Instructions have been provided on how existing funding streams can be utilised most effectively prior to utilising COVID-19 reserves, given their non-recurring nature.
103. The IJB has completed a high level review of investments made during the pandemic, looking to identify alternative sources of funding where possible. COVID-19 costs that cannot be met through any other alternative funding source are forecasted at £26.8 million for 2022/23 (note, £10.9 million of this total is reflected in the 2022/23 financial plan outlined above). These costs will be met in year from the £44.9 million currently being carried in reserves.
104. The IJB will continue to closely monitor this position throughout 2022/23 with partner organisations,

Exhibit 6: Projected COVID Related Costs for 2022/23

	£m
<i>Net budget gap/unachievable savings</i>	10.836
<i>Provider sustainability payments</i>	3.604
<i>Hosted and set aside costs</i>	3.583
<i>GP prescribing</i>	2.152
<i>Interim care beds</i>	1.439
<i>Vaccination programme</i>	1.387
<i>Additional community capacity</i>	1.129
<i>Loss of income</i>	1.126
<i>Additional staff costs</i>	1.115
<i>Additional PPE</i>	0.365
<i>Other</i>	0.033
Total investments	26.769
Funding available	44.937
Covid reserves balance	18.167

Source: 2022/23 Financial Plan- August 2022

Prevention and detection of fraud and irregularity

105. The IJB does not directly employ staff and so places reliance on the arrangements in place within the City of Edinburgh Council and NHS Lothian for the prevention and detection of fraud and irregularities. Arrangements are in place to ensure that suspected or alleged frauds or irregularities are investigated by the partner bodies. Overall, we found arrangements to be sufficient and appropriate.

Governance and transparency

Governance and transparency is concerned with the adequacy of governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.



Auditor judgement



The Board and Committees have continued to meet virtually throughout 2021/22. Meetings were suspended in December 2021/January 2022 in response to significant pressures in the social care system, and in June/July 2022 following the Local Government Elections. There have been significant changes in Board and Committee membership following turnover within the NHS Lothian Board and the Local Government elections.

Further work is required to commission an independent assessment of the leadership and managerial capacity. Given the level of significant change the IJB has committed to over the next three years, this work should be completed as an area of priority in 2022/23.

Significant Audit Risk

106. Our audit plan identified one significant risk in relation to financial sustainability:

Maturity of governance arrangements

The Good Governance Institute undertook a review of the IJB's arrangements in 2018/19, outlining a series of 18 recommendations. As reported in our 2020/21 Annual Audit Report, two recommendations remain outstanding relating to:

- The development of the IJB's risk appetite and risk escalation approach; and
- Commissioning an independent assessment of the leadership and managerial capacity needed for the IJB to succeed over the next three years.

The IJB recognises the significant level of transformation required over the medium term to modernise and streamline service delivery and improve outcomes whilst remaining financially sustainable. Robust risk management arrangements and leadership is essential to successfully driving this process.

Noted in the 2021/22 External Audit Plan

107. Progress in delivering the Good Governance Institute's recommendations has been considered by the Executive Management Team but has not been formally reported to the Board in 2021/22. At the time of writing, the development of the IJB's risk appetite and risk escalation approach has been completed and the remaining outstanding action noted above remains in progress. We encourage the IJB to consider this as an area of priority.

Governance Arrangements

108. The IJB and its Committees have continued to meet virtually throughout 2021/22, rather than in person. Initially introduced in response to physical distancing requirements, further discussions are ongoing to determine the extent to which this will continue now that these requirements have been lifted.

109. The IJB has continued to face significant operational and capacity pressures throughout the year. By

October 2021, this had escalated to a level where the decision was taken to postpone certain areas of work undertaken by the Board and Committees to ensure officers could focus on the operational issues arising. As a result;

- All formal Board and Committee meetings in December 2021 and January 2022 were cancelled with the exception of the December 2021 Board meeting which ran with a reduced agenda;

- Development of the IJB's Performance Framework was postponed; and
 - Work underway to deliver a revised full Strategic Plan was paused.
110. Board and Committee meetings restarted in February 2022 where all papers from cancelled meetings were considered in full.
111. Through our review of Board and Committee papers we are satisfied that there continues to be effective scrutiny, challenge and informed decision making through the financial period.
112. During 2021/22, the IJB's committees were as follows;
- Strategic Planning Group
 - Performance and Delivery
 - Audit and Assurance
 - Clinical and Care Governance
 - Futures
113. The Futures Committee was introduced in response to the Good Governance Institute's review. Its purpose is to provide strategic focus and stimulus on long-term issues, evaluate assurance provided on strategic approach to these issues, and provide protected time and space for consideration of change and transformation of the delivery of services.
114. However a lack of resource to support the committee has impacted its ability to function. As a result, the Board decided to remove the Futures Committee from the IJB's governance structure from April 2022. Instead, an annual event will be held with all IJB

members to ensure a formal approach to considering longer term strategic trends considers to be taken.

New Appointments

115. In line with the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014, the term of office of a member of the IJB cannot exceed three years, but members can be reappointed for a further term of office.
116. Local Government Elections were undertaken in May 2022, resulting in changes to IJB members appointed by City of Edinburgh Council.
117. The following changes in governance arrangements have occurred during the period:
- Peter Knight (NHS Lothian) appointed 1 May 2022;
 - George Gordon (NHS Lothian) appointed 1 June 2022;
 - Peter Murray (NHS Lothian) re-appointed 27 June 2022;
 - Elizabeth Gordon (NHS Lothian) appointed 1 August 2022;
 - Councillor Tim Pogson appointed as the Chair of the IJB with effect from 16 May 2022; and
 - Councillor Euan Davidson, Councillor Max Mitchell, Councillor Vicky Nicolson and Councillor Claire Miller appointed 26 May 2022.
118. All new Board members attended an induction session prior to their first Board meeting. This session included an introduction to the IJB, an overview of the purpose of the IJB and integration, an introduction to how the IJB operates, the role of voting and

- non-voting members and a summary of ongoing strategic planning work.
119. We reviewed the induction process and concluded that it provides those charged with governance with the information and platform to do so effectively.
120. At its meeting on 9 August 2022, the IJB appointed members to its four committees.
121. Following the Local Government elections, delays were faced by City of Edinburgh Council in appointing members to the IJB, and subsequently the IJB was delayed in appointing board members to each committee. As a result, Board and Committee meetings were cancelled between June and August 2022. Work is ongoing to revise annual cycles of business to ensure all standing items are considered by the Board and Committees in a timely manner.

Integration Scheme

122. The Public Bodies (Joint Working) (Scotland) Act 2014 included a provision that the Integration Scheme for the IJB must be updated every five years following a period of public consultation. Initially planned for 2019/20, this exercise has been delayed by two years due to COVID-19. Work has commenced in 2021/22 however, with an updated Integration Scheme published for public consultation between 28 March and 26 April 2022.
123. Revisions to the Scheme have been agreed between NHS Lothian and City of Edinburgh Council. Revisions reflect the evolution of the IJB as a working entity and include;

- Removal of provisions relating to the establishment and set up of the IJB;
 - Updates to aspects of governance to reflect established best practice;
 - Recognition and alignment with NHS Lothian's Strategic Development Framework;
 - Confirmation of the support services to be provided by City of Edinburgh Council and NHS Lothian to the IJB; and
 - Updated arrangements for the processing and handling of information among partner bodies to reflect best practice.
124. The Integration Scheme was considered at both the City of Edinburgh Council and NHS Lothian Board meetings in June 2022. This is currently sitting with Scottish Ministers for formal approval and adoption.

Openness and Transparency

125. There is an increasing focus on how public money is used and the outcomes that it helps to achieve. Due to this it is important that public bodies operate in a transparent manner and consider potential actions which can continuously improve transparency.
126. We found that the IJB has clear arrangements in place to ensure that members of the public can attend the board meetings as observers and that agendas are available five working days in advance of the meetings.
127. We noted that the IJB does not make audit committee papers available on their website, although minutes are available through the board papers. The Board has reflected on this as

part of the current review of governance arrangements and deem the balance of openness to be appropriate.

Internal Audit

128. The Chief Auditor of City of Edinburgh Council has been appointed as the Chief Internal Auditor for the IJB. Internal audit activity is undertaken by a combination of the City of Edinburgh Council and NHS Lothian internal audit teams.
129. To avoid duplication of effort and to ensure an efficient audit process we have taken cognisance of the work of internal audit throughout our audit. While we have not placed formal reliance on the work of internal audit in 2021/22, we have taken account of internal audit's work in respect of our wider scope responsibilities. We are grateful to the internal audit team for their assistance during the course of our work.
130. In her Annual Opinion, the Chief Internal Auditor notes that some improvement is required to the IJB control environment and governance and risk management framework. As a result, internal audit provided an 'amber rated opinion'. This is in line with the outcome reported in 2020/21
131. In February 2022, the Chief Internal Auditor presented three proposed principles to formalise the established working relationship between IJB's Audit and Assurance Committee, Council Governance, Risk and Best Value (GRBV) Committee and NHS Lothian Audit Committee.
132. Established principles are already in place between NHS Lothian and the four integrations authorities it works

with. Aligned principles have been set as follows to underpin the relationship between the IJB and City of Edinburgh Council;

- EIJB Audit and Assurance and GRBV Committee will have an effective working relationship to take forward matters of common interest.
- To support the efficient conduct of business, there is a clear communication process from the EIJB Audit and Assurance Committee to the GRBV Committee and vice versa.
- Relevant EIJB Internal Audit reports will be made available to the GRBV Committee and vice versa.

133. The principles were approved by the IJB's Audit and Assurance Committee in February 2022 and the Council's GRBV Committee in March 2022.

Fairness and equality

134. In December 2019, the IJB set the following five equality outcomes for the period 2019-2023:
- People know what support and services are available and know how to access them;
 - People are treated with respect and provided with the best advice and support;
 - People are supported to lead an independent life;
 - Services are available fairly across the city; and
 - Health inequalities are reduced.

135. The IJB is required to report on progress made against these equality outcomes at least every two years. The latest Equalities Outcome and Mainstreaming Progress Report was published in 2021/22 and is available on the IJB's website.
136. Management recognise the importance of mainstreaming and integrating equality in day to day processes and decision making. The Mainstreaming Equality Report details a number of initiatives that the IJB has implemented or plans to implement.
137. In addition, to ensure fairness and equality is integrated into service delivery and decision making, the IJB completes Integrated Impact Assessments for all budgets, new policies and procedures and areas of strategic priority. The findings of the Integrated Impact Assessments are included alongside Board and Committee reports to allow members to scrutinise the impact of proposals on equalities, human rights and sustainability.
138. We are satisfied that appropriate arrangements appear to be in place to oversee and report on delivery of the IJB's five equality outcomes.
- implications across the wider social care sector.
140. The IJB is aware of these inquiries but they have not been formally considered by the Board. The Council has committed to implement all recommendations from these reports and on this basis, the IJB has not deemed it necessary to consider these further.

Whistleblowing investigation

139. City of Edinburgh Council commissioned independent inquiries in relation to whistleblowing and organisational culture, and the conduct of a former senior manager in Communities and Families. These concluded in 2021/22, with the outcomes reported to the Council. These focus on children's social care, a service for which the IJB is not responsible for, but do have

Value for money

Value for money is concerned with using resources effectively and continually improving services. In this section we report on our audit work as it relates to the IJB's reporting of its performance.

Auditor judgement



Further work is required to develop a robust performance management framework that is aligned to the new Strategic Plan. The IJB has committed to producing drafts of both documents by October 2022, having paused their development between December 2021 and May 2022 to focus on addressing system pressures.

Performance continues to be mixed, with the IJB performing worse than the national average in nine of the 19 indicators. The IJB continues to perform poorly against a number of key indicators and is the lowest ranked integrated authority for delayed discharges. Areas of underperformance have been recognised and reflected on by the Innovation and Sustainability Portfolio.

The pandemic, EU withdrawal and Edinburgh's growing population have exacerbated the significant pressures faced by the IJB. The focus has now shifted from reacting to the pandemic to support sustainability over the medium to long-term. The transformation programme has transitioned to the Innovation and Sustainability Portfolio and work is ongoing to identify, scope and deliver the next phase of major change and innovation in how the IJB commissions services.

Significant audit risk

141. Our audit plan identified one significant risk in relation to value for money under our wider scope responsibilities:

Performance management framework

Delivery against local and national targets is presented to the Performance and Delivery Committee on a bi-monthly basis. However, work remains ongoing to develop and embed an integrated performance framework with measures that more clearly consider performance against the Strategic Plan.

Management had committed to developing this framework by April 2022 to coincide with the commencement of the new Strategic Plan 2022-2025, however work has been paused to manage system pressures and the publication of the Strategic Plan has been delayed until 2023.

Without a clear, effective performance management framework in place, there is a risk that the IJB cannot demonstrate continual improvement of services delivered and the achievement of value for money through appropriate use of resources.

Noted in the 2021/22 External Audit Plan


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142. Under the integration scheme, the IJB is responsible for implementing a comprehensive performance management system that allows for transparent reporting and appraises achievement against the strategic plan. Work to develop the performance framework and strategic plan restarted in May 2022 following an expansion of the Performance and Delivery Committee, and the IJB has committed to completing first drafts of both documents by October 2022.
143. An overview of the proposed approach to developing the performance framework, including identification of five overlapping workstreams, was presented to the Performance and Delivery committee in July 2021. The work is intended to be conducted in line with the development of a new strategic plan 2022-2025, such that the refreshed performance reporting can be put in place alongside the new strategic plan.
144. The Performance and Delivery Committee considered the status of each workstream in August 2022, as summarised in exhibit 7. Next steps were agreed to ensure the timely development of key performance indicators and monitoring framework.

Exhibit 7: Status of each overlapping workstream

Workstream	Status
Workstream 1: Understanding the outcomes we want to monitor performance against	Draft strategic plan due to SPG in August 2022
Workstream 2: Developing a set of indicators that build a picture of performance against these outcomes	Work is under way to group indicators under the proposed strategic objectives but this will continue once the draft Strategic Plan is progressed
Workstream 3: Ensuring we have robust data in place to measure this performance	Work commenced in July 2022 to review our Council social care data. Further work will be undertaken as measures and reporting are further developed.
Workstream 4: Understanding performance roles and responsibilities – who needs to receive what performance information	The EIJB Performance Framework is currently being drafted.
Workstream 5: Creating mechanisms and deliverables for reporting.	Work commenced in July 2022 to review our Council social care data, and how we can use dashboard tools to improve this reporting. A related project in relation to NHS data will commence later in the year.

Source: Performance Framework Report- August 2022

145. We encourage the IJB to continue building on their performance framework as an area of priority to be able to demonstrate continual improvement of services delivered and the achievement of value for money through appropriate use of resources. Management have committed to producing a draft of the framework by October 2022 and finalising this alongside the Strategic Plan by March 2023. The IJB has recognised that further work to support improved performance and embed this into the organisation will continue into 2023-24.

Performance Framework

146. The Performance and Delivery Committee is responsible for

overseeing the performance and progress monitoring framework.

147. A performance report is presented at each Performance and Delivery

Committee, providing an overview of performance against the seven key local indicators and national Ministerial Strategic Group measures. Detailed dashboards are supported by a narrative report which highlights key risks and noteworthy changes to performance.

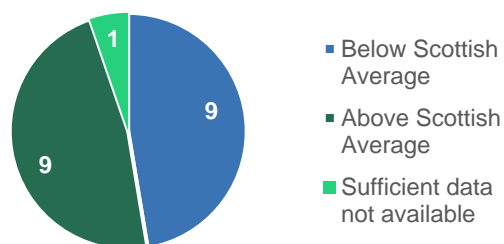
148. As highlighted in our 2020/21 Annual Audit Report, performance reports are significant in length with the most recent committee report in excess of 50 pages. Whilst the level of detail may be beneficial to some members, this does not support efficient scrutiny. Members should focus discussions on area of concern or underperformance and the current reporting format does not summarise or highlight these areas.
149. Performance reports would benefit from the inclusion of a performance scorecard that summarises for each indicator whether performance has improved, declined or remained constant and how this compares against targets or thresholds. A RAG rating could be used to draw members' attention to areas of underperformance or concern.

Performance during 2021/22

150. In line with the requirements of the Public Bodies (Joint Working) Act 2004, the IJB prepares an annual public performance report that considers progress against both the nine National Health and Wellbeing Outcomes and the key priorities identified within their strategic plan.
151. The performance report compares the IJB's performance against 19 core national indicators to the Scottish average. For some indicators, performance is based on data for the

2021 calendar year due to the national data for 2021/22 being incomplete at the time of writing.

Exhibit 8- Edinburgh IJB performance against the core national indicators



Source: EIJBA Annual Performance Report 2021-22- July 2022

152. As exhibit 8 demonstrates, performance continues to be mixed compared to the Scottish average. The IJB performed worse than the national average in nine of the 19 indicators. The IJB ranked in the bottom 20% of 31 integration authorities in the following three indicators;
- Number of days people aged 75+ spend in hospital when they are ready to be discharged – ranked 31st (2021: 22nd);
 - Falls rate per 1,000 population in over 65s – ranked 28th (2021: 29th); and
 - Proportion of last six months of life spent at home or in community setting - ranked 27th (2021: 31st).
153. As noted in exhibit 8, there was insufficient data available to conclude on performance for the indicator 'percentage of total health and care spend on hospital stays where the patient was admitted in an emergency'. NHS Boards were not able to provide detailed cost

information for 2020/21 due to changes in service delivery during the pandemic and as a result, Public Health Scotland have not provided information for this indicator beyond 2019/20.

Delayed discharges

154. The IJB has historically underperformed against their delayed discharges target (the number of days people aged 75+ spend in hospital when they are ready to be discharged) and were the lowest ranking integration authority in 2021/22 (2020/21: ranked 22nd).
155. It is recognised that the 2020/21 figures, both locally and nationally, were affected by the pandemic both due to the lower number of people being admitted to hospital and the focus to free up beds to increase hospital capacity.
156. As expected, performance has therefore declined by comparison in 2021/22 as services have remobilised and pressures on social care capacity have returned. These pressures have been felt more acutely in Edinburgh due to the demographics of the city, with the number of bed days lost due to delayed discharges increasing by 143% for the IJB, compared to a 58% increase in the national average.
157. Whilst the IJB has recognised a sharp increase in delayed discharges in 2021/22 and is the lowest performing integration authority, this remains below the high levels of delayed discharges reported in 2017/18 and 2018/19.
158. The IJB is continuing to work to reduce the levels of delayed discharges through initiatives including;

- Home First - introducing a 'planned date of discharge' to support and encourage more proactive discharge planning.
- Bed-based care strategy - implementing changes that support increased capacity in intermediate care and a move to a nursing model within internal care homes.

159. The IJB will continue to closely monitor performance in the area. Addressing areas of underperformance, including delayed discharges, is a key priority for the IJB and is recognised as such in its Strategic Plan.

Recovery and Transformation

160. The pandemic has continued to present significant challenges to the health and social care system as restrictions have eased but COVID-19 cases have remained high. The pressures faced by the IJB are not new, but have been exacerbated by withdrawal from the EU, the COVID-19 pandemic and Edinburgh's growing population.
161. At both a national and local level, an increase in demand has resulted from people being de-conditioned following periods of lockdown, family members and unpaid carers seeking support after caring for people during the pandemic, and a general build-up of demand emerging after the reduction in services since March 2020.
162. At the same time, the sector is also facing a decrease in care capacity resulting from a loss of staff, higher levels of staff sickness absence and long-term challenges to recruit.

163. In response to these pressures, the Scottish Government allocated £300 million of funding across Scotland. Utilising its share of the funding (£10.8 million), the IJB targeted investment to reflect the priority areas identified by the Scottish Government, looking to initially improve system performance in the short term.
164. Regular updates on the system pressures faced and the areas of investment were presented to the Board between October 2021 and April 2022. Whilst the position remains challenging, small improvements in performance have been noted.
165. The focus of the IJB has now shifted from reacting to the pandemic to supporting sustainability over the medium to long term. Work has been ongoing to transition the transformation programme, initially established in early 2020 to support the delivery of the Strategic Plan 2019-2022, into a new Innovation and Sustainability Portfolio, as presented to the Board in March 2022.
166. The portfolio will focus on driving efficiency and delivering sustainability, not just financially, as considered at paragraph 42 onwards, but also in terms of future service and workforce capacity. As well as collating all existing transformation projects, there is a need to identify, scope, develop and deliver the next phase of major change and innovation. Given the scale of the multi-faceted, cross cutting and complex pressures faced, a significant programme of holistic, whole-system, strategic change is required to support long-term recovery and sustainability.
167. The Innovation and Sustainability Portfolio encompasses a number of the key projects which were initiated under the previous transformation programme including;
- Bed based care strategy;
 - Digital transformation;
 - Three conversations model;
 - Edinburgh wellbeing pact;
 - Home first project;
 - Home based care transformation; and
 - Working together strategy.
168. In line with the previous transformation programme, a Portfolio Board consisting of members of the Executive Management Team will have overall accountability and responsibility for the Innovation and Sustainability Portfolio. Terms of reference for this group are in place and outline that the Portfolio Board will meet once a month and report progress made on the workstreams directly to the IJB.
169. In December 2021, the IJB agreed to identify a permanent funding source to support a transformation team, recognising that the scale of change required is not feasible without dedicated resources.
170. Work remains ongoing to develop a pipeline of future projects that recognise the need to adapt to the establishment of a new National Care Service and the introduction of Care Boards; an area which the Portfolio Board will continue to monitor closely. The pipeline of future projects will also focus on the best use of the overall investment of the IJB budget, rather

than focussing on annual budget saving proposals.

171. Appropriate resources and governance arrangements are in place to support the Innovation and Sustainability Portfolio and we encourage the IJB to continue developing its pipeline of future projects alongside the Strategic Plan.

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Appendix 1: Respective responsibilities of the Board and the Auditor

The Code of Audit Practice (2016) sets out the responsibilities of both the Board and the auditor and are detailed below.

Board responsibilities

The Board is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Chief Financial Officer has been designated as that officer within the IJB.

The Chief Financial Officer is responsible for the preparation of the IJB’s annual accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Area	Chief Financial Officer responsibilities
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Corporate governance

The Chief Financial Officer is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.

The Chief Financial Officer has responsibility for:

Financial statements.

- preparing financial statements which give a true and fair view of its financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;
- maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures;
- maintaining proper accounting records; and
- preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that is consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also address the longer term financial sustainability of the IJB.

Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate

Area	Chief Financial Officer responsibilities
	disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.
Standards of conduct for prevention and detection of fraud and error	The Chief Financial Officer is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.
Financial position	<p>The Chief Financial Officer is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
Best value	The Chief Financial Officer has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.

Auditor responsibilities

Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK), professional requirements and best practice. These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards;
- provide an opinion on the financial statements and the regularity of transactions;
- review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports;
- notify the Auditor General when circumstances indicate that a statutory report may be required; and
- demonstrate compliance with the wider scope of public audit.

Wider scope audit

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

The Code of Audit Practice frames a significant part of our wider scope responsibilities in terms of four audit dimensions: financial sustainability; financial management; governance and transparency; and value for money.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of the IJB's best value arrangements has been integrated into our audit approach, including our work on the wider scope dimensions.

Independence

In accordance with our profession's ethical guidance and further to our External Audit Annual Plan issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Audit and non-audit fees

The total fees charged to the IJB for the provision of services in 2021/22 (with prior year comparators) is as follows:

	Current year £	Prior year £
Audit of the Edinburgh Integration Joint Board (Auditor remuneration)	21,175	21,112
Total audit	21,175	21,112
Non-audit services	-	-
Total fees	21,175	21,112

The FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. No non-audit services were provided to the IJB.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. The audit quality arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report which covers our work at the IJB since appointment can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122>

Appendix 2: Adjusted and unadjusted errors identified during the audit

Adjusted misstatements

No	Detail	Assets	Liabilities	Reserves	SoCNE
Details of unadjusted audit differences		Dr / (Cr)	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)
		£	£	£	£
1.	Reversal of manual adjustment to NHS Lothian income and expenditure Gross Value: £19,359 Net Value: nil		-		
Net impact on (income) / expenditure (£'000)					-

Unadjusted misstatements

We did not identify any unadjusted audit differences during our audit of the IJB's annual accounts.

Disclosure amendments

No	Detail
1.	Updates to the Remuneration Report and Annual Governance Statement to reflect the outcome of the May 2022 local government elections and the impact on membership of the IJB and the timing of Board and Committee meetings
2.	Management Commentary - additional disclosure to acknowledge the proposals under the National Care Service (Scotland) Bill
3.	Short Term Debtors - revision of split of debtor balance between partners (includes prior year comparative disclosure change)
4.	NHS Lothian transactions and year end balance - revision of split of income received from partners to reflect the NHS Lothian movement in reserves (prior year comparative disclosure changes) and updates to segmental reporting.

Appendix 3: Follow up of prior year recommendations

We have followed up on progress in implementing actions raised in the prior years. The table below summarises progress made by the IJB in implementing these actions.

Delivery of external audit actions – action raised 2020/21

Recommendation The Audit and Assurance Committee should receive regular updates on progress made in addressing external audit recommendations.

Rating	Other Observation	Implementation date	Initial: Spring 2022
			Revised: Spring 2023

Ongoing	Item included for consideration at the June 2022 Audit and Assurance Committee meeting as per the Annual Cycle of Business. However, the meeting was cancelled following delays in finalising the composition of the committee after the May 2022 local government elections. Management continue to reflect on which meeting this item should subsequently be brought to.
	Revised implementation date: Spring 2023

Medium term financial plan- action raised in 2016/17

Recommendation The IJB should develop a Medium Term Financial Plan to support the delivery of the vision and priorities within the updated Strategic Plan for 2019-22.

Rating	Significant deficiency	Implementation date	Initial: December 2017 Revised: March 2023
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Ongoing	<p>The Board has not yet developed a medium term financial strategy. Work is ongoing by the Chief Financial Officer to develop medium term financial plans to support the development of a strategy Management now intend to complete this exercise by late 2022. The IJB have recognised that the process of integrating the financial plans into the formation of a medium term financial strategy will be completed at a later date with no timescale confirmed at present.</p> <p>The IJB should develop a medium-term financial strategy in 2022/23 as an area of priority.</p> <p>Revised implementation date: March 2023</p>
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Recovery Plan - action raised in 2017/18

Recommendation The Board should ensure that action plans to deliver improvement actions are;

- Reported on a regular basis, using succinct format which include a clear assessment of progress against actions
- Framed in SMART terms

Rating

Significant deficiency

Implementation date

Initial: January 2019

Revised: March 2023

Ongoing

Regular reporting on the Transformation Programme to both the Transformation Portfolio Board and Strategic Planning Group outlines progress against key milestones for each of the seven phase one projects. The programme is due to transition to the Innovation and Sustainability Programme.

Whilst the reporting considered progress and significant risks to progress, it did not consider the impact completed actions have had on performance. As noted against action 4, work is still on going to develop a suite of performance measures that better reflect progress against strategic priorities as part of the development of the IJB's Performance Framework.

Revised implementation date: March 2023

Performance- action raised in 2016/17

Recommendation To enable the IJB to report progress against both the national outcomes and its own strategic priorities, it should ensure sufficient performance measures are clearly attributed to each strategic priority. The Board should work with partners to ensure that sufficient financial and leadership capacity is available to deliver sustained improvement

Rating	Significant deficiency	Implementation date	Initial: December 2017 Latest:
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Ongoing

A number of areas showed poor performance in 2021/22 and the IJB is continuing to work with partners to support the delivery of sustainable improvement.

We noted that performance reports include a significant level of detail and would benefit from the inclusion of a performance scorecard that summarises for achievement and trends for each indicator.

Management have committed to producing a draft of the Performance Framework by October 2022. The revised deadline is attributed to timing of the strategic planning cycle where the performance framework timescales are now aligned with development of the new Strategic Plan for 2022-2025.

Revised implementation date: March 2023

Workforce planning- action raised in 2016/17

Recommendation To IJB should develop an integrated workforce plan for the city.

Rating	Significant deficiency	Implementation date	Initial: December 2018 Latest: December 2021
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Complete	The IJB's workforce strategy 'Working Together' was approved by the Board in February 2022. In addition, the IJB submitted a workforce plan in line with the Scottish Government deadline of March 2022.
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