
Report To:	Inverclyde Integration Joint Board Audit Committee	Date:	18 November 2024
Report By:	Kate Rocks Chief Officer Inverclyde Health & Social Care Partnership	Report No:	IJB/AC/14/2024/CG
Contact Officer:	Craig Given	Contact No:	01475 715381
Subject:	Annual Report to the IJB and the Controller of Audit for the Financial Year ended 31 March 2024		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to present the Audited Annual Accounts and associated audit opinion to Integration Joint Board Audit Committee (IJB) Members for the financial year ended 31 March 2024 which has been prepared by the IJB's external auditors, KPMG LLP. A representative from KPMG LLP will be at the meeting to present the report.

1.3 It is a statutory requirement of the accounts closure process that the IJB Audit Committee receives a letter (ISA260) from the appointed External Auditors highlighting the main matters arising in respect of prior years accounts.

1.4 There are a number of key appendices to the report:

- The letter of representation from the Chief Financial Officer enclosed at Appendix 1.
- A copy of the final 2023/24 Annual Accounts is also attached at Appendix 2.
- The Annual Report at Appendix 3.

2.0 RECOMMENDATIONS

2.1 The Integration Joint Board Audit Committee is asked to:

1. Recommend the IJB to authorise the Chair, Chief Officer and Chief Financial Officer to accept and sign the final 2023/24 Accounts on behalf of the IJB. Appendix 2.
2. Consider the Letter of Representation contained within Appendix 1 and recommends the signing of this by the Chief Financial Officer.
3. Note the content of the Annual Report at Appendix 3.

Kate Rocks
Chief Officer, Inverclyde Health and Social Care Partnership

3.0 BACKGROUND AND CONTEXT

- 3.1 It is a statutory requirement of the accounts closure process that the IJB Audit Committee receives a letter from the appointed External Auditors highlighting the main matters arising in respect of the prior year accounts. This report, (ISA260), has been incorporated into the enclosed Annual Report and is attached as Appendix 3.
- 3.2 The IJB's External Auditors, KPMG LLP, have carried out the audit and the main matters arising are presented in their enclosed ISA 260 document. All relevant changes resulting from the ISA 260 have been reflected in the IJB's final Audited Accounts which are also attached, in Appendix 2.
- 3.3 The information provided to the IJB Audit Committee is the culmination of a significant amount of work by Officers and External Auditors who worked closely together to ensure the audit process has been as efficient as possible. The accounts closure process and subsequent audit have produced a high quality Annual Accounts. This is a testament to the significant work by Officers and their positive working relationship with KPMG LLP.
- 3.4 There are a number of key appendices to this report:
- The letter of representation from the Chief Financial Officer is enclosed at Appendix 1. The letter of representation provides External Auditors with assurance regarding some of the key accounting requirements and assumptions utilised when closing the 2023/24 Accounts. From this letter, the IJB's External Auditors can arrive at a view when expressing an opinion as to whether the financial statement presented a true and fair view of the financial position of the Inverclyde IJB at 31 March 2024.
 - A copy of the final 2023/24 Annual Accounts is also attached at Appendix 2.
 - The annual report to the IJB from External audit is attached at Appendix 3.
- 3.5 In respect of the Annual Accounts, it has been confirmed that the IJB has received an unqualified opinion on the financial statements for the financial year ended 31 March 2024 and that there are no unadjusted differences to report. Both these are very welcome and significant achievements
- 3.6 Some minor presentational changes from the draft accounts were identified during the course of the audit and have been actioned.

4.0 PROPOSALS

- 4.1 As set out in recommendations section at 2.0.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk		X
Human Resources		X
Strategic Plan Priorities		X
Equalities, Fairer Scotland Duty & Children and Young People		X
Clinical or Care Governance		X
National Wellbeing Outcomes		X

Environmental & Sustainability		X
Data Protection		X

5.2 Finance

There are no direct financial implications within this report.

One off Costs – additional costs as outlined in this report.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

5.3 Legal/Risk

There are no specific legal implications arising from this report.

5.4 Human Resources

There are no specific human resources implications arising from this report.

5.5 Strategic Plan Priorities

There are no strategic plan priorities issues arising from this report.

5.6 Equalities

(a) Equalities

There are no equality issues within this report.

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(b) Equality Outcomes

How does this report address our Equality Outcomes?

There are no equality issues within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

(c) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

(d) **Children and Young People**

Has a Children’s Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

5.7 Clinical or Care Governance

There are no governance issues within this report.

5.8 National Wellbeing Outcomes

How does this report support delivery of the National Wellbeing Outcomes?

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

5.9 Environmental/Sustainability

Summarise any environmental / climate change impacts which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.10 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 DIRECTIONS

6.1	Direction Required to Council, Health Board or Both	Direction to:	
		1. No Direction Required	X
		2. Inverclyde Council	
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

7.0 CONSULTATION

7.1 This report has been prepared by the Chief Financial Officer of the IJB after due consultation with External Audit and the Chief Officer and input from the Finance teams of the Health Board and Inverclyde Council together with the Director of Finance for Greater Glasgow & Clyde NHS and the Chief Finance Officer for Inverclyde Council.

8.0 BACKGROUND PAPERS

8.1 None.

Health and Social Care Partnership

Chief Finance Officer : Craig Given



Our Ref: CG/KPMGLLP/NOV2024

Your Ref:

Date: 18.11.2024

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7-8 Clyde Square
Greenock
Inverclyde
PA15 1NB
Tel: 01475 715365

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Inverclyde Integration Joint Board ("the IJB"), for the year ended 31st March 2024 for the purpose of expressing an opinion:

- i. as to whether these financial statements, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 give a true and fair view of the state of the IJB's affairs as at 31st March 2024 and of the IJB's income and expenditure for the financial year then ended;
- ii. whether the IJB financial statements have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

These financial statements comprise the following: The Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

I confirm that, the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

I confirm that, to the best of my knowledge and belief, having made such inquiries as I considered necessary for the purpose of appropriately informing myself:

Financial statements

1. I have fulfilled my responsibilities, as set out in the terms of the audit engagement letter dated 18 March 2022, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the IJB's own affairs as at the end of its financial year and of the IJB's own income and expenditure for that financial year;
 - ii. have been properly prepared in accordance with UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
 - iii. have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used by me in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Information provided

5. I have provided you with:
 - access to all information of which I am aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from me for the purpose of the audit; and
 - unrestricted access to persons within the IJB from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. I confirm the following:

I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. I have disclosed to you all information in relation to:

- a) Fraud or suspected fraud that I am aware of and that affects the IJB and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
- b) allegations of fraud, or suspected fraud, affecting the IJB's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, I acknowledge my responsibility for such internal control as I determine necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

9. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

10. I have disclosed to you and have appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

11. I have disclosed to you the identity of the IJB's related parties and all the related party relationships and transactions of which I am aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as I understand them and as defined in IAS 24.

12. I confirm that:

- The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the IJB's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 *Presentation of Financial Statements*.
- No material events or conditions exist that may cast significant doubt on the ability of the IJB to continue as a going concern.

This letter was tabled and agreed at the meeting of the Integration Joint Board on November 18, 2024.

Yours faithfully,

CRAIG GIVEN
Chief Financial Officer



Inverclyde Health and Social Care
Partnership (HSCP)

IJB Audited Annual Accounts
2023/24

Greenock Ocean Terminal, Inverclyde's new cruise ship visitor centre and community facility was officially opened on 25 August 2023. The project, led by Inverclyde Council, is part of the £1 billion Glasgow City Region City Deal funded by the Scottish and UK governments, with contributions from Peel Ports and the George Wyllie Foundation via Dunard Fund. The facility features an arrivals and departures hall, Scott's restaurant and bar, and the Wyllieum, an exhibition and gallery space due to open in 2024, paying tribute to famous artist George Wyllie who worked in Greenock and lived in Gourrock.

Photo: David Barbour Photography

Find out more about what Inverclyde has to offer at discoverinverclyde.com

This document can be made available in other languages, large print, and audio format upon request.

Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعية الكبيرة وبطريقة سمعية عند الطلب.

Cantonese

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

Gaelic

Tha an sgrìobhainn seo cuideachd ri fhaotainn ann an cànanan eile, clò nas motha agus air teip ma tha sibh ga iarraidh.

Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

Kurdish

Li ser daxwazê ev belge dikare bi zimanên din, çapa mezin, û formata dengî peyda bibe.

Mandarin

本文件也可应要求，制作成其它语文或特大字体版本，也可制作成录音带。

Polish

Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.

Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

Sorani

ئەم بەلگەنامەیە دەتوانرێت بە زمانەکانی تر و چاپی گەورە و فۆرماتیکی دەنگی لەسەر داواکاری بەردەست بکەیت.

Tigrinya

እዚ ሰነድ እዚ ብኸልእ ቋንቋታት፡ ብዓቢ ፊደላትን ብድምጺ ቅርጽን ምስ ዝሕተት ክቕርብ ይኸእል።

Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

Ukrainian

За запитом цей документ може бути доступний іншими мовами, великим шрифтом та аудіоформатом.



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Management Commentary

Introduction

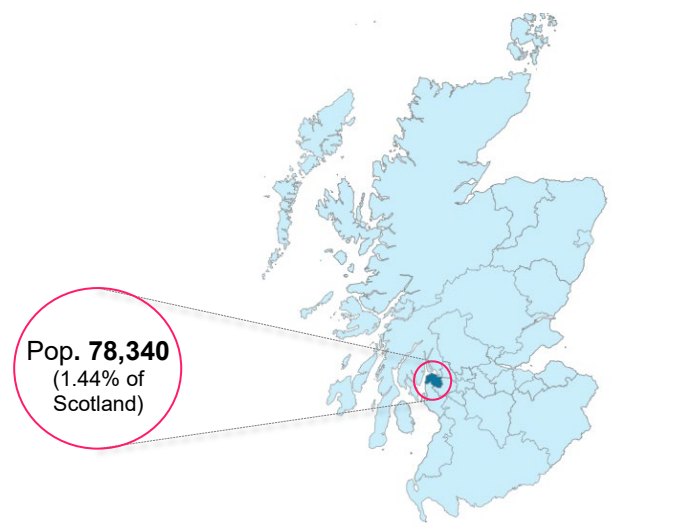
This publication contains the financial statements for the Inverclyde Integration Joint Board (IJB) for the year ended 31st March 2024.

The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2023/24 and how this has supported delivery of the IJB's core objectives. This commentary also looks forward, outlining the future financial plans for the organisation and the challenges and risks which we will face as we strive to meet the needs of the people of Inverclyde.

Inverclyde IJB

Inverclyde is in West Central Scotland, along the south bank of the River Clyde. It is amongst the smallest local authority areas in Scotland, being home to 78,340 people. This amounts to only 1.4% of Scotland overall population. Inverclyde's population continues to fall and is expected to decrease by a 3.2% over the next four years. Within this decrease we are witnessing a shift in the local age structure, decreases in younger people and working age adults being offset by an increase in the population of those 65 and over.

Women account for 51.9% of Inverclyde's population, with men accounting for 48.1%. Women account for a greater proportion of the population of Inverclyde compared to Scotland, with women accounting for 51.4% nationally. Over time this is expected to increase in Inverclyde, with the projected dependency ratio set to increase from 58.6% in 2023 to 72.6% in 2043, widening the gap to Scotland.



POPULATION ESTIMATES FOR 2022

Age Group	% Inverclyde	% Scotland
0 to 17	17.4%	18.5%
18 to 64	60.1%	61.4%
65 plus	22.5%	20.1%

Source: NRS population projections for Scottish Areas June 2022

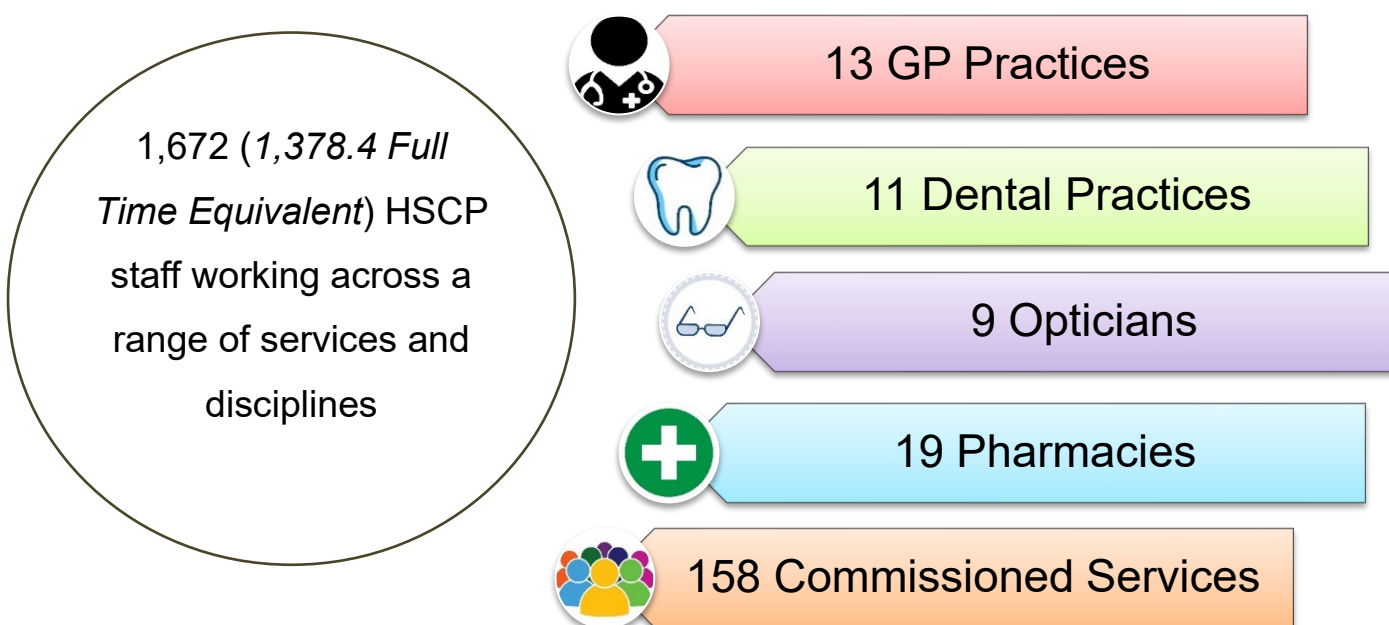
The Inverclyde IJB was established by parliamentary order on 27th June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. From 1st April 2016, the IJB took formal delegated responsibility from the NHS Greater Glasgow and Clyde (NHSGGC) and Inverclyde Council for the delivery and/or planning of local health and social care services.

For some services this delegation of responsibility means the IJB taking full responsibility for planning, management, and delivery of service provision, while for others, notably hospital-based services, this means planning with partners who continue to manage and deliver the services as part of wider structures (e.g., the Greater Glasgow and Clyde Acute Sector).

The Inverclyde IJB has responsibility for the strategic commissioning (either planning or direct service delivery, or both) of the full range of health and social care services; population health and wellbeing, statutory health and social work/ social care services for children, adults, older people, homelessness and people in the community justice system. The IJB discharges this responsibility through its operational delivery arm, which is the Inverclyde Health and Social Care Partnership (HSCP).

Our resources

The HSCP has responsibility for, and delivers, an extensive range of services across primary care, health and social care and through several commissioned services.



Interim governance structures developed in 2020/21 were continued through 2021/22 and into 2022/23 as we moved through the pandemic. Throughout this time the HSCP continued to work to put people at the centre of their care and ensured that essential services were delivered safely and effectively and in line with our Strategic Plan. To support our journey through the pandemic and into the recovery phase, our 2019 Strategic Plan was re-prioritised in 2021/22 and published as our Covid Transition plan in March 2021.

In March 2023, we published a refresh of the 2019 strategic plan, bringing focus back onto the 6 big actions. This refreshed plan was published alongside a robust outcomes framework and shaped our direction throughout 2023/24. In addition a new 3 year strategic plan has been agreed by the IJB in May 2024. It's outcomes will be reported upon in next year's annual accounts.

The IJB Strategic Plan is supported by a variety of service strategies, investment and management plans which aid day to day service delivery. These plans and strategies identify what the IJB wants to achieve, how it will deliver it and the resources required to secure the desired outcomes. The Strategic Plan also works in support of the Inverclyde Community Planning Partnership's Local Outcome Improvement Plan and the Greater Glasgow and Clyde Health Board Local Delivery Plan. It is vital to ensure that our limited resources are targeted in a way that makes a significant contribution to our objectives.

The Strategic Plan and other key documents can be accessed online at:

<https://www.inverclyde.gov.uk/health-and-social-care>

The operational HSCP Structure responsible for delivering services in 2023/24 is illustrated below.

HSCP Operational Structure



The Annual Accounts 2023/24

The Annual Accounts report the financial performance of the IJB. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the IJB’s vision and its core objectives. The requirements governing the format and content of local authorities’ annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2023/24 Accounts have been prepared in accordance with this Code.

The Financial Plan

IJBs need to account for spending and income in a way which complies with our legislative responsibilities.

As per the Revised Budget reported at period 11, the IJB budgeted to deliver Partnership Services at a cost of £212.330m, including £35.398m of notional budget for Set Aside and £6.063m of spend was anticipated through Earmarked Reserves. Subsequently, funding adjustments and an increase in the Set Aside resulted in actual spend of £219.912m, including Set Aside of £37.670m. Funding moved from a budgeted £212.330m at Period 11 to a year end position of £214.937m. This movement related mainly to a final year end adjustment of Set Aside budget. The final position generated a deficit for the year of £4.975m, which has been reflected in IJB reserves in line with its reserves policy. The movement in projection at Period 11 vs actual and analysis of the deficit are shown in the tables on pages 11-12.

The IJB agreed a two-year budget for the 2024/25 to 2025/26 financial years on 25 March 2024, utilising one off funds from reserves held to meet a funding gap for 2024/25 of £0.709m. The two-year budget agreed savings and efficiency measures of £5.4m over the period to close the identified budget gap in full by 2025/26. Several workstreams were included in the savings and working groups are in the process of being mobilised to take this forward over the next year, to ensure a focussed approach on achievement of the agreed measures. The updated 5-year financial plan was also presented to the IJB at its March meeting, identifying a budget gap of £6.869m up to 2028/29 financial year, taking account of forecast demand for services, inflationary pressures, pay awards and assumptions on funding from partners.

Performance

The IJB and HSCP tracks change in need and demand, and delivery of the nine National Health and Wellbeing Outcomes through its performance management arrangements. Every service is subject to a quarterly service review (QSR), chaired by the relevant Head of Service. Service use, waiting times and any other pressures are closely reviewed alongside progress against the service's key objectives and delivery of outcomes. Any divergence from the agreed targets is quickly identified and steps are put in place to support improvement. Following a break period necessitated by pandemic pressures, work has been undertaken to re-establish the QSR process throughout 2023-24. Performance is still reviewed regularly within each service and any notable differences between service performance and identified aims are reported to the Senior Management Team, where remedial actions are considered.'

National Integration Indicators

The legislation requires that IJBs follow a prescribed format of annual performance reporting against the nine outcomes, based on 23 national indicators and a requirement to publish an annual performance report by the 31st July each year. There are 23 National Integration Indicators against which the performance of all HSCPs in Scotland is measured, the data for these is provided by Public Health Scotland (PHS) on behalf of the Scottish Government. These indicators are grouped into two types of complementary measures: outcome indicators based on survey feedback, and indicators derived from organisational or system data.

Inverclyde's summary 2023/24 will be published in line with agreed national revised timelines and approved at the September 2024 IJB meeting.







The IJB's 2023/24 Performance against the 23 National Indicators is shown below. Indicators 1 to 9 are taken from the 2023/24 biennial Health and Care Experience Survey.

Of the 19 currently reported measures we are at or better than the Scottish average in 9 (green), similar to in 3 (amber) and behind in 7 (red).

In 2 measures we have seen an improving trend (green arrow), maintaining our performance in 6 (amber arrows) and reducing performance in 7 (red arrow). This trend analysis is based upon the 5 most recent reporting years. Note, no trend analysis has been provided against indicator 20, as the data has not been updated since 2020.

Inverclyde is an area of social-economic deprivation which directly correlates to long term chronic disease and risk factors e.g. diet, tobacco, alcohol and drug use, obesity. This results in higher premature mortality rates, higher emergency admissions and longer-term bed use in the acute system, which is indicated at measures 11, 12 and 13.

The convention for comparing performance in relation to the Scottish average are as follows:

Green	Performance is equal or better than the Scottish average	 	Trend is improving (moving in the right direction)
Amber	Performance is close to the Scottish average	 	Trend is static – no significant change (less than 3% change)
Red	Performance is below the Scottish average	 	Trend is declining (moving in the wrong direction)

PHS are still developing 4 of the 23 National Integration Indicators so these have not been included in the report. These are: -

10	Percentage of staff who say they would recommend their workplace as a good place to work
21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home
22	Percentage of people who are discharged from hospital within 72 hours of being ready
23	Expenditure on end-of-life care, cost in last 6 months per death

Outcome Indicators

The Health and Care Experience survey is sent to a random sample of patients who are registered with a GP practice in Scotland. Questionnaires were sent out in November 2023 asking about people's experiences during the previous 12 months.

The results for 2023/24 were published in July 2024 with local level results available via interactive dashboards on the PHS website.

National Integration Indicator	Time Period	Inverclyde HSCP	Scottish Average	Change from previous period	Inverclyde Long-term Trend	Scottish Long-term Trend
1 Percentage of adults able to look after their health very well or quite well	2023/24	88.9%	90.7%	→←	→←	↓
2 Percentage of adults supported at home who agreed that they are supported to live as independently as possible	2023/24	75.9%	72.4%	↓	↓	↓
3 Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	2023/24	67.8%	59.6%	→←	↓	↓
4 Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	2023/24	68.7%	61.4%	→←	↓	↓
5 Total % of adults receiving any care or support who rated it as excellent or good	2023/24	70.7%	70.0%	↓	→←	↓

6	Percentage of people with positive experience of the care provided by their GP practice	2023/24	65.0%	68.5%	↓	↓	↓
7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	2023/24	73.6%	69.8%	↓	↓	↓
8	Total combined percentage of carers who feel supported to continue in their caring role	2023/24	31.9%	31.2%	↑	↓	↓
9	Percentage of adults supported at home who agreed they felt safe	2023/24	72.7%	72.7%	↓	↔	↓

Data indicators

The primary source of data for these indicators are Scottish Morbidity Records (SMRs) which are nationally collected discharge-based hospital records. The data presented here is the most up to date provided by Public Health Scotland (PHS) and communicated to all Health and Social Care Partnerships. The figures will be subject to review and data completeness and, therefore, likely to change in subsequent releases. PHS recommend that Integration Authorities do not report any period for indicator 20 beyond 2019/2020 within their 2021/2022 APRs as NHS Boards were not able to provide detailed cost information for 2020/2021 due to changes in service delivery during the pandemic. The most recent data for this indicator is presented, but no trend information has been provided.

National Integration Indicator		Time Period	Inverclyde HSCP	Scottish Average	Change from previous period	Inverclyde Long-term Trend	Scottish Long-term Trend
11	Premature mortality rate per 100,000 persons	2022	542	442	↑	↔	↔
12	Emergency admission rate (per 100,000 population)	2023	12689	11707	↔	↔	↔
13	Emergency bed day rate (per 100,000 population)	2023	148349.8	112882.8	↓	↔	↔
14	Readmission to hospital within 28 days (per 1,000 population)	2023	79.2	103.9	↑	↓	↓
15	Proportion of last 6 months of life spent at home or in a community setting	2023	87.7%	89.1%	↔	↓	↔
16	Falls rate per 1,000 population aged 65+	2023	25.7	23.0	↑	↑	↔
17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	2023/24	80.6%	77.0%	↔	↓	↓
18	Percentage of adults with intensive care needs receiving care at home	2023	67.4%	64.8%	↔	↑	↔
19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population) (age 75+)	2023/24	554	902	↑	↑	↑
20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	2019/20	25.3%	24.0%	↔	NA	NA

The past few years has been a particularly challenging time for our community and for the HSCP. We are still recovering from the impact of the COVID-19 Pandemic and have all felt the pressure of the national

cost-of living crisis. Despite this, we have much to be proud of in Inverclyde, below is a snapshot of performance and operational highlights we have achieved throughout 2023/2024.

- We commenced Access to the Whole Family Wellbeing Fund; this will progress in the streamlining of the Inverclyde HSCP's Children's Service 'front door' in the development of a multi-agency early support hub.
- We have commenced work with Action for Children who deliver the Sidestep project for young people aged between 11-18 years who are at risk of involvement in serious organised crime. Sidestep provide targeted support and intervention and this support is now being provided to several young people within Inverclyde.
- We have developed a successful Health Visiting social media campaign to help improve local breast-feeding rates.
- We have continued our Cost-of-Living Funds to supported individuals and families through the cost-of-living crisis.
- Delivered by the Early Action System Change (Woman in Justice) Project, we have continued the roll out of Trauma Informed Training across HSCP staff.
- We developed '*A Guide to Primary Care*' media programme.
- We have continued to develop the Vaccination transformation programme.
- We continue our successful approach to Unscheduled Care (UC) across Inverclyde, we are working closely with our NHSGGC partners to implement an UC action plan of priorities.
- We are implementing and improving '*Call before you Convey*' alongside care homes to safely reduce conveyance to Hospital, this includes the rolling out of the RESTORE 2 tool and training.
- Justice social work staff supported the Community Justice Partnership to liaise with Scottish Prison Service partners to deliver their annual development day at HMP Greenock. It is our intention to establish a short-life, multi-agency working group to explore this further.
- We have successfully implemented our '*Grow Your Own*' approach, providing HSCP staff the opportunity to train to become fully qualified social workers.
- The Training Board developed a scheme to reimburse master's students who commit to working for Inverclyde.
- We have partnered with *The Lens* to identify, develop and generate innovative improvement projects across the HSCP. With initial success in Children and Families, the approach has been rolled out to adult services.

Financial Performance

Financial information is part of our performance management framework with regular reporting of financial performance to the IJB. This section summarises the main elements of our financial performance for 2023/24.

(a) Partnership Revenue Expenditure 2023/24

The Partnership was overspent by £0.843m in 2023/24 at the financial year end. Existing Smoothing Reserves were used to offset this for 2023/24.

At the start of the year the HSCP had a smoothing reserves balance of £6.592m. This is to facilitate managing services of a volatile nature and a contingency for any pay award deficits. During the year a total of £3.676m has been drawn down for these purposes. In addition, a specific severance cost reserve of £1.492m has been created as part of the budget setting process to pay for any voluntary redundancy costs incurred as part of the 2024/26 savings programme. This leaves a total smoothing reserve balance of £4,408 available for use in 2024/25 onwards in addition to our savings plan.

The IJB continued to hold a Transformation Fund for the purposes of funding projects and activities which will realise future efficiencies for the Partnership. In 2023/24 an opening balance of £1.739m was held, £0.381m of net expenditure was incurred in year. A closing balance of £1.358m is recorded.

Reserves are held for Winter Pressures/Planning amounting to £1.735m across various workstreams. £0.525m net expenditure was incurred in 2023/24 financial year, with the remaining £1.21m to be utilised to ease pressure on care services in 2024/25.

Reserves of £2.190m were held as of 1 April 2023 in relation to refugee income received to fund future years expenditure. During 2023/24, grant income was received in relation to both New Scots Ukraine arrivals and some previous scheme ongoing commitments. After funding in year spend, the remaining balance was added to reserves giving a final earmarked reserve of £3.073m held to fund future years expenditure including New Scots team employee costs, Health and Social care staff pressures, Unaccompanied Asylum Seeking Children, third party support and support, for ongoing accommodation costs.

General Reserves of £1.561m are also held for the partnership.

Overall opening reserves of £24.262m were held at 1 April 2023. During the year £10.130m of Earmarked Reserves were used to fund specific spend and projects. An additional £5.155m was added to Earmarked Reserves including £0.709m allocated to general reserve as part of the budget process approved by the IJB to temporarily fund the 24/25 as part of the overall approved savings. This led to a final net deficit of £4.975m, with total reserves of £19.287m held at year end. As is usual during budget monitoring processes, a number of areas of specific underspend have been added to earmarked reserves for use in future years, and approval has been requested as part of the annual accounts covering report. These specific areas totalling £0.462m are as follows: -

Final transfers to Earmarked Reserves	£000s
Carers - transfer to Primary Care Support	(50)
Primary Care Support - transfer from Carers	50
Refugees - final in year balance to reserve for future years planned spend	237
Whole Family Wellbeing - final underspend	13
Homelessness redesign additional funds	200
Client Commitments - general - final position	12
Total earmarking request	462

Following earmarking of these specific items, a revenue overspend of £0.843m remains. A further request has been made as part of the annual accounts covering report to drawdown smoothing reserves as follows:

Draw on Reserves for final overspend	£000s
Children and Families residential smoothing reserve	434
Prescribing smoothing reserve	409
Total	843

An analysis of all earmarked reserves is set out in Note 8 to the Financial Statements on Page 33.

Total net expenditure for the year was £219.912m against the overall funding received of £214.937m, generating a revenue deficit of £4.975m. This was made up as follows:

Analysis of Deficit on Provision on Services

At year end the overall deficit was comprised of:

- an overspend on Health services of £0.409m, drawn from the prescribing reserve.
- an overspend on Social Care services of £0.434m, drawn from Children and Families smoothing reserve.
- A net reduction in overall reserves of £4.975m as detailed below.
- New and net increased reserves of £2.996m as agreed by the IJB
- Further use of reserves of £7.128m being planned spend during the year against balances held.

Further analysis of the movements forming the overall deficit are shown in the following table:

Detail of in year movement	£000
Movements in reserves	
Use of general reserves towards 2023/24 budget	(603)
Use of pay contingency reserve towards 2023/24 budget	(199)
Reserves transferred to East Dunbartonshire - Specialist Childrens Services	(379)
Mental Health Action 15 - net addition	95
Net use of ADP reserve	(392)
Use of Primary Care Improvement reserve	(156)
Use of Community Living Change	(191)
Use of Winter Pressures - Health care support workers/MDTS/Care at Home/Interim Beds	(525)
Rapid Rehousing Transition Plan (RRTP)	(105)
Primary Care Support - net addition	102
Net use of Homelessness reserve	(194)
Transfer of CAMHS Tier 2 reserve to Transformation Fund	(100)
Use of Welfare EMR	(235)
Net increase to reserve for New Scots and other refugee schemes	883
Use of Tier 2 Counselling EMR	(100)
Addition to Whole Family Wellbeing reserve	280
Temporary Posts for utilisation over future years	(169)
Cost of Living Fund - remaining funds utilised	(265)
Net use of Transformation Fund	(381)
Use of Mental Health Transformation reserve	(160)
Use of Digital Strategy reserve	(381)
Use of SWIFT replacement project reserve	(207)
Net use of Client Commitments - general reserve	(72)
Use of Adoption/Fostering/Residential Childcare reserve	(500)
Other reductions to smoothing reserves	(2,021)
Creation of Severance costs contingency reserve	1,492
General reserve - net addition	529
Other movements in existing reserves during 2023/24 - various	(178)
Revenue variances	
Underspend in Health Employee Costs (excluding Mental Health In patients)	1,731
Mental Health In Patient staffing overspend	(1,148)
Overspend in prescribing due to inflationary pressures, volumes and availability	(1,753)
Corporate non pay contingency budgets	891
Health supplies and services underspend - other areas	(131)
Underspend in Council Employee Costs	758
External care at home underspend	878
Children and Families residential placements overspend	(2,718)
Other C&F packages	(402)
Adult Client Commitments - overall underspend	509
Agency Staff - Homelessness & Mental Health	(260)
Criminal Justice income	85
Over Recovery of client income across Adult Services	456
Smaller over/underspends throughout services	260
Deficit on Provision of Services	(4,975)

The period 11 budget monitoring report projected an overspend of £0.710m in Social Care core budgets. The main projected variances were linked to overspends in Children's residential placements and client commitments for both Children's and Learning Disability, and a projected overspend on employee costs for Children and Families services. These overspends were offset by underspends in employee costs throughout other services, care at home packages, budgets held for inflationary purposes and other client

commitments.

The projected outturn for Health services at period 11 was reported as an overspend of £0.314m. The main areas of overspend were prescribing and the mental health in patients service with projected overspends of £1.753m and £1.407m respectively. The projected position on prescribing was due to various factors including drug prices, volumes and availability. This position was unchanged at year end as the period 11 figures were produced in April in line with reporting deadlines.

These overspends were offset by underspends totalling £1.731m on employee costs spread throughout all services other than mental health, which are included in the overspend position for the mental health inpatients service noted above.

The final overspend reported is £0.843m, with the main movements since Period 11 in relation to reduced employee costs and some additional income offset by an under recovery in homelessness rental income.

Period 11 vs Final Outturn

Revised Budget	IJB	Projected Outturn @ P11	Outturn	P11 vs Actual Outturn
87,593	Health Funding	87,301	87,593	292
87,593	Health Spend	87,615	88,002	387
0	Contribution	(314)	(409)	(95)
69,666	Social Care Funding	70,042	70,086	44
69,666	Social Care Spend	70,752	70,520	(232)
0	Contribution	(710)	(434)	276
19,589	Resource Transfer Funding	19,589	19,589	0
19,589	Resource Transfer Spend	19,589	19,589	0
0	Contribution	0	0	0
37,670	Set Aside Funding	35,398	37,670	2,272
37,670	Set Aside Spend	35,398	37,670	2,272
0	Contribution	0	0	0
0	Movement in Reserves	(5,039)	(4,132)	907
0	Surplus/(Deficit) on Provision of Operating Services	(6,063)	(4,975)	1,088

Revised Budget		Projected Outturn @ P11	Outturn	P11 vs Actual Outturn
214,518	IJB Funding	212,330	214,938	2,608
214,518	IJB Expenditure	213,354	215,781	2,427
0	Movement on Earmarked Reserves (Decrease)/Increase	(5,039)	(4,132)	907
0		(6,063)	(4,975)	1,088

(b) The Balance Sheet

The Balance Sheet summarises the IJB's assets and liabilities as of 31 March 2024, with explanatory notes provided in the financial statements.

Financial Outlook, Risks and Plans for the Future

The Inverclyde IJB has responsibility for social care and a range of health services. The IJB is responsible for financial and strategic oversight of these services.

Further reductions to public sector funding at a UK and Scottish level are predicted. This in turn is likely to have a direct effect on the funding available to HSCP's from the partner organisations for integrated services. In addition to economic performance, other factors influence the availability of funding for the public sector including demographic challenges that Inverclyde is facing. These were built into the updated Financial challenges as part of the budget setting process and gap for the next 5 years.

The Covid pandemic elicited a fiscal response from the UK Government which was without precedent in peace time. The UK Government borrowed large sums of funding to support the economy, households and frontline services battling against the virus to help protect as many jobs as possible as part of the recovery. This impact continues to be felt and will be a factor in the UK economy for many years.

The Spring Statement in March 2024 provided updates on the main indicators and showed no real change in GDP forecasts since November 2023 statement, inflation rates for 2024 are now lower than predicted in November (reduction of 1.4%) and a reduction in interest rates predicted.

Due to a reduction in both inflation and interest rates, there is a reduction in receipts and expenditure. There has been a reduction in projected debt but any change in this could mean tax rises or spending cuts being required in the future. The latest forecasts of funding for public services continues to look challenging for the medium term.

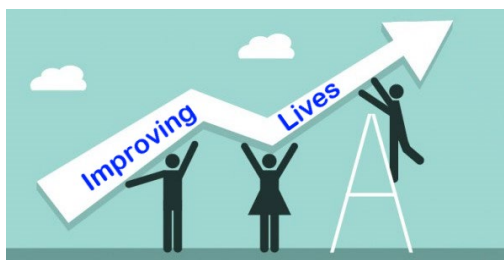
The recent announcement of the UK General Election will lead to an increased focus on economic forecasts and plans. Based on the economic underlying position, adequate funding for public finances will prove a challenge whatever the make-up of the new UK Government.

Inverclyde IJB's current reserves position including various smoothing reserves puts the IJB in a strong position to be able to address the effect of these global and local risks. Robust budget monitoring and financial planning will ensure that we are able to continue to take decisions as required to address any emerging issues.

The HSCP is still adapting to and learning from the changes to services which occurred during the Covid 19 pandemic and our recovery. A series of reviews including Care at Home, Children and Families, Day Services have been progressed in 2023/24 and Homelessness will be concluded in 2024/25.

In March 2024 the IJB agreed a 2 year balanced budget for 2024/26, which included savings initiatives of £5.4m. These initiatives included a combination of budget adjustments, reserve redesigns, services reductions, targeted workstreams and the temporary use of reserves. These savings initiatives will be progressed into 2024/26 with an overall Savings Workgroup being set up to monitor progress. This progress will be reported back to the IJB on a regular basis. A medium-term financial projection was also included in the budget setting document which highlighted the HSCP's financial gap over the next 5 years taking account of forecast demand for services, inflationary pressures, pay awards and assumptions on funding from partners.

In 2023/24 the HSCP moved into the final year of the current IJB Strategic Plan.



Throughout 2023/24 we remained committed to “Improving Lives”, and our vision is underpinned by the “Big Actions”, detailed below, and the following values based on the human rights and wellbeing of:

- **Dignity and Respect**
- **Responsive Care and Support**
- **Compassion**
- **Wellbeing**
- **Be Included**
- **Accountability**

6 Big Actions

Big Action 1:
Reducing Health Inequalities by Building Stronger Communities and Improving Physical and Mental Health

Big Action 2:
A Nurturing Inverclyde will give our Children and Young People the Best Start in Life

Big Action 3:
Together we will Protect Our Population

Big Action 4:
We will Support more People to fulfil their right to live at home or within a homely setting and Promote Independent Living

Big Action 5:
Together we will reduce the use of, and harm from alcohol, tobacco and drugs

Big Action 6:
We will build on the strengths of our people and our community

In May 2024 the IJB approved the new Strategic Partnership Plan for 2024/27. This new plan sets out, the IJB’s strategic direction for delivering Health and Social Care Services and improving the health and wellbeing of local people. The plan identifies four strategic Priorities for delivery:

- Provide Early Help and Intervention
- Improve Support for Mental Health, Wellbeing and Recovery
- Support Inclusive, Safe and Resilient Communities
- Strengthen Support to Families and Carers

This plan has been developed in consultation with local people, HSCP staff, third and independent sector partners and other key stakeholders.

Conclusion

2023/24 continued to be a challenging operating environment, in which the IJB successfully oversaw the delivery of core services, the setting of a new 2-year budget and the development of a new Strategic Partnership Plan. During this period, the IJB continued to review its change programme designed to provide a more person-centred model of care, deliver on early intervention and prevention ambitions. During last financial year, services have continued to adapt to address ongoing implications of changing legislation in relation to Covid and the recovery from the pandemic.

Where to Find More Information

If you would like more information, please visit our IJB website at:
<https://www.inverclyde.gov.uk/health-and-social-care>

Kate Rocks

Chief Officer

Craig Given

Chief Financial Officer

Robert Moran

IJB Chair

Statement of Responsibilities

Responsibilities of the IJB

The IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the board has the responsibility for the administration of those affairs. In this IJB, the proper officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003)
- Approve the Annual Statement of Accounts.

Signed on behalf of the Inverclyde IJB

Robert Moran

IJB Chair

Responsibilities of the Chief Financial Officer

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

In preparing these annual accounts, the Chief Financial Officer has:

- Selected appropriate accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Code (in so far as it is compatible with legislation)

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of Inverclyde IJB as at 31 March 2024 and the transactions for the year then ended.

Craig Given

Chief Financial Officer

Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

1 Integration Joint Board

The voting members of the IJB were appointed through nomination by the Health Board and Council.

2 Senior officers

The IJB does not directly employ any staff. All HSCP officers are employed through either the Health Board or Council and remuneration for senior staff is reported through those bodies. Specific post-holding officers are non-voting members of the Board

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB must be appointed and the employing partner must formally second the officer to the IJB. During 2023/24 the Chief Officer, Kate Rocks was in post for the full financial year. The statutory responsibility for employer pension liabilities sits with Inverclyde Council as the employing partner organisation. There is therefore no pension liability reflected on the Inverclyde IJB balance sheet for the IJB's Chief Officer. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Chief Financial Officer

Craig Given is the Chief Financial Officer of the IJB. He is employed by NHS and the Council and Health Board share his salary cost and those of all other senior officer remunerations.

Other officers

No other staff are appointed by the IJB under a similar legal regime. There are no other non-voting board members who meet the criteria for disclosure and require to be included in the disclosure below.

Salary, Fees & Allowances 2022/23 £	Name and Post Title	Salary, Fees & Allowances 2023/24 £
77,325 (FYE £122,320)	Kate Rocks Chief Officer (from 16/08/22)	131,633
48,731 (FYE £122,320)	Allen Stevenson Interim Chief Officer (until 29/08/22)	-
90,587	Craig Given Chief Financial Officer	95,284

There were no exit packages paid in either financial year.

3 Remuneration: IJB Chair, Vice Chair and Voting Members

The voting members of the IJB are appointed through nomination by Inverclyde Council and Greater Glasgow and Clyde Health Board. Nomination of the IJB Chair and Vice Chair post holder's alternates between a Councillor and Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair, Vice Chair and other IJB voting member appointments and any taxable expenses paid by the IJB are shown below.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore, no pension rights disclosures are provided for voting members.

Voting IJB Members Remuneration Table

Name	Post(s) Held	Nominated By
Councillor Jim Clocherty	IJB Member (until 5/5/22) IJB Vice-Chair (until 5/5/22)	Inverclyde Council
Alan Cowan	IJB Member IJB Chair (until 25/6/23) Audit committee member (from 26/6/23) IJB Vice-Chair (from 26/6/23)	NHS GGC
Simon Carr	IJB Member (until 26/6/23) Audit Committee Member (until 26/6/23) Audit Committee Vice-Chair (until 27/6/22)	NHS GGC
Councillor Lynne Quinn	IJB Member (from 26/6/23) Audit Committee Member (from 27/6/22) Audit Committee Vice Chair (from 26/6/23)	Inverclyde Council
Councillor Elizabeth Robertson	IJB Member (until 26/6/23) Audit Committee Member (until 26/6/23) Audit Committee Chair (from 21/06/21 until 25/6/23)	Inverclyde Council
Councillor Ciano Rebecchi	IJB Member (until 5/5/22) Audit Committee Member (until 5/5/22)	Inverclyde Council
Dr Becky Metcalfe	IJB Member from 26/6/23	NHS GGC
Councillor Robert Moran	IJB Member (from 19/5/22) IJB Vice-Chair (from 19/5/22 until 25 June 2023) IJB Chair (from 26 June 2023)	Inverclyde Council
Councillor Martin McCluskey	IJB Member (from 19/5/22)	Inverclyde Council
Ann Cameron-Burns	IJB Member	NHS GGC

David Gould	IJB Member Audit Committee Member Audit Committee Vice-Chair (from 27/6/22 until 25/6/23) Audit Committee Chair (from 26/6/23)	NHS GGC
Councillor Sandra Reynolds	IJB Member (from 26/6/23) Audit Committee Member (from 26/6/23)	Inverclyde Council

There were no Inverclyde IJB specific expenses recorded for voting members of the IJB during 2023/24. Any expenses claimed by voting members are paid through the relevant IJB partner organisation.

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

An actuarial review has been conducted by Strathclyde Pension fund in 2023/24. This will result in a reduction in employer rates in 2024/25 onwards. This benefit will be used to help offset the HSCP's funding gap and pressures for future years.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/23 £	For Year to 31/03/24 £		Difference from 31/03/23 £000s	As at 31/03/24 £000s
Kate Rocks Chief Officer	14,924	25,405	Pension	3	5
			Lump Sum	0	0
Allen Stevenson Interim Chief Officer (until 29/8/22)	21,158	-	Pension	-	-
			Lump Sum	-	-
Craig Given Chief Financial Officer	18,933	19,718	Pension	22	25
			Lump Sum	0	0

Disclosure by Pay Bands

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

Kate Rocks

Chief Officer

Robert Moran

IJB Chair

Annual Governance Statement

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

Scope of Responsibility

The Inverclyde IJB was established by parliamentary order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. The integration scheme is currently being reviewed by all the Greater Glasgow IJB's and will be approved in due course. The timeline for the completion of this task has slipped Greater Glasgow wide due to the scale of work required in its completion and the requirement for consultation with the Health Board and each Local Authority. Inverclyde IJB is a body corporate, a legal entity in its own right but it relies on support from officers employed by Inverclyde Council and Greater Glasgow and Clyde NHS Board in relation to the conduct of its business. It is subject to the Public Bodies (Joint Working) (Scotland) Act 2014 and secondary legislation directly relating to the integration of health and social care services, and indirectly in relation to regulatory regimes affecting devolved public bodies in Scotland. The main features of the IJB's governance arrangements are described in the Local Code but are summarised below.

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the Inverclyde Council and Greater Glasgow and Clyde Health Board systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

The system can only provide reasonable and not absolute assurance of effectiveness.

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

The Chief Finance Officer has taken reasonable steps for the prevention of fraud and other irregularities.

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either Inverclyde Council or Greater Glasgow and Clyde Health Board, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the IJB's governance arrangements are described in the Local Code but are summarised below:

- The IJB is the key decision-making body. The IJB's membership (voting and non-voting), as set by statutory instrument, is fully established. An Audit Committee with detailed remit and powers and clearly defined membership considers all matters in relation to Internal and External Audit and Risk Management.

- Strategic decision-making is governed by the IJB's key constitutional documents including the Integration Scheme, Standing Orders, and Financial Regulations.
- The IJB's purpose and vision are outlined in the IJB Strategic Plan which links closely to the vision of the Inverclyde Community Planning Partnership and the Single Outcome Agreement and is underpinned by an annual action plan and national statutory performance indicators.
- The HSCP has a performance management system, Pentana, which will be utilised for all planning actions, key performance indicators and risk management. This will support the culture of performance management and the delivery of improved outcomes. The Annual performance Report is submitted to the IJB annually with formal six-monthly reporting.
- The IJB has a Code of Conduct based on the Model Code of Conduct for Integration Joint Boards. The code of conduct was revised and updated during 2021/22. A register of members' interests is published and made available for inspection.
- Two Locality Planning Groups for Inverclyde HSCP have been established (East and West) with representation from a range of partners and community representatives. These groups have been further developed during 2023/24 and will be key mechanism to support future strategic planning.
- Inverclyde IJB were found by the Equality and Human Rights Commission (EHRC) to not be fully compliant with the Public Sector Equality Duty (PSED). Following support by EHRC colleagues, an PSED Improvement plan was agreed and implemented throughout the service year. Full compliance with the PSED was achieved by year end 2023/24.

The governance framework set out was in place throughout 2023/24.

The System of Internal Financial Control

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. Development and maintenance of these systems is undertaken by the Health Board and Council as part of the operational delivery of the Health and Social Care Partnership. During 2023/24 this included the following:

- Financial regulations and codes of financial practice;
- Comprehensive budgeting systems;
- Regular reviews of periodic and annual financial reports that indicate financial performance against budget and forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital expenditure guidelines;
- Formal project management disciplines.

The IJB complies with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA). The Chief Internal Auditor reports directly to the IJB Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee.

With regard to the entries taken from the Health Board and Council Accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Annual Governance Statements where appropriate.

Review of Effectiveness

Inverclyde IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Senior Management Team who have responsibility for development and maintenance of the governance environment, the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Internal Audit functions of the Council and Health Board have independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2023/24, these services operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards.

The Chief Internal Auditors prepared annual reports to the relevant Audit Committees, including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

Significant Governance Issues during 2023/24

The Internal Audit Annual Reports 2023/24 for the Council and Health Board identify no significant control issues. Some actions have been agreed within the Council and Health Board Annual Governance statements to further enhance those internal control environments. None of these are considered material enough to have a significant impact on the overall control environment.

The Internal Audit Annual Report and Assurance Statement for 2023/24 concludes that the majority of the IJB's established internal control procedures operated as intended to meet management's control requirements for each area reviewed by Internal Audit. The overall audit opinion is **Satisfactory** and reasonable assurance can be placed on the adequacy and effectiveness of the IJB's governance, risk management and controls in the year to 31 March 2024.

Summaries of the issues arising in relation to each system or activity covered by Internal Audit work in 2023/24 are reported separately to the Audit Committee. Appropriate responses to the recommendations made in internal audit reports have been obtained. When actioned, the recommendations made in the Internal Audit reports should provide management with additional comfort that the system of control operates as intended. It is therefore imperative that the agreed actions are implemented by management.

A follow up process is in place which ensures that all actions arising from internal audit reviews are captured within a follow up database and are subject to follow up and validation by the Internal Audit on a regular basis, with reporting on progress to the Audit Committee.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.

Kate Rocks

Chief Officer

Robert Moran

IJB Chair

The Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

2022/23			2023/24		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
4,137	(2,386)	1,751	4,822	(2,041)	2,781
35,375	(893)	34,482	37,907	(997)	36,910
14,787	(360)	14,427	16,112	(187)	15,925
7,948	(656)	7,292	8,261	(214)	8,047
12,445	(601)	11,844	13,211	(435)	12,776
18,769	(1,617)	17,152	22,548	(1,096)	21,452
4,104	(606)	3,498	4,553	(264)	4,289
5,613	(1,467)	4,146	5,295	(844)	4,451
15,264	(2,660)	12,604	15,472	(837)	14,635
10,530	(2,960)	7,570	9,593	(1,825)	7,768
2,271	(2,232)	39	2,384	(2,317)	67
1,938	(422)	1,516	2,751	(509)	2,242
28,174	(843)	27,331	29,892	(1,016)	28,876
20,570	(1)	20,569	22,030	(409)	21,621
3,711	(323)	3,388	(0)	0	(0)
368	0	368	402	(0)	402
186,004	(18,027)	167,977	195,233	(12,991)	182,242
36,036	0	36,036	37,670	0	37,670
222,040	(18,027)	204,013	232,903	(12,991)	219,912
0	(199,950)	(199,950)	0	(214,937)	(214,937)
222,040	(217,977)	4,063	232,903	(227,928)	4,975
		4,063			4,975

There are no statutory or presentation adjustments which affect the IJB's application of funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2023/24	General Reserves £000	Earmarked Reserves £000	TOTAL Reserves £000
Opening Balance at 1 April 2023	(1,635)	(22,627)	(24,262)
Total Comprehensive Income and Expenditure	74	4,901	4,975
Closing Balance at 31 March 2024	(1,561)	(17,726)	(19,287)

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2023 £000		Notes	31 March 2024 £000
Current Assets			
24,283	Short term debtors	5	19,309
Current Liabilities			
(21)	Short term creditors	6	(22)
24,262	Net Assets		19,287
24,262	Reserves	8	19,287
24,262	Total Reserves		19,287

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as of 31 March 2024 and its income and expenditure for the year then ended.

The unaudited financial statements were issued on 24 June 2024 and the audited financial statements were authorised for issue by Craig Given on tbc 2024.

Craig Given

Chief Financial Officer _____

Notes to the Financial Statements

1. Significant Accounting Policies

1.1 General principles

The Inverclyde Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014. It was established by parliamentary order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. The Integration Scheme is a legally binding agreement between Inverclyde Council and NHS Greater Glasgow and Clyde.

IJBs are specified as section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Local Authority Accounts (Scotland) Regulations 2014 and the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS). These are issued jointly by CIPFA and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and are designed to give a “true and fair view” of the financial performance of the IJB.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

The Annual Accounts summarise the IJB’s transactions for the 2023/24 financial year and its position at the year end of 31 March 2024.

1.2 Accruals of expenditure and income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms or conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet
- Where debts may not be received, the balance of debtors is written down.

1.3 Funding

The IJB is primarily funded through funding contributions from the statutory funding partners namely Inverclyde Council and NHS Greater Glasgow and Clyde. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Inverclyde.

1.4 Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a ‘Cash and Cash Equivalent’ figure on the balance sheet. The funding balance due to or from each funding partner as of 31 March is represented as a debtor or creditor in the IJB Balance Sheet.

1.5 Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as of 31 March is accrued, for example in relation to annual leave earned but not yet taken.

1.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as of 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet but is disclosed in a note only if it is probable to arise and can be reliably measured.

1.7 Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts are adjusted to reflect such events. No material events have taken place.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect. No material non-adjusting events have taken place.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.8 Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the IJB's financial performance.

1.9 Related Party Transactions

As parties to the Inverclyde Integration Scheme both Inverclyde Council and NHS Greater Glasgow and Clyde are related parties and material transactions with those bodies are disclosed in Note 3 in line with the requirements of IAS 24.

1.10 Support services

Support services were not delegated to the IJB through the Integration Scheme and are instead provided by the Health Board and Council free of charge as a 'service in kind'. The support services provided are mainly comprised of provision of financial management, human resources, legal, committee services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

1.11 Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. Inverclyde Council and Greater Glasgow and Clyde Health Board have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike Health Boards, the IJB does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

1.12 Clinical and Medical Negligence

The IJB provides clinical services to patients under the statutory responsibility of NHS Greater Glasgow and Clyde. In connection with this it is responsible for any claims for medical negligence arising within the services it commissions, up to a certain threshold per claim. For claims in excess of this threshold the Health Board and IJB are members of

CNORIS established by the Scottish Government which reimburses costs to members where negligence is established.

The IJB would make provision for claims notified by the NHS Central Legal Office according to the value of the claim and the probability of settlement. Where a claim was not provided for in full the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts provided for would be recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

1.13 Reserves

Reserves are created by appropriating amounts out of revenue balances. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year so and included within the Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement. Reserves are classified as either general or earmarked reserves.

1.14 VAT

The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as Income from the Commissioning IJB.

1.15 Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. In the current or future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and conditions on the IJB's financial position or performance. Where a change is made, it is applied retrospectively (when material) by adjusting opening balances and comparative amounts for the prior period as if the new policy had been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

2. Taxation and Non-Specific Grant Income

31 March 2023 £000	Taxation and Non-Specific Grant Income	31 March 2024 £000
133,133	NHS Greater Glasgow and Clyde Health Board	144,851
66,817	Inverclyde Council	70,086
199,950	TOTAL	214,937

Greater Glasgow and Clyde Health Board Contribution

The funding contribution from the Health Board above includes £37.670m in respect of 'Set Aside' resources relating to hospital services. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however, has responsibility for the consumption of, and the level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

3. Related Party Transactions

The IJB has related party relationships with Greater Glasgow and Clyde Health Board and Inverclyde Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

31 March 2023 £000		31 March 2024 £000
	Transactions with NHS Greater Glasgow & Clyde	
(133,134)	Funding Contributions received	(144,852)
(6,297)	Service Income received	(3,841)
125,610	Expenditure on Services Provided	128,976
(13,821)	TOTAL	(19,717)
	Transactions with Inverclyde Council	
(66,817)	Funding Contributions received	(70,086)
(11,729)	Service Income received	(9,150)
96,430	Expenditure on Services Provided	103,927
17,884	TOTAL	24,691

31 March 2023 £000		31 March 2024 £000
	Balances with NHS Greater Glasgow & Clyde	
0	Debtor balances: Amounts due to the NHS	0
0	Creditor balances: Amounts due from the NHS	0
0	Net Balance with the NHS Board	0
	Balances with Inverclyde Council	
(21)	Debtor balances: Amounts due to the Council	(22)
24,283	Creditor balances: Amounts due from the Council	19,309
(24,262)	Net Balance with the Council	(19,287)

Key Management Personnel: The non-voting Board members employed by the Health Board or Council and recharged to the IJB include the Chief Officer, Chief Financial Officer, representatives of primary care, nursing and non-primary services, and staff representatives. Details of remuneration for some specific post holders is provided in the Remuneration Report.

4. IJB Operational Costs

31 March 2023 £000	Core and Democratic Core Services	31 March 2024 £000
290	Staff costs	302
47	Administrative costs	66
31	Audit fees	33
368	TOTAL	402

The cost associated with running the IJB has been met in full by NHS Greater Glasgow and Clyde and Inverclyde Council.

5. Short Term Debtors

31 March 2023 £000	Short Term Debtors	31 March 2024 £000
24,283	Other local authorities	19,309
24,283	TOTAL	19,309

Amounts owed by the funding partners are stated on a net basis.

6. Short Term Creditors

31 March 2023 £000	Short Term Creditors	31 March 2024 £000
(21)	Other local authorities	(22)
(21)	TOTAL	(22)

7. Critical Judgements and Estimation Uncertainty

In applying the accounting policies set out above, the IJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Annual Accounts include:

- It should be noted that the set aside budget is an estimate provided by NHS Greater Glasgow and Clyde as an estimate of costs incurred by the Inverclyde IJB as opposed to actual judgement figures.

The set aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and actual spend for that year and while these are provided by the Health Board which retains responsibility for managing the costs of providing the service the HSCP Board however has responsibility for the consumption of, and level of demand placed on, these resources.

- Within Greater Glasgow and Clyde, each IJB has responsibility for services which it hosts on behalf of the other IJB's. In delivering these services the IJB has primary responsibility for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the IJB is acting as 'principal', and the full costs should be reflected within the financial statements for the services which it hosts. This is the basis on which Inverclyde IJB accounts have been prepared. The services which are hosted by Inverclyde IJB are identified in the table below. This also shows expenditure in 2023/24 and the value consumed by other IJB's within Greater Glasgow and Clyde.

Host	Service	Actual Net Expenditure 2023/24	Consumed by Other IJBs
Inverclyde	General Psychiatry	£8,144,136	£1,249,707
Inverclyde	Old Age Psychiatry	£4,631,746	£198,317
	Total	£12,775,882	£1,448,024

The services which are hosted by other IJB's on behalf of the other IJB's including Inverclyde are identified in the following table. This also shows expenditure in 2023/24 and the value consumed by Inverclyde IJB.

Host	Service	Actual Net Expenditure 2023/24	Consumed by Inverclyde IJB
East Dunbartonshire	Oral Health	£12,019,770	£763,076
East Dunbartonshire	Specialist Children's Service	£40,043,642	£2,710,940
	Total	£52,063,412	£3,474,016
East Renfrewshire	Learning Disability	£11,330,018	£97,128
East Renfrewshire	SCTI – Scottish centre for technology for communication impaired	£219,270	£9,673
	Total	£11,549,288	£106,801
Glasgow	Continence	£6,406,121	£464,444
Glasgow	Sexual Health	£12,624,657	£490,791
Glasgow	MH Central Services	£13,339,798	£1,208,612
Glasgow	MH Specialist Services	£18,950,434	£1,044,582
Glasgow	Alcohol and Drugs Hosted	£16,177,530	£1,167,341
Glasgow	Prison Healthcare	£10,697,000	£815,394
Glasgow	HC in Police Custody	£2,600,400	£188,529
Glasgow	Old Age Psychiatry	£18,566,884	£36,639
Glasgow	General Psychiatry	£57,138,430	£121,817
	Total	£156,501,254	£5,538,149
Renfrewshire	Podiatry	£7,290,262	£1,108,227
Renfrewshire	Primary Care Support	£4,312,353	£253,641
Renfrewshire	General Psychiatry	£11,718,670	£102,834
Renfrewshire	Old Age Psychiatry	£9,697,412	£0
	Total	£33,018,697	£1,464,702
West Dunbartonshire	MSK Physio	£8,264,690	£593,219
West Dunbartonshire	Retinal Screening	£879,189	£56,184
West Dunbartonshire	Old Age Psychiatry	£1,910,427	£0
	Total	£11,054,306	£649,403
Grand Total		£264,186,959	£11,233,071

8. Movement in reserves

The table on Page 33 shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general reserve.

2022/23	2023/24		
Balance at 31 March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance at 31 March 2024 £000
SCOTTISH GOVERNMENT FUNDING			
21 Mental Health Action 15	21	116	116
894 Alcohol & Drug Partnerships	592	200	502
156 Primary Care Improvement Programme	156	0	0
292 Community Living Change	191	0	101
253 Winter planning - MDT	253	134	134
331 Winter planning - Health Care Support Worker	0	0	331
1,059 Winter pressures - Care at Home	314	0	745
92 Winter pressures - Interim Beds	92	0	0
65 Care home oversight	0	23	88
784 MH Recovery & Renal	481	57	360
32 Learning Disability Health Checks	0	0	32
304 Carers	50	0	254
EXISTING PROJECTS/COMMITMENTS			
108 Integrated Care Fund	0	0	108
93 Delayed Discharge	106	63	50
341 Welfare	235	0	106
569 Primary Care Support	129	231	671
372 SWIFT Replacement Project	207	0	165
180 Rapid Rehousing Transition Plan (RRTP)	139	34	75
500 LD Estates	0	0	500
2,190 Refugee Scheme	486	1,369	3,073
329 Tier 2 Counselling	100	0	229
100 CAMHS Tier 2	100	0	0
9 Dementia Friendly Inverclyde	9	0	0
1,099 Contribution to Partner Capital Projects	0	0	1,099
404 Staff Learning & Development Fund	71	14	347
450 Homelessness	394	200	256
157 Autism Friendly	34	0	123
486 Whole Family Wellbeing	0	280	766
675 Temporary Posts	169	0	506
109 ADRS fixed term posts	6	0	103
0 CORRA Residential Rehab	13	100	87
0 The Lens project	29	61	32
50 National Trauma Training	0	0	50
265 Cost of Living	265	0	0
15 Wellbeing	15	0	0
TRANSFORMATION PROJECTS			
1,739 Transformation Fund	453	72	1,358
292 Addictions Review	20	0	272
637 Mental Health Transformation	160	0	477
583 IJB Digital Strategy	381	0	202
BUDGET SMOOTHING			
1,500 Adoption/Fostering/Residential Childcare	1,034	0	466
425 Continuous Care	158	0	267
1,091 Prescribing	528	0	563
1,286 Residential & Nursing Placements	854	0	432
600 Learning Disability Client Commitments	218	0	382
605 Client commitments - general	191	0	414
1,085 Pay contingency	693	0	392
0 Severance costs contingency	0	1,492	1,492
22,627 Total Earmarked	9,347	4,446	17,726
UN-EARMARKED RESERVES			
1,635 General	783	709	1,561
1,635 Un-Earmarked Reserves	783	709	1,561
24,262 Total Reserves	10,130	5,155	19,287

9. Expenditure and Funding Analysis

31 March 2023 £000	Inverclyde Integration Joint Board	31 March 2024 £000
HEALTH SERVICES		
32,169	Employee Costs	32,384
148	Property Costs	82
8,557	Supplies & Services	6,943
28,170	Family Health Service	28,882
20,386	Prescribing	21,441
36,036	Set Aside	37,670
(6,297)	Income	(2,417)
SOCIAL CARE SERVICES		
36,012	Employee Costs	40,032
1,775	Property Costs	1,800
1,697	Supplies & Services	1,805
256	Transport	361
950	Administration	925
55,515	Payments to Other Bodies	58,751
(11,729)	Income	(9,149)
CORPORATE & DEMOCRATIC CORE/IJB COSTS		
290	Employee Costs	302
47	Administration	66
31	Audit Fee	33
204,013	TOTAL NET EXPENDITURE	219,912
(199,950)	Grant Income	(214,937)
4,063	DEFICIT ON PROVISION OF SERVICES	4,975

10. External Audit Costs

Fees payable to KPMG LLP in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice in 2023/24 are £33,360 (2022/23 £31,470). There were no fees paid to KPMG LLP in respect of any other services.

11. Post balance sheet events

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. An adjustment is made to the financial statements where there is evidence that the event relates to the reporting period; otherwise, the financial statements are not adjusted, and where the amount is material, a disclosure is made in the notes.

The Chief Financial Officer issued the Unaudited Statement of Accounts on 24 June 2024. There have been no material events after the balance sheet date which necessitate revision of figures in the financial statements or notes thereto including contingent assets or liabilities.

12. Contingent assets and liabilities

There are no equal pay claims to our knowledge pending against both the Council and Health Board. Since the IJB is not the employer for any of the staff in question it is not financially liable for any amounts due.

13. New standards issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have significant impact on its annual accounts.

Independent Auditor's Report

Independent auditor's report to the members of Inverclyde Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Inverclyde Integration Joint Board for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Chief Finance Officer and Inverclyde Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The Inverclyde Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the body;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Chief Finance Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Wilkie, (for and on behalf of KPMG LLP), 319 St Vincent Street
Glasgow G2 5AS



Inverclyde Integration Joint Board

Annual Audit Report to the Members of Inverclyde Integration Joint Board and the Controller of Audit for the year ended 31 March 2024

31 October 2024

DRAFT

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About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Inverclyde Integration Joint Board ("the IJB") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries"). This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities sections of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Michael Wilkie, who is the engagement leader for our services to the IJB, telephone 0141 300 5890, email: michael.wilkie@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Tim Cutler, email tim.cutler@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Elaine Boyd, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Executive summary – financial statements audit

Audit conclusions

Our work on the financial statements of the IJB is substantially complete. We plan to issue an unqualified audit opinion on the annual accounts of Inverclyde Integration Joint Board (“the IJB”) for the year ended 31 March 2024.

We identified one significant risk in the audit of the IJB, which relate to fraud risk from management override of controls. As documented on pages 7 and 8, we have concluded satisfactorily in respect of the significant risks and audit focus areas identified in the audit strategy document.

We concurred with management’s assessment that the entity remains a going concern for the 12 month period from March 2024, in compliance with the statutory requirement to prepare accounts on a going concern basis.

The annual accounts were received at the start of the audit fieldwork. We have no matters to highlight in respect of adjusted audit differences or our independence.

We have made no recommendations on our work relating to the financial statements.

Introduction

Scope and responsibilities

Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of Inverclyde Integration Joint Board (“the IJB”) under part VII of the Local Government (Scotland) Act 1973 (“the Act”). The period of appointment is 2022-23 to 2026-27, inclusive.

Our annual audit report is designed to summarise our opinions and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at the IJB and the Controller of Audit. The scope and nature of our audit are set out in our audit strategy document which was presented to the Audit Committee on 24 June 2024.

Audit Scotland’s Code of Audit Practice (“the Code”) sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration areas such as financial performance and corporate governance.

Accountable officer responsibilities

The Code sets out the IJB’s responsibilities in respect of:

- corporate governance;
- financial statements and related reports;
- standards of conduct for prevention and detection of fraud and error;
- financial position; and
- Best Value.

Audit status

Our audit is substantially complete and our findings are reported herein.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK) (“ISAs”) issued by the Financial Reporting Council and the Code. Appendix one sets out how we have met each of the responsibilities set out in the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements 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.

Under the requirements of ISA 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This report to those charged with governance and our presentation to the Audit Committee, together with previous reports to the audit and performance committee throughout the year, discharges the requirements of ISA 260.

Audit conclusions

Audit opinion

Our work on the financial statements of the IJB is substantially complete. We plan to issue an unqualified opinion on the truth and fairness of the state of the IJB's affairs as at 31 March 2024, and of the deficit for the year then ended.

There were no matters identified on which we are required to report by exception.

Financial reporting framework, legislation and other reporting requirements

The IJB is required to prepare its annual accounts in accordance with International Financial Reporting Standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 and in accordance with the Local Authority Accounts (Scotland) Regulations 2014. Our audit confirmed that the financial statements have been prepared in accordance with the CIPFA Code and relevant legislation.

Statutory reports

We have not identified any circumstances to notify the Controller of Audit that indicate a statutory report may be required.

Other communications

We did not encounter any significant difficulties during the audit. There were no other significant matters arising from the audit that were discussed, or subject to correspondence with management that have not been included within this report. There are no other matters arising from the audit, that, in our professional judgement, are significant to the oversight of the financial reporting process.

Audit misstatements

There were no misstatements identified during the audit. However we identified some minor presentational adjustments See appendix 4.

Written representations

Our representation letter did not include any additional representations to those that are standard as required for our audit.

Materiality and summary of risk areas

Materiality

We summarised our approach to materiality in our audit strategy document. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that the level of materiality set at planning was still relevant.

We used a materiality of £5.0 million for the IJB's financial statements. This equates to approximately 2.14% of gross expenditure. We designed our procedures to detect errors in specific accounts at a lower level of precision than our materiality. For the IJB, our performance materiality was £3.75 million. We report all misstatements greater than £250,000.

Forming our opinions and conclusions

In gathering the evidence for the above opinions and conclusions we:

- performed substantive procedures to ensure that key risks to the annual accounts have been covered;
- reviewed internal audit reports as issued to the Audit Committee to ensure all key risk areas which may be viewed to have an impact on the annual accounts had been considered;
- reviewed estimates and accounting judgments made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with management to gain a better understanding of the work performed in relation to the prevention and detection of fraud; and
- attended Audit Committee meetings to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Financial statements preparation

Draft financial statements were published online in line with Section 195 of Local Government (Scotland) Act 1973, this included the management commentary and annual governance statement. In advance of our audit fieldwork we issued a 'prepared by management' request setting out a list of required analyses and supporting documentation. We received working papers of good quality, and signed complete draft financial statements were provided on 1 July 2023.

We recognise the significant efforts of the finance team given the ongoing pressures to deliver a set of accounts with no identified misstatements to us in accordance with the normal timeframes.

Significant risks and other focus areas in relation to the audit of the financial statements

We summarise below the risks of material misstatement as reported within the audit strategy document.

Significant risks (page 7 of this report):

- management override of controls fraud risk.

Other focus area (page 8 of this report):

- completeness and accuracy of expenditure; and

Wider scope and best value areas (pages 11 to 17 of this report):

- financial sustainability;
- financial management;
- value for money; and
- governance and transparency; and
- Best Value.

Significant risks

Significant risk	Our Response	Audit conclusion
<p>Fraud risk from management override of controls</p> <p>Professional standards require us to communicate the fraud risk from management override of controls as a significant risk; as management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> - Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to the audit of the board. - Strong oversight of finances by management provides additional review of potential material errors caused by management override of controls. - In line with our methodology, we will carry out appropriate substantive procedures, including over accounting estimates and significant transactions that are outside the organisation's normal course of business, or are otherwise unusual. 	<p>Our work did not identify any instances of override of control, or matters that required adjustment in the annual accounts or which require to be brought to attention.</p>
<p>Fraud risk from income revenue recognition and expenditure</p> <p>Professional standards, as interpreted by Practice Note 10 Audit of financial statements of public sector bodies in the United Kingdom require us to make a rebuttable presumption that the fraud risk from revenue recognition and expenditure are significant risks.</p>	<ul style="list-style-type: none"> — The Board receives funding requisitions from Inverclyde Council and NHS Greater Glasgow and Clyde. These are agreed in advance of the financial year, with any changes arising from changes in need, requiring approval from each body. There is no estimation or judgement in recognising this stream of income and we do not regard the risk of fraud to be significant. — The Board works with Inverclyde Council and NHS Greater Glasgow and Clyde in order to deliver services delegated by the Board. The Board makes these directions based on its budget agreed in advance of the financial year. There is no estimation or judgement in recognising expenditure to these bodies, and we do not regard the risk of fraud to be significant. 	<p>We have rebutted the fraud risk from income revenue and expenditure recognition in the financial statements.</p>

We set out above the significant risks identified in the audit, together with our conclusion. The audit opinion within the annual accounts includes a reference to the most significant assessed risks of material misstatement, which is the significant risk included in this annual audit report. This annual audit report does not constitute our audit opinion; the opinion is included within the annual accounts.

Other focus areas

Other focus area	Our response	Audit conclusion
<p>Completeness and accuracy of expenditure</p> <p>The Board's integrated finance team, led by the Chief Finance Officer, prepare expenditure forecasts as part of the annual budgeting process. There is a risk that actual expenditure and resulting funding is not correctly captured.</p>	<p>— Our substantive will obtain support for gross expenditure included in Inverclyde Council and NHS Greater Glasgow and Clyde's accounting records. We will obtain confirmations of expenditure from each of these bodies.</p>	<p>We have concluded that expenditure is complete and accurate.</p> <p>No exceptions were identified in respect of expenditure testing. Our testing of this exercise did not identify errors in expenditure.</p>

Management reporting in financial statements

Report	Summary observations	Audit conclusion
<p>Management commentary</p>	<p>The Local Authority Accounts (Scotland) Regulations 2014 require the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements. The requirements are outlined in the Local Government finance circular 5/2015.</p> <p>We are required to read the management commentary and express an opinion as to whether it is consistent with the information provided in the annual accounts.</p> <p>We also review the contents of the management commentary against the guidance contained in the CIPFA template IJB accounts.</p>	<p>The information contained within the management commentary is consistent with the annual accounts.</p> <p>We reviewed the contents of the management commentary against the guidance contained in the Local Government finance circular 5/2015 and are content with the proposed report.</p>
<p>Remuneration report</p>	<p>The remuneration report was included within the unaudited annual accounts and supporting reports and working papers were provided.</p>	<p>The information contained within the remuneration report is consistent with the underlying records and the annual accounts and all required disclosures have been made in line with the 2014 regulations.</p> <p>Our independent auditor's report confirms that the part of the remuneration report subject to audit has been properly prepared.</p>
<p>Annual governance statement</p>	<p>The statement for 2023/24 outlines the corporate governance and risk management arrangements in operation in the financial year. It provides detail on the IJB's governance framework, review of effectiveness, continuous improvement agenda, and analyses the efficiency and effectiveness of these elements of the framework.</p> <p>We consider the annual governance statement to ensure that management's disclosure is consistent with the annual accounts, and that management have disclosed that which is required under the delivering good governance in local government framework.</p>	<p>We consider the governance framework and annual governance statement to be appropriate for the IJB and that it is in accordance with guidance and reflects our understanding of the IJB.</p> <p>We were satisfied with the proposed disclosure over the governance arrangements.</p>

Qualitative aspects and future developments

Qualitative aspects

ISA 260 requires us to report to those charged with governance our views about significant qualitative aspects of the body’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

We consider the accounting policies adopted by the body to be appropriate. There are no significant accounting practices which depart from what is acceptable under IFRS or the CIPFA Code.

There were no accounting estimates identified as part of our audit.

Financial statement disclosures were considered against requirements of the CIPFA Code, relevant legislation and IFRS. No departures from these requirements were identified.

Future accounting and audit developments

There are no significant future accounting or audit developments relating to the financial statements of the IJB.

Financial management

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

Budget setting

The 2023/24 budget was approved by the Board in March 2023, amounting to £200.7 million. As per the original budget, the funding was indicative at the point of budgeting. The final allocation resulted in an overall funding of £214.9 million. Total cost of services as reported in the financial statements amounted to 219.9 million resulting in deficit on provision of services amounting to £4.9 million.

Overall opening reserves of £24.262m were held at 1 April 2023. During the year £10.130m of Earmarked Reserves were used to fund specific spend and projects. An additional £5.155m was added to Earmarked Reserves including £0.709m allocated to general reserve. This led to a final net deficit of £4.975m, with total reserves of £19.287m held at year end.

The 2024/25 budget of £209.8 million was approved by the Board on 25 March 2024, representing an increase as compared to the 2023/24 budget. The budget for 2024/25 has been arrived at by assuming an uplift in the budget amounting to £9.4 million net of savings and contribution from reserves amounting to £3.3 million.

As per the partnership funding/spend analysis included in the approved budget amount of contribution/spend from NHS and Council amount to £136.1 million and £73.7 million respectively. Inverclyde Council set their 2024/26 budget on 29 February and then confirmed their funding allocation for the IJB for the year. Greater Glasgow & Clyde Health Board are still to confirm their final allocation but have given the IJB indicative allocations on 14 March 2024.

Based on the above, financial balance is planned to be achieved, through identified savings, in the shortterm.

The approved budget also includes a forecast for years beyond 2024/25. The IJB agreed a two-year budget for the 2024/25 to 2025/26, utilising one off funds from reserves held to meet a funding gap for 2024/25 of £0.709m. The two-year budget agreed savings and efficiency measures of £5.4m over the period to close the identified budget gap in full by 2025/26. Several workstreams were included in the savings. Out of the total identified savings as part of the plan £3.2 million has been rag rated as amber with the balance amount rated as green.

Budget Monitoring

Finance reports are submitted to the IJB on a regular basis and highlight budget variances and projections to the year end, together with any significant variances and areas of concern.

Financial regulations

A copy of the IJB's financial regulations are uploaded on the website. The updated financial regulations were reviewed and approved dated June 2023.

Fraud prevention mechanisms

The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at Inverclyde Council as part of our audit approach.

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

Internal controls

The IJB does not have its own financial systems and instead relies upon the financial systems of the host bodies to record all transactions, in particular Inverclyde Council which hosts the IJB's banking arrangements.

As part of our audit approach, we gained assurance in our capacity as the external auditor of Inverclyde Council, confirming that there were no significant weaknesses in the systems of internal control that would impact on the IJB.

Financial management (continued)

Internal Audit

The Chief Internal Auditor reports directly to the IJB Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit Committee.

The Chief Internal Auditors prepared annual reports to the relevant Audit Committees, including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

Internal Audit Annual Report and Assurance Statement 2023/24 was presented to the Audit Committee dated 24 June 2024. The report notes, by the way of overall assessment, that on the basis of Internal Audit work carried out in 2023/24, the majority of the IJB’s established internal control procedures appeared to operate as intended to meet Management’s requirements for the individual systems reviewed by Internal Audit. The overall opinion was expressed as satisfactory

A follow up process is in place which ensures that all actions arising from internal audit reviews are captured within a follow-up database and are subject to follow up and validation by the Internal Audit on a regular basis, with reporting on progress to the Audit Committee

Going Concern

The annual accounts are prepared on a going concern basis. The IJB is reliant on others for the financial resources needed to cover its operating costs, the going concern concept is met by the legal framework surrounding the Board. Further, the annual accounts reflect that the entity is in a net assets position.

Conclusion

The 2024-25 budget was set in March 2024 with an increase compared to the prior period, resulting from associated cost pressures net of planned savings.
Financial balance is planned to be achieved, through identified savings, in the short term.
Financial regulations are current and up to date.
IJB has an adequate internal audit system in place.
The entity’s latest accounts are prepared on a going concern basis.

Financial sustainability

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

Medium term financial plan

A Medium Term Financial Plan (MTFP) was presented to the Board in June 2023, in an attempt to look beyond the single year budget in the previous year. The plan relates to financial planning for future years through to 2027-28.

In preparing the Medium Term Financial Plan the following approach has been adopted:

- The indicative 2023/24 budget has been used as the basis for the Medium Term Financial Plan.
- An analysis of anticipated cost and demand pressures has been undertaken to inform future years projections.
- A review of funding assumptions has been undertaken to determine the anticipated level of funding available for service delivery.
- Scenario planning and sensitivity analysis has been undertaken to identify potential favourable, adverse and probable scenarios for each assumption within the plan. Assumptions considered most prudent but realistic has been used to generate these estimates.

The plan takes into account the cost and demand pressures and identifies the following as the main factors:

- Pay inflation;
- Demographics and volume;
- Inflationary pressures; and
- Drug inflation.

The key assumptions underlying the plan are as follows:

- The IJB has an indicative budget of £200.7m for 2023/24, including the notional £35.4m set-aside budget
- Based on planning assumptions set by the two partner bodies, it is estimated that overall funding will stay broadly level over the next 4 years although significant savings may still be required to fund anticipated cost pressures
- Taking all of this into account and assuming no further action, the IJB will have a funding shortfall of circa £8.9m over the period from 2023/24 to 2027/28

As part of the approval of the latest 2024-26 budget indicative 5 year financial plan for the IJB was presented to the Board. This showed the proposed 2024/26 budget and indicative budgets for the next 3 years. The indicative future year budgets are based on the 2024/26 budget adjusted for known variations and the same core assumptions and scenario planning that was used in developing the Medium-Term Financial Plan to 2027/28 which was agreed by the IJB in June 2023.

The statement indicates that based on current projections there is a potential budget gap of £6.869m by 2028/29 net of savings identified, as part of the 2024/26 budget, amounting to £5.8 million. Further work will be required to address this medium term financial gap.

Reserves Strategy

As part of previous audit we noted that a report concerning the IJB's reserves position and updated Reserves Strategy was presented to the Board dated 26 June 2023.

The purpose of this report was to provide an updated IJB Reserves Strategy for approval and provide an updated position for the IJB's Reserves and the attached risks.

As at 31st March 2024 the balance on IJB reserves at the end of this financial year is reported to be £19.3 million (£17.7 million Earmarked and £1.6 million General Reserves).

Financial sustainability

Reserves Strategy (continued)

Earmarked Reserves are mainly for multi-year projects which, per the Reserves Strategy, are subcategorised into:

- Scottish Government Funded Ringfenced Projects.
- Existing Projects and Commitments.
- Transformation Project Funding.
- Budget Smoothing.

In terms of the level of reserves an IJB should hold, CIPFA recommends that unallocated reserves balances should be between 2% and 4% of revenue expenditure. At the end of 2023/24 the amount of IJB's unallocated reserves are reported to be £1.6m which is below the above threshold. However, the IJB additionally has £4.4m of usable, earmarked reserves to address specific cost pressures emerging. Therefore while, strictly speaking, unallocated reserves fall below the recommended level, from the perspective of overall available reserves to help ensure financial resilience, we are satisfied that the IJB has an appropriate level of usable reserves.

The amount of the above usable earmarked reserve amounted to £6.5 million. During the year a total of £3.676m has been drawn down for these purposes. In addition, a specific severance cost reserve of £1.492m has been created as part of the budget setting process to pay for any voluntary redundancy costs incurred as part of the 2024/26 savings programme. This leaves a total smoothing reserve balance of £4,408 available for use in 2024/25 onwards in addition to our savings plan.

As part of the 2024/26 budget, further utilisation of general reserves amounting to £0.7 million is assumed in order to achieve financial balance. This will reduce the amount of general reserves.

Conclusion

A Medium Term Financial Plan is in place and takes into account appropriate scenario planning.

The IJB has a Reserves Strategy in place and the reserves position is monitored.

Vision, leadership and Governance

Vision, leadership and governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

The governance framework is the system by which the Board leads, directs and controls its functions and relates to the community and other stakeholders. It includes the systems, processes, cultures and values through which the Board strives to adhere to the principles of good governance of openness, inclusivity, integrity and accountability.

Strategy and Risk Management

As part of the previous audit we noted that the Strategic Plan which had previously been re-prioritised to focus on Covid recovery was refreshed during 2022/23. The refreshed plan along with an Outcomes Framework was formally approved at the March 2023 IJB. The strategic plan covered the years up to 2024. A new Strategic Plan from 2024 was being developed at that stage.

A number of consultations were held as part of the development of the strategic plan through online surveys and focus groups to help inform the contents of the refreshed plan.

The new plan was presented to the Board and approved dated 13 May 2024. This new plan sets out, the IJB’s strategic direction for delivering Health and Social Care Services and improving the health and wellbeing of local people.

The plan identifies four strategic Priorities for delivery:

- Provide Early Help and Intervention
- Improve Support for Mental Health, Wellbeing and Recovery
- Support Inclusive, Safe and Resilient Communities
- Strengthen Support to Families and Carers

The plan notes that a robust performance and outcomes framework using local performance measures and information will be developed to support measurement of performance against the strategic priorities identified in the plan.

As part of previous audit we noted that the review of the Risk Management Strategy was past due. We are given to understand that the work in relation to updating of the risk strategy process has been planned in partnership with the Inverclyde Council.

Governance Statement

As part of our audit process we assess the governance arrangements within the council and review the Annual Governance Statement in the annual report and accounts. The Governance Statement is reviewed and approved by the Board ahead of being published as part of the annual accounts. The Governance Statement and annual accounts were presented to the Board for approval on 24 June 2024 and were duly approved.

Scrutiny, challenge and transparency

Progress / status updates on audit (external and internal) recommendations and action points are regularly reported and considered by the Audit Committee.

Audio recordings of Board meetings are available. Board minutes and related documents are available on the website for public scrutiny.

The Board maintains a website where users can find further information about the Board’s performance and the financial accounts, including other associated documents relating to strategies, policies and plans.

Conclusion

A new three-year term strategic plan from 2024 has been developed.

The Annual Governance Statement is reviewed and approved by the board ahead of being published as part of the annual accounts.

There is regular follow-up and reporting in relation to internal and external audit findings and recommendations.

There are adequate processes in place to ensure accessibility of information for the public.

Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.

As part of the previous audit we noted that an Outcomes Framework is in place that maps the headline actions as per the Strategic Plan to the national outcomes and provide guidance on measuring progress against these.

The new Strategic Plan notes that a robust performance and outcomes framework using local performance measures and information will be developed to support measurement of performance against the strategic priorities identified in the plan. The Strategic Partnership Plan Outcomes Framework was presented to the IJB dated 9 September 2024. The Outcomes framework shows, for each strategic priority, the identified strategic actions, the desired outcomes, the proposed outcome measures and the alignment to the nine National Health and Wellbeing Outcomes.

The annual performance reports for 2023/24 has been uploaded to the IJB's website for public access. The 2023/24 report was presented and considered at the September 2024 meeting of the IJB.

As per the latest report, performance in relation to national indicators:

- Has declined since previous year in relation to 13 out of 19 indicators (2022/23: 15 out of 19 indicators)
- Is lower than the Scottish average in relation to 8 out of 19 indicators (2022/23: 10 out of 19 indicators)
- Ranks in the bottom seven across all Scottish HSCPs in 5 out of 19 indicators (2022/23: 7 out of 19 indicators).

As per the latest report, performance in relation to ministerial group indicators:

- Has declined since previous year in relation to 12 out of 17 indicators (2022/23: 10 out of 17 indicators).
- Is lower than the Scottish average in relation to 12 out of 17 indicators (2022/23: 10 out of 17 indicators).
- Ranks in the bottom seven across all Scottish HSCPs in 8 out of 17 indicators (2022/23: 4 out of 17 indicators)

LGBF performance is identified and reported as part of the annual performance reporting process. As per the latest report, performance:

- Has declined since previous year in relation to 13 out of 18 indicators (2022/23: 10 out of 18 indicators).
- Is lower than the Scottish average in relation to 7 out of 18 indicators (2022/23: 6 out of 18 indicators).
- Ranks in the bottom seven across all Scottish HSCPs in 5 out of 18 indicators (2022/23: 2 out of 18 indicators).

Conclusion

A new outcomes framework aligned to the new Strategic Plan needs to be developed.

IJB issues Annual Performance Report on an ongoing basis.

Wider scope and BestValue

Best Value

Local government bodies have a duty under the Local Government in Scotland Act 2003 to make arrangements which secure Best Value. Best Value is continuous improvement in the performance of the body's functions.

Auditors are required to consider and to be satisfied that bodies have made proper arrangements to secure Best Value. Work is required to be undertaken in a way that it is proportionate to the size and type of the body.

Auditors should consider how the body demonstrates that it is meeting its Best Value responsibilities, and report on the body's own arrangements for doing this in the Annual Audit Report.

In the case of IJBs, work undertaken on the wider-scope areas will contribute to this consideration. We have included our consideration and recommendations including follow-up of prior year recommendations, in relation to each of the wider scope dimensions, throughout this report.

The IJB has continued to annually review and update its Best Value Statement, and to report this to the Audit Committee to ensure full oversight and governance. The 2023/24 Best Value Statement was reviewed and agreed at the IJB Audit Committee meeting on 25 March 2024.

The minutes of the meeting of the Audit Committee are periodically presented at the IJB meetings. The IJB and Audit Committee meeting minutes, including performance and Best Value related information therein, is publicly available on the IJB website.

Conclusion

The IJB has continued to annually review and update its Best Value Statement, and to report this to the Audit Committee to ensure full oversight and governance.

The IJB has effective arrangements in place in relation to securing and reporting Best Value.



Appendices

Appointed auditor's responsibilities

AREA	APPOINTED AUDITOR'S RESPONSIBILITIES	HOW WE HAVE MET OUR RESPONSIBILITIES
Statutory duties	Undertake statutory duties, and comply with professional engagement and ethical standards.	Appendix two outlines our approach to independence.
Financial statements and related reports	<p>Provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions.</p> <p>Review and report on, as appropriate, other information such as annual governance statements, management commentaries, and remuneration report.</p>	<p>Page 5 summarises the opinion we expect to provide.</p> <p>Page 9 reports on the other information contained in the financial statements, covering the annual governance statement, management commentary and remuneration report</p>
Financial statements and related reports	Notify the Auditor General or Controller of Audit when circumstances indicate that a statutory report may be required.	Reviewed and concluded on the effectiveness and appropriateness of arrangements and systems of internal control, including risk management, internal audit, financial, operational and compliance controls.
Wider audit dimensions	<p>Demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies':</p> <ul style="list-style-type: none"> - Effectiveness in the use of public money and assets; - Suitability and effectiveness of corporate governance arrangements; - Financial position and arrangements for securing financial sustainability; - Effectiveness of arrangements to achieve best value; and - Suitability of arrangements for preparing and publishing statutory performance information 	Covered on Pages 11-17 of this report.

Appendix two

Auditor independence

Assessment of our objectivity and independence as auditor of Inverclyde Integration Joint Board (“the IJB”)

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP’s objectivity and independence, the threats to KPMG LLP’s independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP’s objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the entity for professional services provided by us during the reporting period.

Total fees charged by us can be analysed as follows:	2023-24 £	2022-23 £
Audit of the Inverclyde IJB financial statements	33,360	31,470
Total audit services	33,360	31,470
Non-audit services	-	-
Total	33,360	31,470

There were no non-audit services provided during the year to 31 March 2024.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the IJB.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the IJB and should not be used for any other purposes.















We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully,

KPMG LLP

Appendix three

Required communications with the IJB

Type	Response	Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2024.	Significant difficulties	 No significant difficulties were encountered during the audit.
Adjusted audit differences	 There were no adjusted audit differences. However there were a small number of minor presentational adjustments made	Modifications to auditor's report	 There are no expected modifications to the auditor's report.
Unadjusted audit differences	 There were no unadjusted audit differences.	Disagreements with management scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.	Other information	 No material inconsistencies were identified related to other information in the annual report, management commentary and annual governance statement. The management commentary is fair, balanced and comprehensive, and complies with the law.
Other matters warranting attention by the Audit Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.	Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Control deficiencies	 We have not identified any internal control weakness during our audit to date. Management retains the responsibility for maintaining an effective system of internal control.	Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the IJB's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Actual or suspected fraud, non-compliance with laws and regulations or illegal acts	 No actual or suspected fraud involving group or component management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.	Key audit matters discussed or subject to correspondence with management	 The key audit matters (summarised on Page 5) from the audit were discussed with management.

Appendix four

Audit differences

We did not identify any adjusted or unadjusted audit misstatements.

Presentational differences

Adj	Nature of presentational adjustment
1	<p>Management Commentary:</p> <p>Minor wording changes were recommended which have been updated by the management</p>
2	<p>Remuneration report:</p> <p>Minor amendment to the salary, fees and allowances figure for the year ended 31 March 2024 for the Chief Financial Officer. This has been amended by management.</p>
3	<p>Notes to the financial statements:</p> <p>Minor amendments to the amounts included in note 3 for internal consistency and amendments to the amounts disclosed in note 7 with respect to the services hosted by other IJBs. These have been amended by the management.</p>

Appendix five

Recommendations

We have followed up the recommendations raised in the prior years. Below is a table of the actions and implementation. We have disclosed below the recommendations that are still ongoing with the current management response.

Priority rating for recommendations			
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
		3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

Recommendations (followed up)

Total number of recommendations	Number of recommendations implemented or superseded with new recommendations	Number outstanding (repeated below):
6	3	3

Appendix five

Recommendations

Recommendations (followed up)

#	Risk	Issue, Impact and Recommendation	Update October 2024
1	N/A	<p>Integration Scheme Review</p> <p>The updated Integration Scheme should be approved and submitted to the Scottish Government as soon as practicable.</p>	<p>Expected to be completed by March 2025.</p> <p>Chief Officer</p> <p>Ongoing</p>
2	N/A	<p>Implementation of Locality Planning Groups</p> <p>Locality Planning Groups should be implemented to oversee the development of Locality Action Plans.</p>	<p>Locality groups have now been implemented and now meet on a regular basis.</p> <p>Implemented</p>

Appendix five

Recommendations

Recommendations – followed up

#	Risk	Issue, Impact and Recommendation	Update October 2024
3	3	<p>Financial Regulations, Standing Orders and Scheme of Delegation</p> <p>A copy of the IJB's Financial Regulations are uploaded to the IJB website, however these were approved in March 2019 with review scheduled for June 2022. The updated financial regulations have been reviewed and approved dated June 2023 and a copy is available on the Meetings section. However the updated copy has not been uploaded to the designated Finance section of the website. Furthermore, the approval is one year after the expected due date for review and approval. The Standing Orders of the Board and Scheme of Delegation are available for public access on the website however they were last formally updated in 2016 and 2019 respectively. They have been informally reviewed in the intervening period with no amendments made.</p> <p>Risk</p> <p>There is a risk of obsolete and out of date policies and procedures.</p> <p>Recommendation</p> <p>We recommend timely review and update of all policy and procedures documents.</p>	<p>The updated Financial Regulations has been uploaded to the website as soon as possible. We have reviewed the standing orders and scheme of delegation informally and there have been no changes to these from our partner organisations, hence we haven't put forward updated versions. We have discussed with our partner organisations and there was only one major policy change this year and that was with the remit of the Chief Social Work Officer obligations. An update on the required changes will be included as part of the Chief Officers report.</p> <p>Implemented</p>
4	2	<p>Longer term financial planning</p> <p>The Medium Term Financial Plan is limited to the period to 2027/28 and does not include any financial forecasts to cover a longer term period. The plan should also seek to provide a longer term projection of the Board's future budget position for the next ten years. This will allow longer term risks and issues to be identified. Although it is clear that the longer term the projections, the less reliable they become. Additionally, there is uncertainty around the future implications of the National Care Service. However, it is good practice to consider a 10 year outlook, which allows the Board to consider longer term strategic options. Further, saving plans are yet to be developed in relation to the funding gap identified in the plan.</p> <p>Risk</p> <p>There is a risk of failure to identify financial risks over a longer term period.</p> <p>Recommendation</p> <p>We recommend that the IJB work with partners to develop longer term forecasts / plans, and saving plans to bridge the identified long-term funding gap.</p>	<p>We are working with our partners in the Council and Health board to develop savings proposals as suggested. This year the IJB set a 2-year 24/26 budget with the view of addressing our longer term budget gap. As part of this budget the report also highlighted an updated 5 year budget plan and the requirement for more savings to be developed years 3-5. Further initiatives will be looked into to deal with the medium to long term view once we know the outcome of the National Care service consultation and recommendation.</p> <p>Ongoing</p>

Appendix five

Recommendations

Recommendations – followed up

#	Risk	Issue, Impact and Recommendation	Update October 2024
5	3	<p>Risk Management Strategy</p> <p>The Risk Management Strategy is uploaded on the website. The policy is dated 2016 with scheduled review in 2019 which is past due.</p> <p>Risk</p> <p>There is risk of obsolete and out of date risk management practice.</p> <p>Recommendation</p> <p>We recommend timely review and update of the IJB’s Risk Management Strategy.</p>	<p>The IJB has recently agreed to work in partnership with Inverclyde Council on updating the Risk Strategy process. The IJB and the Council will jointly fund a new post to take this forward. We still remain comfortable with the existing risk strategy and we provide regular updates to the IJB on all our main risks.</p> <p>Ongoing</p>
6	2	<p>Performance against national indicators</p> <p>Inverclyde IJB’s overall scores in respect of national performance indicators are showing a deteriorating trend as compared to the previous period.</p> <p>Risk</p> <p>While we recognise that the deterioration is representative of wider challenges nationally, there is a risk of continuing deteriorating performance impacting on the operational performance of the IJB and ultimately the quality of services provided.</p> <p>Recommendation</p> <p>We recommend that a root cause analysis be carried out to investigate, and action plans developed and monitored, in respect of those areas with deteriorating performance.</p>	<p>We factored this into our new 3 year strategic Commissioning plan which was approved by IJB in May 2024. We also factored this into our development session with the IJB in January 2024 which helped develop our new strategic commissioning plan.</p> <p>Implemented</p>



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